

**ABUSE COUNSELING  
AND TREATMENT, INC.  
FORT MYERS, FLORIDA  
FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

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**Cindy  
D'Artagnan**  
CPA, LLC

## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Abuse Counseling and Treatment, Inc.  
Fort Myers, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Abuse Counseling and Treatment, Inc., which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements. The prior year summarized comparative information has been derived from Abuse Counseling and Treatment, Inc.'s 2014 financial statements and, in our report dated November 20, 2014, we expressed an unmodified opinion on those 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**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Abuse Counseling and Treatment, Inc. as of June 30, 2015, 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**

### *Supplementary Information*

The 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*, and Chapter 10.650 F.S., *Rules of the Auditor General of the State of Florida*, 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 our 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*, we have also issued our report dated October 22, 2015, on our consideration of Abuse Counseling and Treatment, Inc.'s internal control over financial reporting and on our 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 our 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 Abuse Counseling and Treatment, Inc.'s internal control over financial reporting and compliance.

*Cindy D'Artagnan, CPA, LLC*

October 22, 2015

CINDY D'ARTAGNAN, CPA, LLC

ABUSE COUNSELING AND TREATMENT, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30,

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 845,656	\$ 750,894
Investments	103	103
Grants receivable	150,147	150,517
Accounts receivable	34,180	16,467
Prepaid expenses	17,535	10,532
Second ACT inventory	104,961	94,663
Property and equipment (net of accumulated depreciation of \$1,282,590 for 2015 and \$1,140,014 for 2014)	2,233,053	2,229,907
Deposits	<u>18,098</u>	<u>15,268</u>
 Total assets	 <u><u>\$ 3,403,733</u></u>	 <u><u>\$ 3,268,351</u></u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 114,053	\$ 81,494
Compensated absences	60,889	65,277
Mortgage payable - current maturities	19,275	18,259
Deferred revenue	<u>-</u>	<u>2,500</u>
 Total current liabilities	 194,217	 167,530
<b>LONG-TERM LIABILITIES</b>		
Mortgage payable - net of current maturities	<u>179,724</u>	<u>198,774</u>
 Total liabilities	 <u>373,941</u>	 <u>366,304</u>
<b>NET ASSETS</b>		
Unrestricted	2,929,792	2,802,047
Temporarily restricted	<u>100,000</u>	<u>100,000</u>
 Total net assets	 <u>3,029,792</u>	 <u>2,902,047</u>
 Total liabilities and net assets	 <u><u>\$ 3,403,733</u></u>	 <u><u>\$ 3,268,351</u></u>

Read Independent Auditor's Report.  
The accompanying notes are an integral  
part of the financial statements.

ABUSE COUNSELING AND TREATMENT, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Total
<b>REVENUES AND SUPPORT</b>				
Federal grants	\$ 665,461	\$ -	\$ 665,461	\$ 691,194
State grants	738,169	-	738,169	731,362
Lee County	317,698	-	317,698	317,381
United Way	317,200	-	317,200	316,200
Other local grants	26,481	-	26,481	32,984
Contributions	596,661	-	596,661	596,788
Intervention program	146,726	-	146,726	156,091
Contracts	75,050	-	75,050	82,575
Fundraising				
Arts for ACT fundraiser	257,123	-	257,123	112,703
Second ACT resale shop	388,042	-	388,042	380,369
Arts for ACT gallery	101,021	-	101,021	100,412
In-kind	35,143	-	35,143	178,703
Other	4,694	-	4,694	4,463
	3,669,469	-	3,669,469	3,701,225
<b>EXPENSES</b>				
Program services				
Residential	1,469,298	-	1,469,298	1,472,814
Non-residential	1,073,715	-	1,073,715	904,077
Rape Crisis Center	92,049	-	92,049	149,501
Education	204,691	-	204,691	201,026
Supporting services				
General and administrative	126,323	-	126,323	92,372
Fundraising	575,648	-	575,648	562,807
	3,541,724	-	3,541,724	3,382,597
Increase in net assets	127,745	-	127,745	318,628
NET ASSETS - July 1, 2014 and 2013	2,802,047	100,000	2,902,047	2,583,419
NET ASSETS - June 30,	\$ 2,929,792	\$ 100,000	\$ 3,029,792	\$ 2,902,047

Read Independent Auditor's Report.  
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part of the financial statements.

