

**EVERGLADES AREA HEALTH
EDUCATION CENTER, INC**

FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

**EVERGLADES ARE HEALTH EDUCATION CENTER, INC.
 FINANCIAL STATEMENTS
 AND ADDITIONAL INFORMATION
 JUNE 30, 2014**

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FINANCIAL STATEMENTS

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Independent Auditor's Report

Board of Directors
Everglades Area Health Education Center, Inc.
West Palm Beach, Florida

Report on the Financial Statements

I have audited the accompanying financial statements of Everglades Area Health Education Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Everglades Area Health Education Center, Inc. as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of Federal awards and state financial assistance, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated January 6, 2015, on my consideration of Everglades Area Health Education Center, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Everglades Area Health Education Center, Inc.'s internal control over financial reporting and compliance.



Steven J. Corso, CPA
West Palm Beach, Florida
January 6, 2015

EVERGLADES AREA HEALTH EDUCATION CENTER, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2014

	FUNDS		
	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash	\$ 1,500,870	\$ 0	\$ 1,500,870
Grants & Other Receivables	135,728	0	135,728
Prepaid Exp.	3,796	0	3,796
Furniture & Equipment	9,524	0	9,524
Less Accumulated Depreciation	(9,524)	0	(9,524)
Total Assets	\$ 1,640,394	\$ 0	\$ 1,640,394
 <u>LIABILITIES</u>			
Accounts Payable	\$ 29,016	\$ 0	\$ 29,016
Accrued Expenses	10,820	0	10,820
Total Liabilities	39,836	0	39,836
 <u>NET ASSETS</u>	 1,600,558	 0	 1,600,558
Total Liabilities & Net Assets	\$ 1,640,394	\$ 0	\$ 1,640,394

Read Accompanying Notes

EVERGLADES AREA HEALTH EDUCATION CENTER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

	FUNDS		TOTAL
	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	
SUPPORT & REVENUE			
Grants Revenues	\$ 884,333	\$ 0	\$ 884,333
Contributions	5,404	0	5,404
Interest Income	2,622	0	2,622
Net Assets Released From Restr	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenue	<u>892,359</u>	<u>0</u>	<u>892,359</u>
EXPENSES			
Program Services	<u>874,215</u>	<u>0</u>	<u>874,215</u>
Support Services			
General & Administrative	59,700	0	59,700
Fund Raising	<u>0</u>	<u>0</u>	<u>0</u>
Total Support Services	<u>59,700</u>	<u>0</u>	<u>59,700</u>
Total Expenses	<u>933,915</u>	<u>0</u>	<u>933,915</u>
CHANGE IN NET ASSETS	<u>(41,556)</u>	<u>0</u>	<u>(41,556)</u>
BEGINNING NET ASSETS	<u>1,642,114</u>	<u>0</u>	<u>1,642,114</u>
ENDING NET ASSETS	<u>\$ 1,600,558</u>	<u>\$ 0</u>	<u>\$ 1,600,558</u>

Read Accompanying Notes

EVERGLADES AREA HEALTH EDUCATION CENTER, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>FUNDS</u>		<u>TOTAL</u>
	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	
Cash Flows From Operating			
Activities:			
Donations & Grants Received	\$ 939,805	\$ 0	\$ 939,805
Interest Received	2,622	0	2,622
Other Receipts	0	0	0
Operating Expenses Paid	(920,180)	0	(920,180)
Net Assets Released From Restriction	<u>0</u>	<u>0</u>	<u>0</u>
Net Cash Provided from Operating			
Activities:	<u>22,247</u>	<u>0</u>	<u>22,247</u>
Cash Flows From Investing			
Activities:	<u>0</u>	<u>0</u>	<u>0</u>
Cash Flows From Financing			
Activities:	<u>0</u>	<u>0</u>	<u>0</u>
Net Increase In Cash	<u>22,247</u>	<u>0</u>	<u>22,247</u>
Cash & Equivalent At Beginning of Year	<u>1,478,623</u>	<u>0</u>	<u>1,478,623</u>
Cash & Equivalent At End of Year	<u>\$ 1,500,870</u>	<u>\$ 0</u>	<u>\$ 1,500,870</u>

Read Accompanying Notes

EVERGLADES AREA HEALTH EDUCATION CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014

