

The Place of Hope at  
the Haven Campus, Inc.  
d/b/a The Place of Hope at the  
Leighan and David Rinker Campus

Financial Statements  
and Additional Information  
For the Year Ended December 31, 2015

**The Place of Hope at the Haven Campus, Inc.  
d/b/a The Place of Hope at the Leighan and David Rinker Campus**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The Place of Hope at the Haven Campus, Inc.  
d/b/a The Place of Hope at the Leighan and David Rinker Campus  
Palm Beach Gardens, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of The Place of Hope at the Haven Campus, Inc. d/b/a The Place of Hope at the Leighan and David Rinker Campus (the "Organization") (a not-for-profit organization), which comprise the statement of financial position as of December 31, 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

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 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, 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.

The Place of Hope at the Haven Campus, Inc.  
d/b/a The Place of Hope at the Leighan and David Rinker Campus

### **Basis for Qualified Opinion**

As more fully described in Note 9 to the financial statements, the Organization’s financial statements do not include the accounts of Place of Hope, Inc., Village of Hope of Palm Beach County, Inc., Treasures for Hope, Inc., and Thousand Hills Holding Company, Inc., which are related parties to the Organization. The related parties and the Organization have been identified by management as meeting the requirements for the presentation of combined financial statements as required by accounting principles generally accepted in the United States of America; however, these financial statements are not presented on a combined basis. In our opinion, the Organization’s financial statements should include the accounts of these related parties to conform with accounting principles generally accepted in the United States of America.

### **Qualified Opinion**

In our opinion, except for the effects of the matter as discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Organization as of December 31, 2015, and the change 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*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance, as required by the Florida Single Audit Act, 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 June 1, 2016, on our consideration of the Organization’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 the Organization’s internal control over financial reporting and compliance.



KEEFE McCULLOUGH

Fort Lauderdale, Florida  
June 1, 2016

# FINANCIAL STATEMENTS

**The Place of Hope at the Haven Campus, Inc.**  
**d/b/a The Place of Hope at the Leighan and David Rinker Campus**  
**Statement of Financial Position**  
**December 31, 2015**

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**Assets:**

Cash and cash equivalents	\$	668,511
Investments		84,177
Grants and contracts receivable		71,279
Prepaid expenses and other assets		33,308
Property held for resale		20,000
Property and equipment, net		<u>4,858,976</u>
Total assets	\$	<u><u>5,736,251</u></u>

**Liabilities:**

Accounts payable and accrued expenses	\$	44,349
Deferred revenue		25,000
Due to related party		<u>38,953</u>
Total liabilities		<u>108,302</u>

**Net Assets:**

Unrestricted		<u>5,627,949</u>
Total net assets		<u>5,627,949</u>
Total liabilities and net assets	\$	<u><u>5,736,251</u></u>

The accompanying notes to financial statements are an integral part of these statements.

**The Place of Hope at the Haven Campus, Inc.**  
**d/b/a The Place of Hope at the Leighan and David Rinker Campus**  
**Statement of Activities**  
**For the Year Ended December 31, 2015**

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	<u>Unrestricted</u>
<b>Public Support and Revenues:</b>	
Contributions	\$ 1,316,679
Grants and contracts	838,574
Donated goods and services	44,345
Other operating revenues	<u>4,802</u>
Total public support and revenues	<u>2,204,400</u>
<b>Expenses:</b>	
Program services	<u>970,583</u>
Supporting services:	
Management and general	139,167
Fundraising	<u>89,950</u>
Total program services	<u>229,117</u>
Total expenses	<u>1,199,700</u>
Net operating revenue (loss)	<u>1,004,700</u>
<b>Nonoperating revenues (expenses):</b>	
Interest and dividend income, net	1,498
Net realized and unrealized gains (losses) on investments	<u>(4,237)</u>
Total nonoperating revenue (expense)	<u>(2,739)</u>
Change in net assets	1,001,961
<b>Net Assets, beginning of year</b>	<u>4,625,988</u>
<b>Net Assets, end of year</b>	\$ <u><u>5,627,949</u></u>

The accompanying notes to financial statements are an integral part of these statements.