ABUSE COUNSELING AND TREATMENT, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30,

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 127,745	\$ 318,628
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	145,655	128,942
Loss on disposal of assets	-	332
Capitalized non-cash contributions	(12,905)	(110,765)
Decrease (increase) in grants receivable	370	(36,067)
(Increase) decrease in accounts receivable	(17,713)	12,838
Increase in prepaid expenses	(7,003)	(1,365)
Increase in Second ACT inventory	(10,298)	(5,495)
Increase in deposits	(2,830)	(26)
Increase in accounts payable and accrued expenses	32,559	495
(Decrease) increase in compensated absences	(4,388)	12,963
Decrease in deferred revenue	(2,500)	(18,375)
Total adjustments	120,947	(16,523)
Net cash provided by operating activities	248,692	302,105
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(135,896)	(253,213)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on mortgage payable	(18,034)	(19,073)
Net increase in cash and cash equivalents	94,762	29,819
CASH AND CASH EQUIVALENTS - July 1, 2014 and 2013	750,894	721,075
CASH AND CASH EQUIVALENTS - June 30,	\$ 845,656	\$ 750,894

Read Independent Auditor's Report.  
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part of the financial statements.

ABUSE COUNSELING AND TREATMENT, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2015  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014

	2015									
	Program Services					Supporting Services			Total	2014 Total
	Residential	Non- Residential	Rape Crisis Center	Education	Total Program	General and Admin.	Fundraising	Total Supporting		
Personnel expenses										
Salaries	\$ 926,976	\$ 739,865	\$ 54,208	\$ 132,384	\$ 1,853,433	\$ 78,600	\$ 169,072	\$ 247,672	\$ 2,101,105	\$ 1,975,176
Payroll taxes	73,315	57,156	4,245	10,293	145,009	5,785	12,728	18,513	163,522	154,787
Employee benefits	103,273	61,173	463	16,475	181,384	14,785	7,710	22,495	203,879	208,584
Total personnel	<u>1,103,564</u>	<u>858,194</u>	<u>58,916</u>	<u>159,152</u>	<u>2,179,826</u>	<u>99,170</u>	<u>189,510</u>	<u>288,680</u>	<u>2,468,506</u>	<u>2,338,547</u>
Operating expenses										
Utilities	65,514	20,270	2,741	1,867	90,392	1,830	22,627	24,457	114,849	113,453
Insurance	45,153	8,689	3,095	392	57,329	393	2,934	3,327	60,656	72,083
Rent	9,121	4,020	-	-	13,141	-	205,836	205,836	218,977	207,554
Printing and public relations	1,961	2,505	743	9,563	14,772	137	13,905	14,042	28,814	52,878
Professional fees	5,391	50,030	13,491	549	69,461	1,118	5,761	6,879	76,340	76,042
Supplies	55,457	44,625	4,784	16,948	121,814	1,704	89,243	90,947	212,761	200,627
Repairs and maintenance	48,608	17,654	2,807	2,727	71,796	3,460	11,106	14,566	86,362	72,565
Training and travel	10,246	14,803	-	1,754	26,803	100	780	880	27,683	23,127
Other miscellaneous	39,366	19,570	1,248	1,106	61,290	5,885	33,946	39,831	101,121	96,779
Total operating	<u>280,817</u>	<u>182,166</u>	<u>28,909</u>	<u>34,906</u>	<u>526,798</u>	<u>14,627</u>	<u>386,138</u>	<u>400,765</u>	<u>927,563</u>	<u>915,108</u>
Total expenses before depreciation	1,384,381	1,040,360	87,825	194,058	2,706,624	113,797	575,648	689,445	3,396,069	3,253,655
Depreciation	84,917	33,355	4,224	10,633	133,129	12,526	-	12,526	145,655	128,942
Total expenses	<u>\$ 1,469,298</u>	<u>\$ 1,073,715</u>	<u>\$ 92,049</u>	<u>\$ 204,691</u>	<u>\$ 2,839,753</u>	<u>\$ 126,323</u>	<u>\$ 575,648</u>	<u>\$ 701,971</u>	<u>\$ 3,541,724</u>	<u>\$ 3,382,597</u>

Read Independent Auditor's Report.  
The accompanying notes are an integral  
part of the financial statements.

