

**EVERGLADES AREA HEALTH  
EDUCATION CENTER, INC**

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015

**EVERGLADES ARE HEALTH EDUCATION CENTER, INC.  
 FINANCIAL STATEMENTS  
 AND ADDITIONAL INFORMATION  
 JUNE 30, 2015**

TABLE OF CONTENTS

	<u>Pages</u>
<b>FINANCIAL STATEMENTS</b>	
Independent Auditor’s Report.....	1-2
Statement of Financial Position.....	3
Statement of Activities.....	4
Statement of Cash Flows.....	5
Statement of Functional Expense.....	6
Notes to Financial Statements.....	7 – 10
<b>SUPPLEMENTAL INFORMATION</b>	
Supplemental Schedule of Expenditures of Federal Awards and State Financial Assistance .....	11
<b>INTERNAL CONTROLS AND COMPLIANCE</b>	
Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	12-13
Independent Auditors’ 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.....	14-15
Schedule of Findings and Questioned Costs.....	16-17

# **FINANCIAL STATEMENTS**

**STEVEN J. CORSO**  
CERTIFIED PUBLIC ACCOUNTANT  
1850 FOREST HILL BLVD., SUITE 204  
WEST PALM BEACH, FLORIDA 33406  
TEL. (561) 963-1003 • FAX (561) 963-1006  
Member of Florida Institute of Certified Public Accountants

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, 2015, 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, 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**

### *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 March 18, 2016, 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  
March 18, 2016

**EVERGLADES AREA HEALTH EDUCATION CENTER, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2015**

	<b>FUNDS</b>		
	<b><u>UNRESTRICTED</u></b>	<b><u>TEMPORARILY RESTRICTED</u></b>	<b><u>TOTAL</u></b>
<b><u>ASSETS</u></b>			
Cash	\$ 1,363,565	\$ 0	\$ 1,363,565
Grants & Other Receivables	231,614	0	231,614
Prepaid Exp.	549	0	549
Furniture & Equipment	9,524	0	9,524
Less Accumulated Depreciation	(9,524)	0	(9,524)
<b>Total Assets</b>	<b>\$ 1,595,728</b>	<b>\$ 0</b>	<b>\$ 1,595,728</b>
 <b><u>LIABILITIES</u></b>			
Accounts Payable	\$ 16,244	\$ 0	\$ 16,244
Accrued Expenses	19,726	0	19,726
Total Liabilities	35,970	0	35,970
 <b><u>NET ASSETS</u></b>	 1,559,758	 0	 1,559,758
Total Liabilities & Net Assets	<b>\$ 1,595,728</b>	<b>\$ 0</b>	<b>\$ 1,595,728</b>

Read Accompanying Notes

**EVERGLADES AREA HEALTH EDUCATION CENTER, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>FUNDS</b>		<b>TOTAL</b>
	<b><u>UNRESTRICTED</u></b>	<b><u>TEMPORARILY RESTRICTED</u></b>	
<b>SUPPORT &amp; REVENUE</b>			
Grants Revenues	\$ 1,011,462	\$ 0	\$ 1,011,462
Other Revenue	963	0	963
Interest Income	2,080	0	2,080
Net Assets Released From Restr	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenue	<u>1,014,505</u>	<u>0</u>	<u>1,014,505</u>
<b>EXPENSES</b>			
<b>Program Services</b>	<u>993,966</u>	<u>0</u>	<u>993,966</u>
<b>Support Services</b>			
General & Administrative	61,339	0	61,339
Fund Raising	<u>0</u>	<u>0</u>	<u>0</u>
Total Support Services	<u>61,339</u>	<u>0</u>	<u>61,339</u>
Total Expenses	<u>1,055,305</u>	<u>0</u>	<u>1,055,305</u>
<b>CHANGE IN NET ASSETS</b>	<u>(40,800)</u>	<u>0</u>	<u>(40,800)</u>
<b>BEGINNING NET ASSETS</b>	<u>1,600,558</u>	<u>0</u>	<u>1,600,558</u>
<b>ENDING NET ASSETS</b>	<u>\$ 1,559,758</u>	<u>\$ 0</u>	<u>\$ 1,559,758</u>

Read Accompanying Notes

**EVERGLADES AREA HEALTH EDUCATION CENTER, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>FUNDS</b>		<b>TOTAL</b>
	<b>UNRESTRICTED</b>	<b>TEMPORARILY RESTRICTED</b>	
<b>Cash Flows From Operating</b>			
<b>Activities:</b>			
Donations & Grants Received	\$ 915,576	\$ 0	\$ 915,576
Interest Received	2,080	0	2,080
Other Receipts	963	0	963
Operating Expenses Paid	(1,055,924)	0	(1,055,924)
Net Assets Released From Restriction	0	0	0
Net Cash Provided from Operating			
Activities:	(137,305)	0	(137,305)
<b>Cash Flows From Investing</b>			
<b>Activities:</b>	0	0	0
<b>Cash Flows From Financing</b>			
<b>Activities:</b>	0	0	0
<b>Net Increase In Cash</b>	(137,305)	0	(137,305)
Cash & Equivalent At Beginning of Year	1,500,870	0	1,500,870
<b>Cash &amp; Equivalent At End of Year</b>	\$ 1,363,565	\$ 0	\$ 1,363,565