The Place of Hope at the Haven Campus, Inc.  
d/b/a The Place of Hope at the Leighan and David Rinker Campus  
Statement of Functional Expenses  
For the Year Ended December 31, 2015

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
<b>Personnel Costs:</b>				
Salaries, including in-kind donations of \$ 40,949	\$ 402,760	\$ 52,993	\$ 29,727	\$ 485,480
Employee benefits and payroll taxes	54,137	7,058	3,851	65,046
Total personnel costs	<u>456,897</u>	<u>60,051</u>	<u>33,578</u>	<u>550,526</u>
<b>Other Expenses:</b>				
Event expenses	154,185	19,273	19,273	192,731
Professional fees	81,235	24,331	-	105,566
Repairs and maintenance	46,673	2,438	-	49,111
Residents support	44,444	-	-	44,444
Provision for depreciation	36,541	5,038	-	41,579
Insurance	37,758	3,798	-	41,556
Utilities	28,924	3,214	-	32,138
Office supplies and other	24,057	736	711	25,504
Printing and reproduction	14,624	4,875	4,875	24,374
Miscellaneous expenses	10,132	9,605	3,940	23,677
Travel (program advancement)	13,301	-	9,859	23,160
Promotional expenses	4,547	-	17,714	22,261
Telephone	14,853	-	-	14,853
Bank charges and fees	2,412	2,412	-	4,824
In-kind donations	-	3,396	-	3,396
Total other expenses	<u>513,686</u>	<u>79,116</u>	<u>56,372</u>	<u>649,174</u>
Total expenses	<u>\$ 970,583</u>	<u>\$ 139,167</u>	<u>\$ 89,950</u>	<u>\$ 1,199,700</u>

The accompanying notes to financial statements are an integral part of these statements.



**The Place of Hope at the Haven Campus, Inc.**  
**d/b/a The Place of Hope at the Leighan and David Rinker Campus**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2015**

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<b>Cash Flows from Operating Activities:</b>	
Change in net assets	\$ 1,001,961
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Provision for depreciation	41,579
Net realized and unrealized (gains) losses on investments	4,237
Changes in assets and liabilities:	
(Increase) decrease in:	
Grants and contracts receivable	74,835
Prepaid expenses and other assets	(33,308)
Due from related party	39,845
Increase (decrease) in:	
Accounts payable and accrued expenses	(83,101)
Deferred revenue	24,055
Due to related party	<u>(171,748)</u>
Net cash provided by (used in) operating activities	<u>898,355</u>
<b>Cash Flows from investing Activities:</b>	
Proceeds from sales and purchases of investments, net	(88,414)
Purchases of property and equipment	<u>(933,803)</u>
Net cash provided by (used in) investing activities	<u>(1,022,217)</u>
Net increase (decrease) in cash and cash equivalents	(123,862)
<b>Cash and Cash Equivalents, beginning of year</b>	<u>792,373</u>
<b>Cash and Cash Equivalents, end of year</b>	<u>\$ <u>668,511</u></u>

The accompanying notes to financial statements are an integral part of these statements.

**The Place of Hope at the Haven Campus, Inc.**  
**d/b/a The Place of Hope at the Leighan and David Rinker Campus**  
**Notes to Financial Statements**  
**December 31, 2015**

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**Note 1 - Organization and Operations**

The Place of Hope at the Haven Campus, Inc. d/b/a The Place of Hope at the Leighan and David Rinker Campus (the "Organization") is a not-for-profit organization, incorporated in January 2013, after The Haven, Inc.'s (the "Haven") Board of Directors chose Place of Hope, Inc. to carry on the Haven's mission and to steward the Haven's assets and resources, which their friends and supporters had entrusted to them over the years. The Haven was a not-for-profit corporation with a long-standing and respected charitable purpose similar to that of Place of Hope, Inc. This transition included a transfer of all of the Haven's remaining assets with no assumption of liabilities.