ABUSE COUNSELING AND TREATMENT, INC  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014

**NOTE 1 - THE ORGANIZATION**

Abuse Counseling and Treatment, Inc. (“ACT”) was incorporated on September 12, 1978, under the laws of Florida as a nonprofit organization to eliminate domestic and sexual violence through the provisions of safe shelter, counseling, crisis intervention, education, advocacy and empowerment.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Framework

ACT’s financial statements have been prepared using the accrual reporting framework. Under this method of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Revenue and Support

Support from federal and state grants is recorded based upon the terms of the grantor allotments, which generally provide that revenues are earned when the allowable costs of the specific grant provisions have been incurred.

Contributions and grants 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 a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Valuation of Investments

Investments with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

In-Kind Contributions

In-kind contributions are recorded as contributions in the accompanying financial statements at their estimated current value on the date of receipt. Contributions of services are recognized only if the services (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically be purchased if not provided by donation.

Inventory

Inventory is stated at the lower of cost or market value and consists of merchandise held for resale.

ABUSE COUNSELING AND TREATMENT, INC  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Property and Equipment

Property and equipment are recorded at cost. Donated assets, if any, are recorded at their fair market value at the time of donation. Additions and major renewals in excess of \$1,000 are capitalized. Depreciation is recognized using the straight-line method over the estimated useful lives of the assets, which range from three to 50 years. The cost of maintenance and repairs is charged to operations, as incurred. See Note 5 for additional information.

Advertising

ACT expenses advertising costs when incurred. During the years ended June 30, 2015 and 2014, advertising costs were \$16,024 and \$38,062, respectively, and are included in printing and public relations on the statement of functional expenses. The 2015 advertising costs include \$8,400 of in-kind contributions. The 2014 advertising costs include \$29,400 of in-kind contributions.

Income Taxes

ACT has been granted a ruling that it is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the "Code"). No tax liability was incurred for the years ended June 30, 2015 or 2014. ACT is a non-profit Florida corporation and, therefore, is not subject to state income taxes. Accordingly, no provision for income taxes has been made. ACT is not considered a private foundation within the meaning of Section 509(a) of the Code.

ACT has not identified any tax positions that it would consider uncertain tax positions as identified by the Financial Accounting Standards Board ("FASB") Accounting Standards Code Section 740. The 2011, 2012 and 2013 tax returns remain open to examination.

Cash Flows

For purposes of the statement of cash flows, ACT considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents are recorded at cost.

ACT made cash payments of \$9,017 for interest and no cash payments for income taxes during the year ended June 30, 2015.

ACT made cash payments of \$13,298 for interest and no cash payments for income taxes during the year ended June 30, 2014.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Indirect costs are allocated to the programs based on various allocation methods including estimated usage, square footage, and employee time.

ABUSE COUNSELING AND TREATMENT, INC  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2015 AND 2014

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Compensated Absences

ACT accrues for vacation benefits earned by employees, but not yet taken. As of June 30, 2015 and 2014, unused vacation time totaled \$60,889 and \$65,277, respectively.

Accounts Receivable

Accounts receivable are recorded at cost. ACT accounts for potential losses in accounts receivable, if any, utilizing the allowance method. All accounts or portions thereof deemed to be uncollectible are written off to an allowance for bad debt.

Subsequent Events

Subsequent events have been considered through the date of the audit report, which is the date the financial statements were available to be issued.