<u>EXPENSES</u>	<u>Program Services</u>	<u>General & Admin</u>	<u>Fund Raising</u>	<u>Total</u>
Communications	\$ 12,634	\$ 3,159	\$ 0	\$ 15,793
Consultant Services	148,921	0	0	148,921
Contract Services	60,410	0	0	60,410
Contributions - Network	15,000	0	0	15,000
Dues & Membership	3,933	0	0	3,933
Equipment Maintenance	4,777	590	0	5,367
Insurance	4,561	451	0	5,012
Office	6,849	2,610	0	9,459
Postage & Shipping	2,194	216	0	2,410
Printing	13,022	0	0	13,022
Professional Fees	0	7,085	0	7,085
Program Supplies	111,240	0	0	111,240
Rent	43,087	3,243	0	46,330
Special Projects	1,190	0	0	1,190
Travel	23,201	0	0	23,201
Utilities	2,094	230	0	2,324
Wages, Benefits & Taxes	<u>421,102</u>	<u>42,116</u>	<u>0</u>	<u>463,218</u>
Total Expenses	<u>\$ 874,215</u>	<u>\$ 59,700</u>	<u>\$ 0</u>	<u>\$ 933,915</u>

Read Accompanying Notes

EVERGLADES AREA HEALTH EDUCATION CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

1. General Description of Activities:

The Everglades Area Health Education Center, Inc. (the "Organization") is a nonprofit corporation organized on November 8, 1989 for the purpose of providing education and training programs for health professional in Southern Florida catchment area, consisting of ten contiguous counties. The Organization is primarily funded by "purchase of services" contracts with Nova Southeastern University, which is a prime recipient of U,S, Public Health Services and Florida Department of Health Area Health Education Centers program funds. Through Contractual agreements, the Organization also provides administrative and programmatic services in health education related organizations. The Organization is governed by a voluntary board of directors selected from the ten county area.

2. Summary of Significant Accounting Policies:

The significant accounting policies that follow are presented to enhance the usefulness of the financial statements to the reader.

Basis of Presentation:

The Organization follows standards of accounting and financial reporting prescribed for voluntary health and welfare agencies. It uses the accrual basis of accounting, which recognizes revenues when earned and expenses when incurred. Federal, state and local government, and other public grants are recorded as support when performance occurs under the terms of the grant agreement.

The Organization's financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) No. 958, *Not-for-profit Entities*, (formerly SFAS No. 117). Under FASB ASC No. 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. This classification is based upon the existence or absence of donor-imposed restrictions..

Restricted and Unrestricted Revenue and Support:

The Organization also follows FASB ASC No.958 regarding accounting for contributions made and received. In accordance with FASB ASC No, 958, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and report in the statements of activities as net assets released from restriction.

As of June 30, 2014, the Organization had no permanently or temporarily restricted net assets.

EVERGLADES AREA HEALTH EDUCATION CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

2. Summary of Significant Accounting Policies, Continued:

Assets and Liabilities

All assets and all liabilities associated with the operation of the Organization are included on the Statement of Financial Position.

Promises to Give:

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The Organization had no conditional or unconditional promises to give as of June 30, 2014.

Allowance for Doubtful Accounts:

Management periodically reviews the grants and accounts receivable balances and provides an allowance for accounts which may be uncollectible. At June 30, 2014, management considers all of the receivables to be collectible within the current accounting period and an allowance for doubtful accounts has not been recorded.

Property and Equipment:

Property and equipment are carried at cost if purchased or at fair value at the date of the contribution if donated, less accumulated depreciation. In accordance with the Board policy, assets costing less than \$2,000 are generally fully expensed in their year of acquisition. The Organization's policy is to provide for depreciation using the straight-line method over the estimated useful life of the asset which is as follows:

Equipment	5 years
Leasehold Improvements	15 years

Donated property and equipment are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Without donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated assets are placed in service, reclassifying temporarily restricted net assets to unrestricted net assets at that time.

Maintenance and repairs to property and equipment are charged to expense when incurred. Additions and major renewals are capitalized.

Support and Revenue Recognition:

The Organization's primary revenue is derived from "purchase of services" grant contracts with Nova Southeastern University. This revenue, which is susceptible to accrual, is recognized when it becomes measurable and available as net current assets. Other revenues are recorded on the accrual basis.