The Organization partners with its affiliate organizations Place of Hope, Inc. ("Place"), Village of Hope of Palm Beach County, Inc. ("Village"), Treasures for Hope, Inc. ("Treasures"), and Thousand Hills Holding Company, Inc. ("Thousand Hills") (Notes 7 and 9). Place, a not-for-profit entity incorporated in 1998, provides family-style foster care, family outreach and intervention, transitional housing and support services, adoption and foster care recruitment and support, a maternity home, hope and healing opportunities for children and families who have been traumatized by abuse and neglect throughout Palm Beach County. Village, a not-for-profit entity incorporated in 2006, provides a residential campus which may serve up to eighteen (18) young adults on a daily basis who have "aged out" (eighteen years old) of the foster care system or who are otherwise found homeless. Treasures, a not-for-profit entity incorporated in 2012, operates a charity store which sells second-hand items, to support the activities of Place and Village. Thousand Hills, a not-for-profit entity incorporated in 2012, provides independent living residential support and essential life-skills development for minor girls in crisis.

Place was provided the opportunity to expand its services to meet the needs of youth and their families within the South Palm Beach County region. At the beginning of 2014, it was given the opportunity to open the Organization in Boca Raton. The Boca Raton campus will be similar to the combined services offered by Place and Village, in the North Palm Beach County area, providing residential foster care, developing residential programs for those who have "aged out", and operating foster care recruitment and support in the South Palm Beach County area. In the near term, Place intends to relocate certain specific program operations from Palm Beach Gardens to the Organization's Campus in Boca Raton; this will create a regional assessment center, allowing for sufficient time to assess foster youth for future placements within traditional foster homes or Family Cottages. Management also plans to utilize office space at the Boca Raton Campus to further their efforts in the local community to promote adoptions and child abuse prevention and awareness.

**Note 2 - Summary of Significant Accounting Policies**

**Basis of presentation:** Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) No. 958, *Not-for-Profit Entities*. 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.

**Restricted and unrestricted revenue and support:** Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Noncash contributions are recorded at their estimated fair value on the date received.

**Note 2 - Summary of Significant Accounting Policies (continued)**

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 reported in the statement of activities as net assets released from restrictions.

The Organization had no temporarily or permanently restricted net assets as of December 31, 2015.

**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. The Organization occasionally maintains cash balances at financial institutions which may exceed federally insured amounts. These amounts are maintained with what management believes to be quality financial institutions.

**Investments:** Investments primarily include mutual funds and money market funds. Investments are stated at their estimated fair value. Unrealized gains and losses in fair value are recognized.

**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 unconditional or conditional promises to give as of December 31, 2015.

**Allowance for doubtful accounts:** Management periodically reviews the grants and contracts receivable balance and provides an allowance for accounts which may be uncollectible. At December 31, 2015, management considered the grants and contracts receivable balance to be fully collectible within the current accounting period and no allowance for doubtful accounts was considered necessary.

**Property held for resale:** Property held for resale represents real estate property received from the Haven and located in Middleburg, Florida, approximately 30 miles southwest of downtown Jacksonville. It is the Organization's management intent to sell the property and use the proceeds to further its mission.

**Property and equipment:** Property and equipment are carried at cost if purchased or, if donated, at estimated fair value on the date of donation, less accumulated depreciation. The Organization's policy is to provide for depreciation using the straight-line method over the estimated useful life of each type of asset which is as follows:

Buildings and improvements	27.5 years
Vehicles	5 years
Furniture, fixtures, and office equipment	3-7 years
Land improvements	7 years

**Note 2 - Summary of Significant Accounting Policies (continued)**

Donations of property and equipment are reported as unrestricted support unless the donor has restricted the donated asset for 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 these 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.