Estimates

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

**NOTE 3 - CONCENTRATION OF CREDIT RISK**

ACT maintains its cash and cash equivalent accounts at various commercial banking institutions located in Fort Myers, Florida. Accounts at the commercial banking institutions are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. As of June 30, 2015 and 2014, the uninsured balance was \$115,233 and \$58,493, respectively, based on the bank statement balances less FDIC insurance.

**NOTE 4 - GRANTS AND OTHER ACCOUNTS RECEIVABLE**

Grants receivable consisted of the following as of June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
City of Cape Coral	\$ 2,407	\$ 2,235
Florida Attorney General	15,569	14,800
Florida Coalition Against Domestic Violence	72,937	69,687
Florida Coalition Against Sexual Assault	25,996	27,392
Florida Department of Health	6,756	9,930
Lee County	26,482	26,473
	<u>\$ 150,147</u>	<u>\$ 150,517</u>

All accounts receivable are considered collectible; therefore no allowance for bad debt has been recorded.

ABUSE COUNSELING AND TREATMENT, INC  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014

**NOTE 5 - PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of June 30, 2015 and 2014:

	Estimated <u>Useful Lives</u>	<u>2015 Costs</u>	<u>2014 Costs</u>
Land and land improvements	N/A	\$ 324,928	\$ 324,928
Buildings and improvements	5-50 years	2,703,366	2,573,590
Furniture and equipment	3-10 years	445,430	431,580
Vehicles	5 years	41,919	39,823
		<u>3,515,643</u>	<u>3,369,921</u>
Less: accumulated depreciation		<u>(1,282,590)</u>	<u>(1,140,014)</u>
		<u>\$ 2,233,053</u>	<u>\$ 2,229,907</u>

Depreciation expense for the years ended June 30, 2015 and 2014, was \$145,655 and \$128,942, respectively, and is allocated among program and supporting services.

The land and buildings and improvements related to the Hendry/Glades County shelter in the amounts of \$41,890 and \$289,572, respectively, are subject to a lien by The Florida Department of Children and Family Services. The lien expires on May 31, 2035.

**NOTE 6 - MORTGAGE PAYABLE**

As of June 30, 2015, mortgage payable consisted of the following:

Mortgage payable to a commercial bank in the principal amount of \$220,336; payable in monthly installments of \$2,261 including interest at 4.25%; balloon payment due April, 2019; collateralized by real property.	<u>\$ 198,999</u>
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As of June 30, 2014, mortgage payable consisted of the following:

Mortgage payable to a commercial bank in the principal amount of \$220,336; payable in monthly installments of \$2,261 including interest at 4.25%; balloon payment due April, 2019; collateralized by real property.	<u>\$ 217,033</u>
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Interest on the mortgage payable during the years ended June 30, 2015 and 2014, was \$8,943 and \$13,332, respectively, and is included in other miscellaneous expenses on the statement of functional expenses.

ABUSE COUNSELING AND TREATMENT, INC  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014

**NOTE 6 - MORTGAGE PAYABLE (Continued)**

Future maturities on the mortgage payable consist of the following:

Year ending June 30,	
2016	\$ 19,275
2017	19,876
2018	20,737
2019	139,111
	<u>\$ 198,999</u>

**NOTE 7 - DEFERRED REVENUE**

Deferred revenue as of June 2014, consisted of Arts for ACT sponsors and advertisements.

**NOTE 8 - UNRESTRICTED NET ASSETS**

As of June 30, 2015 and 2014, unrestricted net assets consisted of the following:

	<u>2015</u>	<u>2014</u>
Unrestricted, undesignated	\$ 483,739	\$ 359,140
Board designated for future reserves	213,000	213,000
Invested in property and equipment	2,233,053	2,229,907
	<u>\$ 2,929,792</u>	<u>\$ 2,802,047</u>

**NOTE 9 - TEMPORARILY RESTRICTED NET ASSETS**

As of June 30, 2015 and 2014, temporarily restricted net assets were restricted for housing for homeless women.