EVERGLADES AREA HEALTH EDUCATION CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

2. Summary of Significant Accounting Policies, Continued:

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Expenses:

Expenses are allocated based on their proportionate share of total expenses.

Cash and Cash Equivalents:

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Deferred Revenues:

As applicable year-to-year, the Organization records deferred revenues on its statement of financial position. Deferred revenues arise when resources are received by the Organization before it has fully earned them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, or when the Organization has fully earned the revenues, the liability for deferred revenue is removed from the statement of financial position and revenue is recognized. At June 30, 2014 the Organization had no deferred revenues.

Fair Value of Financial Instruments:

The following methods and assumptions were used to estimate fair value of each class of financial instruments for which it is feasible to estimate that value:

- Cash, Accounts Receivable and Accounts Payable – Carrying amount approximates fair value due to the short maturity of the financial instruments.

3. Property and Equipment:

The following is a schedule of property and equipment at June 30, 2014:

Equipment	9,524
Less Accumulated Depreciation	<u>(9,524)</u>
	\$ <u>0</u>

Depreciation for the fiscal year ended June 30, 2014 was \$0.

EVERGLADES AREA HEALTH EDUCATION CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

4. Debt:

At June 30, 2014 the Organization had no outstanding debt.

5. Accrued Compensated Absences:

Employees with at least one full year of service are compensated for their unused annual leave upon termination. The Organization had a liability of \$10,820 for accrued compensated absences at June 30, 2014.

6. Retirement Benefits:

The Organization maintains a defined contribution 403(b) plan with Mutual of America. The plan is not subject to the requirements or ERISA or Internal Revenue Service regulations relating to qualified pension plans. Under this plan, the Organization makes contributions to the plan on behalf of eligible employees. Contribution levels have been established at 2% of employee compensation for all permanent full-time employees that choose not to contribute themselves. The Organization contributes 200% of the employee contributions up to a maximum of 10% of their compensation for those who make voluntary contributions. Under this plan, employees become participants upon completing a six-month probationary period and full vesting occurs after eighteen months of participation in the plan.

7. Income Taxes:

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, as a nonprofit corporation. Accordingly, no provision for income tax has been made in the accompanying financial statements. As required by Internal Revenue Service regulations, the Organization annually files a Form 990, "Return of Organization Exempt from Income Tax" with the Internal Revenue Service.

8. Lease Commitment:

The Organization currently rents administrative facilities in West Palm Beach, Florida under the following lease arrangement:

- Office No. 102/104 was leased under a three year full service lease which expires on October 31, 2017. Minimum future lease commitments are as follows:

<u>Year Ending June 30</u>	<u>Amounts</u>
2015	40,784
2016	39,200
2017	40,400
2018	13,600

EVERGLADES AREA HEALTH EDUCATION CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

9. Concentration of Credit Risk:

Financial Instruments which subject the Organization to concentrations of credit risk consist primarily of cash and cash equivalents in local banks which may at times exceed the FDIC limits. At June 30, 2014, the total bank balances were \$1,500,870, all of which was covered by federal depository insurance.

10. Expenses by Function:

Expenses by function have been allocated among program and supporting services classifications on the basis of time records and on estimates made by the Organization's management.

11. Revenue Concentration:

The Organization receives a significant percentage of its funding from federal and state grant contracts which must be periodically renewed. A significant funding policy change at either of these agencies could have an adverse effect on the Organization's operations.

12. Donated Services:

The Organization receives donated services. No amounts have been reflected in the financial statements for such donated services since the services did not require specialized skills. Donated professional services, if any, would be reflected in the statement of activities at their fair value.

13. Risk Management:

The Organization is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Organization carries insurance. Insurance against losses are provided through various commercial insurers for the following types of risk:

- Workers' Compensation and Employer's Liability
- General and Professional Liability
- Personal Property Damage
- Automobile Physical Damage and Liability
- Directors' and Officers' Liability

The Organization's coverage for workers' compensation is under a retrospectively rated policy. Premiums are accrued based on the ultimate cost-to-date of the Organization's experience for this type of risk.