**Deferred revenue:** Grants and contracts revenue that is not recognized because the allowable costs as defined the individual grant or contract have not been incurred and/or the unit of service has not been provided is considered deferred revenue. In addition, revenues from special events that are considered exchange transactions are deferred until the special event takes place.

**Grants and contracts revenue:** Grants and contracts revenue is recognized when the allowable costs as defined by the individual grant or contract are incurred and/or the unit of service has been provided. Grants and contracts receivable at year end represent expenditures and/or units of service provided, which have not yet been reimbursed by the granting agency.

**Functional expenses:** Program and supporting services are charged with their direct expenses. Other expenses are allocated based on their proportionate share of total expenses, as well as other estimates provided my management.

**Joint costs of fundraising appeals:** The Organization utilizes various pamphlets, brochures and informational methods to inform the general public of their activities and to solicit funds. These costs are charged to fundraising.

**Income taxes:** The Organization qualifies as a non-profit corporation exempt from Federal income taxes under Internal Revenue Code Section 501(c)(3), with the exception of any unrelated business income. Management has evaluated the unrelated business income tax implications and believes that the effects, if any, are immaterial to the Organization's financial statements. Accordingly, no provision for income taxes has been made to these financial statements.

**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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Date of management's review:** Management has evaluated subsequent events through June 1, 2016, which is the date the financial statements were available for issuance.

### **Note 3 - Grants and Contracts**

Funding agreements for services to be provided are generally entered into on an annual basis. The release of funds is subject to monies made available by the federal and state government, and certain other grantor agencies, as applicable. These agreements may generally be terminated by either party upon thirty to ninety days written notice; however, such an event would be unlikely if contract performance continues to be satisfactory.

Program expenditures made by the Organization are subject to additional audit by grantor agencies. As a result of such audits, the grantor may require that amounts be returned. In certain instances, the grantor may increase its grant of funds to the Organization to offset amounts which would otherwise be repayable based on audits. As of December 31, 2015, no amounts are known to be owed to grantor agencies.

### **Note 4 - Donated Goods, Property, and Services**

The Organization receives donated goods and services, paying for most services requiring specific expertise. A number of volunteers have donated their time in certain of the Organization's program service areas, fundraising activities and efforts to solicit charitable contributions. Because of the difficulty in determining the number of hours for such services, those items are not disclosed in the accompanying financial statements. However, when the value of donated services requires specific expertise, they are recorded in the financial statements as revenue and as an expense, or as property and equipment, depending on the nature of the services provided. For the year ended December 31, 2015, the Organization recorded as a revenue and as an expense \$ 40,949 in donated services, which related to program and supporting services received from Place (Note 7). Further, the Organization received \$ 3,396 in other donated professional services (management and general).

### **Note 5 – Investments**

The Organization follows the Statement of Financial Accounting Standards Board in its Accounting Standards Codification (FASB ASC) No. 820, *Fair Value Measurements and Disclosures* for fair value measurements of investments that are recognized and disclosed at fair value in the financial statements on a recurring basis. FASB ASC No. 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical investments that the Organization has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the investments, either directly or indirectly (e.g. quoted prices in active markets for similar securities, valuations based on commonly quoted benchmarks, interest rates and yield curves, and/or securities indices).
- Level 3 inputs are unobservable inputs for the investments (e.g. information about assumptions, including risk, market participants would use in pricing a security).

**The Place of Hope at the Haven Campus, Inc.  
d/b/a The Place of Hope at the Leighan and David Rinker Campus  
Notes to Financial Statements  
December 31, 2015**

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**Note 5 – Investments (continued)**

The level in the fair value hierarchy within which a fair measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table represents the investments as held by the Organization at December 31, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ <u>84,177</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>84,177</u>

The input or methodology used for valuing securities is not necessarily an indicator of risk associated with investing in those securities.