Read Accompanying Notes

**EVERGLADES AREA HEALTH EDUCATION CENTER, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

<b><u>EXPENSES</u></b>	<b><u>Program Services</u></b>	<b><u>General &amp; Admin</u></b>	<b><u>Fund Raising</u></b>	<b><u>Total</u></b>
Communications	\$ 11,074	\$ 2,769	\$ 0	\$ 13,843
Consultant Services	193,525	0	0	193,525
Contract Services	80,470	0	0	80,470
Contributions - Network	15,000	0	0	15,000
Dues & Membership	1,338	0	0	1,338
Equipment Maintenance	3,374	417	0	3,791
Insurance	3,707	367	0	4,074
Marketing & Advertising	1,017	0	0	1,017
Office	8,563	3,196	0	11,759
Postage & Shipping	2,890	285	0	3,175
Printing	15,639	0	0	15,639
Professional Fees	0	7,225	0	7,225
Program Supplies	153,077	0	0	153,077
Rent	38,197	2,875	0	41,072
Special Projects	0	0	0	0
Travel	19,409	0	0	19,409
Utilities	2,222	247	0	2,469
Wages, Benefits & Taxes	<u>444,464</u>	<u>43,958</u>	<u>0</u>	<u>488,422</u>
<b>Total Expenses</b>	<b><u>\$ 993,966</u></b>	<b><u>\$ 61,339</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 1,055,305</u></b>

Read Accompanying Notes

**EVERGLADES AREA HEALTH EDUCATION CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**1. General Description of Activities and Significant Accounting Policies:**

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.

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

**Cash and Cash Equivalents:**

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**Promises to Give:**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

The Organization uses the allowance method to determine uncollectible accounts receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

**Property and Equipment:**

The Organization capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions 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 contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five to thirty years.

**EVERGLADES AREA HEALTH EDUCATION CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**1. General Description of Activities and Significant Accounting Policies, Continued:**

Contributions:

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

Contributed Services:

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

Income Taxes:

The Organization is a not-for-profit Organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

The Organization's Forms 990, *Return of Foundation Exempt from Income Tax*, for the three years ending 2013, 2014, and 2015 are subject to examination by the IRS, generally for three years after they are filed.

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 and disclosures. Accordingly, actual results could differ from those estimates.

Functional Expenses:

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

**2. Restrictions on Net Assets:**

As of June 30, 2015, the Organization had no temporarily restricted or permanently restricted net assets.

**3. Promises to Give:**

Management periodically reviews the grants and accounts receivable balances and provides an allowance for accounts which may be uncollectible. At June 30, 2015, management has determined that all receivables are collectible; accordingly, there is no allowance for uncollectible accounts.

**EVERGLADES AREA HEALTH EDUCATION CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**4. 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.

**5. Summary of Fixed Assets and Depreciation:**

The following is a schedule of property and equipment at June 30, 2015:

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

**6. Concentration of Risks:**

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.

**7. Debt:**

At June 30, 2015 the Organization had no outstanding debt.

**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 30, 2017. Minimum future lease commitments are as follows:

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

**9. 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 \$19,726 for accrued compensated absences at June 30, 2015.

**EVERGLADES AREA HEALTH EDUCATION CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**10. 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.

**11. Evaluation of Subsequent Events:**

Subsequent events have been evaluated through March 18, 2016, which is the date the financial statements were 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, 2015**

<b>Federal/State Grantor/Pass-through Grantor/Program/Project Title</b>	<b>CFDA/ CSFA Number</b>	<b>Contract Agreement Number</b>	<b>Expenditures</b>
<b>FEDERAL AGENCY NAME:</b>			
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	\$ 13,762
Federal AHEC Grant	93.107	U77HP03024-21	<u>66,200</u>
Total expenditures of federal awards			<u>\$ 79,962</u>
<b>STATE AGENCY NAME:</b>			
Major Programs:			
State of Florida Department of Health -Area Health Education Centers			
Passed through Nova Southeastern University			
Tobacco Grant - Cessation	64.097	COTFS	\$ 697,766
Tobacco Grant - Training	64.112	COTFS	<u>233,734</u>
Total Tobacco Grant			<u>931,500</u>
Total expenditures of state financial assistance			<u>931,500</u>
Total financial assistance			<u>\$ 1,011,462</u>

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

# **INTERNAL CONTROLS AND COMPLIANCE**

**STEVEN J. CORSO**  
CERTIFIED PUBLIC ACCOUNTANT  
1850 FOREST HILL BLVD., SUITE 204  
WEST PALM BEACH, FLORIDA 33406  
TEL. (561) 963-1003 • FAX (561) 963-1006  
Member of Florida Institute of Certified Public Accountants

**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, 2015, 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 March 18, 2016.

**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  
March 18, 2016

# STEVEN J. CORSO

CERTIFIED PUBLIC ACCOUNTANT  
1850 FOREST HILL BLVD., SUITE 204  
WEST PALM BEACH, FLORIDA 33406  
TEL. (561) 963-1003 • FAX (561) 963-1006  
Member of Florida Institute of Certified Public Accountants

## **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, 2015. 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, 2015.

## 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  
March 18, 2016

**EVERGLADES AREA HEALTH EDUCATION CENTER, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2015**

**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:

<b>State Programs:</b>	<b>State CSFA No.</b>
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, 2015**

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.