15. Subsequent Events:

In preparing these financial statements, the Organization has evaluated events and transactions to potential recognition or disclosure through January 6, 2015; the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

**EVERGLADES AREA HEALTH EDUCATION CENTER, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2014**

Federal/State Grantor/Pass-through Grantor/Program/Project Title	CFDA/ CSFA Number	Contract Agreement Number	Expenditures
FEDERAL AGENCY NAME:			
Nonmajor Programs:			
United States Department of Health and Human Services - Model/State Supported Area Health Education Centers			
Passed through Nova Southeastern University			
Federal AHEC Grant	93.107 U77HP03024-20		\$ 68,808
Federal AHEC Grant	93.107 U77HP03024-19		<u>12,493</u>
Total expenditures of federal awards			<u>\$ 81,301</u>
STATE AGENCY NAME:			
Major Programs:			
State of Florida Department of Health -Area Health Education Centers			
Passed through Nova Southeastern University			
Tobacco Grant - Cessation	64.097	COTFM	\$ 572,159
Tobacco Grant - Training	64.112	COTFM	<u>230,873</u>
Total Tobacco Grant			<u>803,032</u>
Total expenditures of state financial assistance			<u>803,032</u>
Total financial assistance			<u>\$ 884,333</u>

Note: This schedule was prepared on the accrual basis of accounting.

INTERNAL CONTROLS AND COMPLIANCE

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**Independent Auditor's Report on Internal Control Over Financial Reporting And On Compliance
And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With
Government Auditing Standards**

Board of Directors
Everglades Area Health Education Center, Inc.
West Palm Beach, Florida

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Everglades Area Health Education Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated January 6, 2015.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered Everglades Area Health Education Center, Inc.'s internal control over financial reporting (internal control) to determine my audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Everglades Area Health Education Center, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Everglades Area Health Education Center, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Steven J. Corso, CPA.
West Palm Beach, FL
January 6, 2015

STEVEN J. CORSO

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Independent Auditor's Report on Compliance With Requirements That could Have a Direct and Material Effect on Each Major Federal Program and State Project and on Internal Control Over Compliance in Accordance With OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General

Board of Directors
Everglades Area Health Education Center, Inc.
West Palm Beach, Florida

Report on Compliance for Each Major Federal Program

I have audited Everglades Area Health Education Center, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Everglades Area Health Education Center, Inc.'s major federal programs for the year ended June 30, 2014. Everglades Area Health Education Center, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of Everglades Area Health Education Center, Inc.'s major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Everglades Area Health Education Center, Inc.'s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Everglades Area Health Education Center, Inc.'s compliance.

Opinion on Each Major Federal Program

In my opinion, Everglades Area Health Education Center, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of Everglades Area Health Education Center, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered Everglades Area Health Education Center, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of ABC Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Steven J. Corso, CPA.
West Palm Beach, FL
January 6, 2015

EVERGLADES AREA HEALTH EDUCATION CENTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2014

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of Everglades Area Health Education Center, Inc.
2. No material weaknesses relating to the audit of the financial statements are reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements Everglades Area Health Education Center, Inc. were disclosed during the audit.
4. No material weaknesses relating to the audit of the major programs are reported in the Report on Compliance with Requirements That Could Have a Direct Material Effect on Each Major Federal Program and State Project and Internal Control over Compliance in Accordance with OMB A-133 and Chapter 10.650, Rules of the Auditor General.
5. The auditor's report on compliance for the major programs for Everglades Area Health Education Center, Inc. expresses an unmodified opinion.
6. There are no audit findings relative to the major programs for Everglades Area Health Education Center, Inc. reported in Part C of the schedule.
7. The program tested as a major program include the following:

State Programs:	State CSFA No.
State of Florida Department of Health, Area Health Education Centers	
Tobacco Grant – Cessation	64.097
Tobacco Grant – Training	64.112

8. The threshold for distinguishing Types A and B programs was \$200,000 for both major Federal programs and major state projects.
9. Everglades Area Health Education Center, Inc. was determined to be a low-risk auditee pursuant to OMB Circular A-133.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

NONE

EVERGLADES AREA HEALTH EDUCATION CENTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2014

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS PROGRAM AND STATE FINANCIAL ASSISTANCE PROJECT AUDITS

NONE

D. OTHER ISSUES

1. No management letter is required because there were no findings required to be reported.
2. No corrective action plan is required because there were no findings reported under OMB Circular A-133.