Investment income (loss) relative to these investments and others held and sold during the year is comprised of:

Interest and dividends income, net	\$ 1,498
Net realized and unrealized gains (losses)	<u>(4,237)</u>
	<u>\$ (2,739)</u>

**Note 6 - Property and Equipment**

Property and equipment consists of the following at December 31, 2015:

Buildings and improvements	\$ 733,186
Vehicles	58,413
Furniture, fixtures, and office equipment	33,117
Land improvements	<u>4,450</u>
	829,166
Less accumulated depreciation	<u>92,654</u>
	736,512
Land	1,859,166
Construction in progress	<u>2,263,298</u>
	<u>\$ 4,858,976</u>

The real estate property (main campus) transferred by the Haven to the Organization was originally received as a donation from Palm Beach County. The property now conveyed to the Organization carries a covenant that it shall be used exclusively for the construction and operation of facilities for a staffed residential behavioral health and educational program for at risk children, including independent living transition services for older children and young adults. In the event that the property is used for any other purpose, title to the property shall automatically revert back to Palm Beach County. In addition, certain grant revenue has been awarded to the Organization for the purpose of improving existing real estate. The grantor retains a security interest in the subject property. If the improved real estate is no longer used for its intended purpose, the Organization must obtain approval from the grantor agency to use this property for other lawful purposes within the prescribed time-frame.

**Note 6 - Property and Equipment (continued)**

**Construction Commitments:** The Organization previously entered into an agreement with a contractor to provide for campus renovations. The contracted price amounted to \$ 2,500,000. As of December 31, 2015, the Organization had a remaining commitment of approximately \$ 500,000 relating to this contract. During the year, the Organization entered into an agreement for approximately \$ 1,900,000 for the construction of a multifamily residential apartment building, of which no amounts were spent as of December 31, 2015.

**Note 7 - Related Party Transactions (Note 1)**

The Organization is related to Place through common board members and management. The Organization also receives support in the form of donated services and contributions for its general operations from Place. During the year, the Organization received approximately \$ 41,000 of in-kind services from Place. In addition, as of December 31, 2015, the Organization had an amount due to Place amounting to \$ 38,953 for expense reimbursements. This amount bears no interest and there is no established repayment schedule.

The Organization is also related to Village, Treasures, and Thousand Hills, all not-for-profit entities, through common board members and management.

**Note 8 - Retirement Plan**

The Organization's SIMPLE IRA retirement plan is available to all employees who have worked for the Organization for at least one year and have earned or are expected to earn a specified minimum salary. For the year ended December 31, 2015, the Organization contributed approximately \$ 3,000 to the plan.

**Note 9 - Combination of Related Party Entities (Note 1)**

FASB Accounting Standards Codification (ASC) 958-810-25-3 for Not-for-Profit Organizations requires combination of related party financial statements if one of the related parties has (1) control through a majority voting interest, and (2) economic interest. The Organization, Place, Village, Treasures, and Thousand Hills are all not-for-profit entities which share common Board members and Officers. Furthermore, Place provides general support to these entities in the form of contributions and donated services. Management indicated that, although the criterion for combination was met for the current year, they had chosen not to combine the financial statements for presentation. The Organization determined that if combination had taken place, as required by accounting principles generally accepted in the United States of America, the current year activity would have been affected by the summarized financial information documented in the tables below.