**NOTE 10 - LEE COUNTY INCOME**

ACT received grants from Lee County during the years ended June 30, 2015 and 2014. Total revenue received from Lee County for the years ended June 30, 2015 and 2014, consisted of the following:

	<u>2015</u>	<u>2014</u>
Lee County 6191	\$ -	\$ 79,124
Lee County 6561	79,361	238,257
Lee County 6947	238,337	-
	<u>\$ 317,698</u>	<u>\$ 317,381</u>

ABUSE COUNSELING AND TREATMENT, INC  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2015 AND 2014

**NOTE 11 - FUNDRAISING**

Fundraising income for the years ended June 30, 2015 and 2014, consisted of the following:

	<u>2015</u>	<u>2014</u>
Arts for ACT fundraiser	\$ 257,123	\$ 112,703
Second ACT resale shop	388,042	380,369
Arts for ACT gallery	<u>101,021</u>	<u>100,412</u>
	<u>\$ 746,186</u>	<u>\$ 593,484</u>

**NOTE 12 - IN-KIND CONTRIBUTIONS**

During the years ended June 30, 2015 and 2014, ACT recognized in-kind contributions as follows:

	<u>2015</u>	<u>2014</u>
Advertising	\$ 8,400	\$ 29,400
Air conditioning maintenance	2,000	-
Bus passes and gift cards	-	1,000
Discount on alarm system	5,653	-
Discount on building purchase	-	50,000
Discount on remodeling contract	7,253	-
Discount on software purchases	1,539	60,765
Food	-	32,043
Thrift store inventory	<u>10,298</u>	<u>5,495</u>
	<u>\$ 35,143</u>	<u>\$ 178,703</u>

Revenue related to the sale of contributed thrift store inventory throughout the year is recognized as fundraising revenue. Any net increase in thrift store inventory at the end of the period is recorded as in-kind contributions, and any net decrease in thrift store inventory at the end of the period is recorded as cost of sales. During the years ended June 30, 2015 and 2014, ACT recognized \$10,298 and \$5,495, respectively, in contributed inventory. In addition to the amounts above, numerous volunteer hours were contributed which did not meet the requirements for recognition under generally accepted accounting principles.

ABUSE COUNSELING AND TREATMENT, INC  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014

**NOTE 13 - OPERATING LEASES**

ACT leases space for the Second ACT resale shop and the Arts for ACT Gallery.

The lease for the gallery is an annual lease with options to renew for additional one-year periods.

The lease for the resale shop was for a three-year period commencing on July 15, 2009. During the year ended June 30, 2012, the lease was renewed for an additional three-year period which commenced on July 15, 2012. The lease calls for rental payments of \$13,650 for the first 12 months, with 6% increases in the subsequent 12-month periods.

Future minimum payments under the thrift store lease were \$7,668.

Total expense under the leases for the years ended June 30, 2015 and 2014, was \$205,836 and \$191,978, respectively, and is included in rent expense on the statement of functional expenses.

**NOTE 14 - MATCHING REQUIREMENTS**

ACT received a portion of its support from funds passed through the Florida Attorney General's Office and the Florida Coalition Against Domestic Violence which had matching requirements. All matching requirements were met with cash from local sources.

**NOTE 15 - ECONOMIC DEPENDENCY**

ACT receives a substantial amount of its income from grants which are awarded on a year-to-year basis.

During the year ended June 30, 2015, ACT received 22.21% of its income from grants from the Florida Coalition Against Domestic Violence totaling \$815,065, 8.66% of its income from grants from Lee County totaling \$317,698, and 8.64% of its income from a grant from United Way totaling \$317,200. In addition, during the year ended June 30, 2015, the Second ACT thrift store raised \$388,042, which represented 10.57% of the total revenues and support and one donor contributed \$375,000, which represented 10.22% of the total revenues and support.

