

OFFICE OF PUBLIC GUARDIAN, INC.

FINANCIAL STATEMENTS

JUNE 30, 2017

OFFICE OF PUBLIC GUARDIAN, INC.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Office of Public Guardian, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Office of Public Guardian, Inc., which comprise the statement of financial position as of June 30, 2017, 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.

Auditors' 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.

Opinion

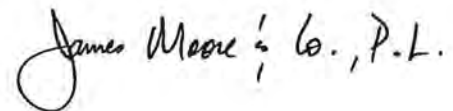
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Office of Public Guardian, Inc. as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenditures of State Financial Assistance as required by Chapter 10.650, Rules of the State of Florida, Office of the Auditor General, 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 December 14, 2017, on our consideration of Office of Public Guardian, 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 Office of Public Guardian, Inc.'s internal control over financial reporting and compliance.

James Moore & Co., P.L.

Tallahassee, Florida
December 14, 2017

**OFFICE OF PUBLIC GUARDIAN, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017**

ASSETS

Current assets	
Cash and cash equivalents	\$ 144,816
Grant, contract, and other receivables	95,565
Unconditional promises to give	35,178
Prepaid expenses and other assets	12,692
Beneficial interest in endowment	11,575
Total current assets	<u>299,826</u>
Property and equipment, net of accumulated depreciation	25,402
Total Assets	<u><u>\$ 325,228</u></u>

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable and accrued expenses	\$ 10,474
Deferred revenue	6,626
Total liabilities	<u>17,100</u>
Net assets	
Unrestricted net assets	272,950
Temporarily restricted	35,178
Total net assets	<u>308,128</u>
Total Liabilities and Net Assets	<u><u>\$ 325,228</u></u>

The accompanying notes to the financial statements
are an integral part of this statement.

**OFFICE OF PUBLIC GUARDIAN, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenues			
Grants and contracts	\$ 1,029,034	\$ -	\$ 1,029,034
Contributions	29,340	35,178	64,518
Interest	247	-	247
In-kind revenue	19,305	-	19,305
Other	8,801	-	8,801
Net assets released from restrictions	84,433	(84,433)	-
Total support and revenues	<u>1,171,160</u>	<u>(49,255)</u>	<u>1,121,905</u>
Expenses			
Program services	1,058,049	-	1,058,049
Administrative services	62,216	-	62,216
Fundraising	2,301	-	2,301
Total expenses	<u>1,122,566</u>	<u>-</u>	<u>1,122,566</u>
Increase (decrease) in net assets	<u>48,594</u>	<u>(49,255)</u>	<u>(661)</u>
Net assets, beginning of year	224,356	84,433	308,789
Net assets, end of year	<u>\$ 272,950</u>	<u>\$ 35,178</u>	<u>\$ 308,128</u>

The accompanying notes to the financial statements
are an integral part of this statement.

OFFICE OF PUBLIC GUARDIAN, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Program Services</u> <u>Public Guardian</u> <u>Assistance</u>	<u>Administrative</u> <u>Services</u>	<u>Fundraising</u>	<u>Total</u>
Personnel	\$ 670,064	\$ 51,079	\$ -	\$ 721,143
Travel	30,256	-	-	30,256
Communication and utilities	14,607	1,623	-	16,230
Printing and supplies	20,823	1,178	1,551	23,552
Repairs and maintenance	2,960	329	-	3,289
Professional fees	65,536	-	-	65,536
Rent	70,567	7,841	-	78,408
Insurance	1,493	166	-	1,659
Depreciation	17,342	-	-	17,342
Meeting space	101,322	-	750	102,072
Information technology	28,287	-	-	28,287
In-kind	19,305	-	-	19,305
Other	15,487	-	-	15,487
	<u>\$ 1,058,049</u>	<u>\$ 62,216</u>	<u>\$ 2,301</u>	<u>\$ 1,122,566</u>

The accompanying notes to the financial statements
are an integral part of this statement.