Summarized financial information for Place, as of and for the year ended December 31, 2015, is as follows:

Total assets	\$ 13,453,414
Total liabilities	<u>647,497</u>
Total net assets	\$ <u><u>12,805,917</u></u>
Total change in net assets	\$ <u><u>1,010,754</u></u>



**The Place of Hope at the Haven Campus, Inc.  
d/b/a The Place of Hope at the Leighan and David Rinker Campus  
Notes to Financial Statements  
December 31, 2015**

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**Note 9 - Combination of Related Party Entities (note 1) (continued)**

Summarized financial information for Village, as of and for the year ended December 31, 2015, is as follows:

Total assets	\$ 3,044,319
Total liabilities	<u>69,047</u>
Total net assets	\$ <u><u>2,975,272</u></u>
Total change in net assets	\$ <u><u>(50,878)</u></u>

Summarized financial information for Treasures, as of and for the year ended December 31, 2015, is as follows:

Total assets	\$ 2,204,612
Total liabilities	<u>1,532,825</u>
Total net assets	\$ <u><u>671,787</u></u>
Total change in net assets	\$ <u><u>131,144</u></u>

Summarized financial information for Thousand Hills, as of and for the year ended December 31, 2015, is as follows:

Total assets	\$ 182,647
Total liabilities	<u>37,032</u>
Total net assets	\$ <u><u>145,615</u></u>
Total change in net assets	\$ <u><u>54,148</u></u>

Reference should be made to the financial statements of Place of Hope, Inc., Village of Hope of Palm Beach County, Inc., Treasures for Hope, Inc., and Thousand Hills Holding Company, Inc. as to which the independent auditor's reports are dated June 1, 2016.

**Note 10 – Supplemental Cash Flows Information**

Cash received during the year for - Interest and dividend income, net	\$ <u><u>1,498</u></u>
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## SUPPLEMENTAL INFORMATION

**The Place of Hope at the Haven Campus, Inc.  
d/b/a The Place of Hope at the Leighan and David Rinker Campus  
Schedule of Expenditures of State Financial Assistance  
For the Year Ended December 31, 2015**

State Agency Name: Direct Program: State of Florida Department of Children and Families - Place of Hope Haven Campus	CSFA Number	Contract/Grant Number	Expenditures	Transfers to Subrecipients
	60.121	WZ002 WC007	\$ 376,052 <u>106,016</u> <u>482,068</u>	\$ - <u>-</u> <u>-</u>
Indirect Programs: State of Florida Department of Children and Families - Passed through ChildNet, Inc. Community Based Care (CBC) Supports	60.094	POH15RGC	<u>53,319</u>	<u>-</u>
In Home Supports	60.075	POH14RGC	<u>46,572</u>	<u>-</u>
Total Expenditures of State Financial Assistance			\$ <u>581,959</u>	\$ <u>-</u>

**The Place of Hope at the Haven Campus, Inc.  
d/b/a The Place of Hope at the Leighan and David Rinker Campus  
Notes to Schedule of Expenditures of State Financial Assistance  
December 31, 2015**

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**Note 1 - Basis of Presentation**

The accompanying Schedule of Expenditures of State Financial Assistance includes the grant activity of the Organization. The information in the Schedule of Expenditures of State Financial Assistance is presented in accordance with the requirements of Chapter 10.650, *Rules of the Auditor General*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements.

**Note 2 - Contingency**

Grants and contracts revenue is subject to audit and adjustment. If any expenditures or expenses are disallowed by the grantor/contracting agencies as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the Organization. In the opinion of management, all grant and contract expenditures are in compliance with the terms of the grant/contract agreements and applicable state laws and other regulations.

# INTERNAL CONTROLS AND COMPLIANCE

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*

To the Board of Directors  
The Place of Hope at the Haven Campus, Inc.  
d/b/a The Place of Hope at the Leighan and David Rinker Campus  
Palm Beach Gardens, Florida

We have audited, in accordance with the 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 The Place of Hope at the Haven Campus, Inc. d/b/a The Place of Hope at the Leighan and David Rinker Campus (a not-for-profit organization) (the "Organization"), which comprise the statement of financial position as of December 31, 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, and have issued our report thereon dated June 1, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization'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.

The Place of Hope at the Haven Campus, Inc.  
d/b/a The Place of Hope at the Leighan and David Rinker Campus

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of 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 our 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 this 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.