During the year ended June 30, 2014, ACT received 20.18% of its income from grants from the Florida Coalition Against Domestic Violence totaling \$746,844, 8.58% of its income from grants from Lee County totaling \$317,381, and 8.54% of its income from a grant from United Way totaling \$316,200. In addition, during the year ended June 30, 2014, the Second ACT thrift store raised \$380,369, which represented 10.28% of the total revenues and support and one donor contributed \$387,500, which represented 10.47% of the total revenues and support.

ABUSE COUNSELING AND TREATMENT, INC  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014

**NOTE 16 - FAIR VALUE MEASUREMENTS**

The FASB has established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets, and have the highest priority. Level 2 inputs consist of observable inputs other than quoted prices for identical assets. Level 3 inputs have the lowest priority.

During the year ended June 30, 2015, those items which have been recorded at fair value, and the valuation techniques used, consisted of the following:

	Level 1 - Quoted Prices in Active Markets for Identical Assets	Level 2 - Significant Other Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
Advertising	\$ 8,400	\$ -	\$ -	\$ 8,400
Air conditioning maintenance	2,000	-	-	2,000
Discount on alarm system	5,653	-	-	5,653
Discount on remodeling contract	7,253	-	-	7,253
Discount on software purchases	1,539	-	-	1,539
Inventory	-	104,961	-	104,961
	<u>\$ 24,845</u>	<u>\$ 104,961</u>	<u>\$ -</u>	<u>\$ 129,806</u>

During the year ended June 30, 2014, those items which have been recorded at fair value, and the valuation techniques used, consisted of the following:

	Level 1 - Quoted Prices in Active Markets for Identical Assets	Level 2 - Significant Other Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
Advertising	\$ 29,400	\$ -	\$ -	\$ 29,400
Bus passes and gift cards	1,000	-	-	1,000
Discount on building purchase	-	50,000	-	50,000
Discount on software purchases	60,765	-	-	60,765
Donated food	32,043	-	-	32,043
Inventory	-	94,663	-	94,663
	<u>\$ 123,208</u>	<u>\$ 144,663</u>	<u>\$ -</u>	<u>\$ 267,871</u>

The value of the discount on the building purchase was based on the appraised value of the property. The inventory was valued based on the prices of similar items. The values of the remaining items and services were provided by the donors, based on their market rates.

**SUPPLEMENTARY INFORMATION**

ABUSE COUNSELING AND TREATMENT, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2015

<u>Grantor/ Program Title</u>	<u>Federal CFDA/ State CSFA Number</u>	<u>Grant Number</u>	<u>Expenditures</u>
<b>U.S. Department of Health and Human Services:</b>			
Passed through the Florida Coalition Against Domestic Violence:			
Temporary Assistance for Needy Families (1)	93.558	15-2202	\$ 231,273
Temporary Assistance for Needy Families (1)	93.558	Shelter Supplies	600
			<u>231,873</u>
Family Violence Prevention and Services/ Grants for Battered Women's Shelters - Grants to States and Indian Tribes (1)			
	93.671	15-2202	105,387
Family Violence Prevention and Services/ Grants for Battered Women's Shelters - Grants to States and Indian Tribes (1)			
	93.671	Shelter Supplies	212
			<u>105,599</u>
Passed through Tapestri, Inc.:			
Services to Victims of a Severe Form of Trafficking (2)	93.598		<u>43,182</u>
Passed through the State of Florida Department of Health:			
Injury Prevention and Control Research and State and Community Based Programs (2)	93.136	COH6J	<u>49,407</u>
			<u>430,061</u>
<b>U.S. Department of Housing and Urban Development:</b>			
Passed through the City of Cape Coral:			
Community Development Block Grants/ Entitlement Grants (2)	14.218	28200910	7,313
Community Development Block Grants/ Entitlement Grants (2)	14.218	28201010	22,383
			<u>29,696</u>
<b>U.S. Department of Justice:</b>			
Passed through the State of Florida Office of the Attorney General:			
Crime Victim Assistance (2)	16.575	V13032	53,936
Crime Victim Assistance (2)	16.575	V14032	144,820
			<u>198,756</u>

Read Independent Auditor's Report.

ABUSE COUNSELING AND TREATMENT, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2015

Grantor/ Program Title	Federal CFDA/ State CSFA Number	Grant Number	Expenditures
<b>U.S. Department of Justice (Continued):</b>			
Passed through the Florida Coalition Against Domestic Violence: ARRA - Violence Against Women Formula Grants (2)	16.558	Shelter Supplies	1,034
			<u>199,790</u>
<b>U.S. Department of Homeland Security:</b>			
Passed through United Way of America: Emergency Food and Shelter National Board Program (2)	97.024		5,914
			<u>5,914</u>
Total expenditures of federal awards			<b><u>\$ 665,461</u></b>
<b>Florida Department of Health:</b>			
Passed through the Florida Council Against Sexual Violence: Rape Crisis Program Trust Fund - Sexual Battery Victim's Access (2)	64.061	13RCP30	\$ 46,912
Passed through the Florida Council Against Sexual Violence: Rape Crisis Centers (2)	64.069	13GR30	102,824
			<u>149,736</u>
<b>Florida Department of Legal Affairs:</b>			
Passed through the Florida Council Against Sexual Violence: Florida Council Against Sexual Violence (2)	41.010	14OAG30	20,795

ABUSE COUNSELING AND TREATMENT, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2015

<u>Grantor/ Program Title</u>	<u>Federal CFDA/ State CSFA Number</u>	<u>Grant Number</u>	<u>Expenditures</u>
<b>Florida Department of Children and Families:</b>			
Passed through the Florida Coalition Against Domestic Violence:			
Domestic Violence Trust Fund (1)		15-2202	117,770
Domestic Violence Trust Fund (1)		Shelter Supplies	<u>942</u>
			<u>118,712</u>
Passed through the Florida Coalition Against Domestic Violence:			
SFCAT - General revenue (2)		Shelter Supplies	<u>2,284</u>
Passed through the Florida Coalition Against Domestic Violence:			
SFCDV - General revenue (2)		Shelter Supplies	<u>1,445</u>
Passed through the Florida Coalition Against Domestic Violence:			
General revenue (1)		15-2202	261,814
General revenue (1)		Shelter Supplies	<u>483</u>
			<u>262,297</u>
Passed through the Florida Coalition Against Domestic Violence:			
Primary Prevention (1)		15-2202	<u>20,000</u>
Passed through the Florida Coalition Against Domestic Violence:			
Training (2)		15-2202	<u>550</u>

ABUSE COUNSELING AND TREATMENT, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2015

<u>Grantor/ Program Title</u>	<u>Federal CFDA/ State CSFA Number</u>	<u>Grant Number</u>	<u>Expenditures</u>
<b>Florida Department of Children and Families (Continued):</b>			
Passed through the Florida Coalition Against Domestic Violence: Child Protection Investigations (2)		15-2202-CPI	<u>75,000</u>
Direct grant Fixed Capital Outlay for Domestic Violence Capital Improvement (2)			<u>87,350</u>
			<u>567,638</u>
Total expenditures of state financial assistance			<u><b>\$ 738,169</b></u>

- (1) Denotes a major program  
(2) Denotes a non-major program

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of Abuse Counseling and Treatment, Inc. and is presented using the accrual reporting framework. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.650 F.S., *Rules of the Auditor General of the State of Florida*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



**Cindy  
D'Artagnan**  
CPA, LLC

**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  
Abuse Counseling and Treatment, Inc.  
Fort Myers, Florida

We 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 Abuse Counseling and Treatment, Inc., which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 22, 2015.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Abuse Counseling and Treatment, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Abuse Counseling and Treatment, Inc.'s internal control. Accordingly, we 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.

Our 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 our audit we did not identify any deficiencies in internal control that we 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 Abuse Counseling and Treatment, Inc.'s financial statements are free from material misstatement, we 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 the audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of the Report**

The purpose of this report is solely to describe the scope of our 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.