KEEFE McCULLOUGH

Fort Lauderdale, Florida  
June 1, 2016

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
STATE PROJECT AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY CHAPTER 10.650, *RULES OF THE AUDITOR GENERAL*

To the Board of Directors  
The Place of Hope at the Haven Campus, Inc.  
d/b/a The Place of Hope at the Leighan and David Rinker Campus  
Palm Beach Gardens, Florida

**Report on Compliance for Each Major State Project**

We have audited The Place of Hope at the Haven Campus, Inc. d/b/a The Place of Hope at the Leighan and David Rinker Campus' (a not-for-profit organization) (the "Organization") compliance with the types of compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the Organization's major state projects for the year ended December 31, 2015. The Organization's major state project is 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 state statutes, regulations, and the terms and conditions of its state awards applicable to its state projects.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Organization's major state projects based on our audit of the types of compliance requirements referred to above. We conducted our 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 the audit requirements of Chapter 10.650, *Rules of the Auditor General*. Those standards and Chapter 10.650, *Rules of the Auditor General* 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 state project occurred. An audit includes examining, on a test basis, evidence about the Organization'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 state project. However, our audit does not provide a legal determination of the Organization's compliance.

### **Opinion on Each Major State Project**

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state project for the year ended December 31, 2015.

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

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 state project and to test and report on internal control over compliance in accordance Chapter 10.650, *Rules of the Auditor General*, 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 the 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 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 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 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 this 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 Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.



KEEFE McCULLOUGH

Fort Lauderdale, Florida  
June 1, 2016



**The Place of Hope at the Haven Campus, Inc.  
d/b/a The Place of Hope at the Leighan and David Rinker Campus  
Schedule of Findings and Questioned Costs  
For The Year Ended December 31, 2015**

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**A. Summary of Auditor's Results**

1. The auditor's report expresses an unmodified opinion on the financial statements of The Place of Hope at the Haven Campus, Inc. d/b/a The Place of Hope at the Leighan and David Rinker Campus with the exception of not combining the accounts of Place of Hope, Inc., Village of Hope of Palm Beach County, Inc., Treasures for Hope, Inc., and Thousand Hills Holding Company, Inc., as noted in Note 9 of the financial statements.
2. No material weaknesses relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of The Place of Hope at the Haven Campus, Inc. d/b/a The Place of Hope at the Leighan and David Rinker Campus were disclosed during the audit.
4. No material weaknesses relating to the audit of the major state project are reported in the Independent Auditor's Report on Compliance for Each Major State Project and on Internal Control over Compliance Required by Chapter 10.650, *Rules of the Auditor General*.
5. The auditor's report on compliance for the major state project for The Place of Hope at the Haven Campus, Inc. d/b/a The Place of Hope at the Leighan and David Rinker Campus expresses an unmodified opinion.
6. There are no audit findings relative to the major state project for The Place of Hope at the Haven Campus, Inc. d/b/a The Place of Hope at the Leighan and David Rinker Campus reported in Part C of this schedule.
7. The project tested as a major project is as follows:

<b>State Project:</b>	<b>State CSFA No.</b>
State of Florida Department of Children and Families, Place of Hope Haven Campus	60.121

8. The threshold for distinguishing Type A and B state projects was \$ 174,588.

**B. Findings - Financial Statements Audit**

No matters were reported.

**C. Findings and Questioned Costs - Major State Financial Assistance Project Audits**

No matters were reported.

**The Place of Hope at the Haven Campus, Inc.  
d/b/a The Place of Hope at the Leighan and David Rinker Campus  
Schedule of Findings and Questioned Costs  
(continued)  
For the Year Ended December 31, 2015**

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**D. Other Issues**

A separate management letter was not issued because there were no findings required to be reported in the management letter.

No summary schedule of prior audit findings is required because there were no prior audit findings related to federal programs or state projects.

No corrective action plan is required because there were no findings reported under the Florida Single Audit act.