*Cindy D'Artagnan, CPA, LLC*

October 22, 2015

CINDY D'ARTAGNAN, CPA, LLC



**Cindy  
D'Artagnan**  
CPA, LLC

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133  
AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

Board of Directors  
Abuse Counseling and Treatment, Inc.  
Fort Myers, Florida

**Report on Compliance for Each Major Federal Program and State Project**

We have audited Abuse Counseling and Treatment, Inc.'s compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of Abuse Counseling and Treatment, Inc.'s major federal programs and state projects for the year ended June 30, 2015. Abuse Counseling and Treatment, Inc.'s major federal programs and state projects 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 and state projects.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Abuse Counseling and Treatment, Inc.'s major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted the 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.650 F.S., *Rules of the Auditor General of the State of Florida*. Those standards, OMB Circular A-133, and Chapter 10.650 F.S., *Rules of the Auditor General of the State of Florida* require that we 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 or state project occurred. An audit includes examining, on a test basis, evidence about Abuse Counseling and Treatment, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of Abuse Counseling and Treatment, Inc.'s compliance.

## **Opinion on Each Major Federal Program and State Project**

In our opinion, Abuse Counseling and Treatment, 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 and state projects for the year ended June 30, 2015.

## **Report on Internal Control over Compliance**

Management of Abuse Counseling and Treatment, 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 the audit, we considered Abuse Counseling and Treatment, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state project 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 state project, and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.650 F.S., *Rules of the Auditor General of the State of Florida*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Abuse Counseling and Treatment, Inc.'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 or state project 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 or state project 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 or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Purpose of the Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and Chapter 10.650 F.S., *Rules of the Auditor General of the State of Florida*. Accordingly, this report is not suitable for any other purpose.

*Cindy D'Artagnan, CPA, LLC*

ABUSE COUNSELING AND TREATMENT, INC.  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED JUNE 30, 2015

I. Summary of Auditor’s Results

A. Financial Statements

1. We have audited the financial statements of Abuse Counseling and Treatment, Inc. as of and for the year ended June 30, 2015, and issued an unmodified opinion, dated October 22, 2015.
2. No significant deficiency was identified, consequently there was no material weakness reported.
3. The results of our tests disclosed no instances of noncompliance material to the financial statements that are required to be reported under *Government Auditing Standards*.

B. Federal and State Awards

1. Our report issued on compliance for major federal programs and state projects was unmodified.
2. No significant deficiency in internal control over major federal programs or state projects was identified, consequently there was no material weakness reported.
3. The audit disclosed no findings that are required to be reported under Office of Management and Budget (OMB) Circular A-133, Section .510(a) or Chapter 10.650 F.S., *Rules of the Auditor General of the State of Florida*.
4. Major federal programs and state projects identified on the Schedule of Expenditures of Federal Awards and State Financial Assistance are as follows:

	CFDA/CSFA Number
U.S. Department of Health and Human Services	93.558
U.S. Department of Health and Human Services	93.671
Florida Dept. of Children and Families - Domestic Violence Trust Fund	
Florida Dept. of Children and Families - General Revenue	
Florida Dept. of Children and Families - Primary Prevention	

5. The threshold used to distinguish between Type A and Type B programs is \$300,000 for federal programs and \$300,000 for state projects.
6. Abuse Counseling and Treatment, Inc. qualified as a low-risk auditee under the provisions of OMB Circular A-133, Section .530.

II. Findings Related to the Financial Statements Required to be Reported in Accordance with *Government Auditing Standards*

- A. There are no findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

ABUSE COUNSELING AND TREATMENT, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2015

III. Findings and Questioned Costs for Major Federal Programs and State Projects

- A. There are no findings or questioned costs for major federal programs or state projects relating to the audit of Abuse Counseling and Treatment, Inc. for the above referenced audit report.
- B. No Management Letter is required because there were no findings required to be reported in the Management Letter.
- C. No Corrective Action Plan is required because there were no findings required to be reported under the Federal or Florida Single Audit Act.

ABUSE COUNSELING AND TREATMENT, INC.  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2015

There were no findings for the year ended June 30, 2014.