**OFFICE OF PUBLIC GUARDIAN, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017**

Cash flows from operating activities	
Cash received from grantors and others	\$ 1,157,294
Cash paid to suppliers and employees	(1,097,944)
Interest income	247
Net cash provided by operating activities	59,597
Increase in cash and cash equivalents	59,597
Cash and cash equivalents, beginning of year	85,219
Cash and cash equivalents, end of year	\$ 144,816
Reconciliation of decrease in net assets to net cash provided by operating activities	
Decrease in net assets	\$ (661)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:	
Depreciation	17,342
Loss on sale of asset	1,317
Increase in unconditional promise to give	(912)
Decrease in grant, contract, and other receivables	66,658
Increase in prepaid expenses and other assets	(12,692)
Increase in accounts payable and accrued expenses	667
Decrease in deferred revenue	(11,399)
Unrealized gain on investments	(723)
Total adjustments	60,258
Net cash provided by operating activities	\$ 59,597

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

OFFICE OF PUBLIC GUARDIAN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

(1) **Summary of Significant Accounting Policies:**

The following is a summary of the more significant accounting policies and practices of Office of Public Guardian, Inc. (the "Organization"):

(a) **Organization and Purpose**—Office of Public Guardian, Inc. (the "Organization") was incorporated on February 5, 2003 as a nonprofit organization located in Tallahassee, Florida. The Organization acts as a public guardian for individuals who have been determined by a court to be unable to manage their own affairs. The guardianship may be for the person, their property, or both. These services include case management, medical decision making, residential placement, financial management, information, referral, outreach, follow-up visits and providing links to other community services.

(b) **Property and Equipment**—Property and equipment with a value greater than \$1,000 and an estimated useful life of at least one year is recorded at cost when purchased or at fair market value when contributed. The State of Florida has a reversionary interest in those assets purchased with its funds which have a cost of \$1,000 or more and an estimated useful life of at least one year. Depreciation is computed using the straight-line method over the 5-year estimated useful lives of the assets.

(c) **Income Taxes**—The Organization is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statements.

The Organization files income tax returns in the U.S. Federal jurisdiction. The Organization's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

The Organization has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements.

(d) **Cash and Cash Equivalents**—For the purpose of reporting cash flows, cash and cash equivalents include cash on hand and amounts in demand deposits held with banks, and short-term investments with an original maturity date of ninety days or less.

(e) **Use of Estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

OFFICE OF PUBLIC GUARDIAN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

(1) **Summary of Significant Accounting Policies:** (Continued)

(f) **Basis of Accounting**—The financial statements of the Organization have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities.

(g) **Basis of Presentation**—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.

(h) **Contributions**—All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases these net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the entity reports the support as unrestricted.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Contributed property and equipment is recorded at fair value at the date of donation. In the absence of donor-imposed stipulations regarding how long the contributed assets must be used, the Organization has adopted a policy of not implying a time restriction on contributions of such assets. The value of donated professional services is included as in-kind contributions and in-kind expense in the financial statements.

(i) **Deferred Revenue**—The Organization records grant/contract receipts as a deferred revenue until it is expended for the purpose of the grant/contract, at which time it is recognized as revenue. The balance in deferred revenue represents amounts received under cost reimbursable contracts that will be expended in the next fiscal year in accordance with the grant/contract period.

(j) **Functional Allocation of Expenses**—The costs of providing the various program services and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

(k) **Grant, Contract, and Other Receivables**—Grant, contract, and other receivables are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the history with grantors and contractors having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

OFFICE OF PUBLIC GUARDIAN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

(1) **Summary of Significant Accounting Policies:** (Continued)

(l) **Unconditional Promise to Give**—It is the Organization’s policy to use the direct write off method for unconditional promises to give deemed uncollectible. This method yields substantially the same results as the allowance method.

(m) **Revenue Recognition**—The Organization receives all of its grant/contract revenue from State and local agencies. The Organization recognizes grant/contract revenue (up to the grant/contract ceiling) from its grants/contracts over a period which represents the service period for certain grants/contracts, or to the extent of expenses. Revenue recognition depends on the grant/contract.

(n) **Recently issued Accounting Pronouncements**—The Financial Accounting Standards Board (FASB) issued new or modifications to, or interpretations of, existing accounting guidance during the year ended June 30, 2017. The Organization has considered the new pronouncements that altered accounting principles generally accepted in the United States of America, and other than as disclosed in the notes to the financial statements below, does not believe that any other new or modified principles will have a material impact on the Organization’s reported financial position or operations in the near term.

In May 2014, the FASB issued Accounting Standards Update 2014-09: Revenue from Contracts with Customers, to clarify the principles used to recognize revenue for all entities. The new standard (as amended) is effective for fiscal years beginning after December 15, 2018 and may be adopted early. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

In February 2016, the FASB issued Accounting Standards Update 2016-02: Leases (Topic 842), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the Statement of Financial Position and disclosing key information about leasing arrangements. The new standard is effective for fiscal years beginning after December 15, 2019 and may be adopted early. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

In August 2016, the FASB issued Accounting Standards Update 2016-14: Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, to make improvements to the information provided in financial statements and accompanying notes of not-for-profit entities, including net asset classification requirements and the information presented about an entity’s liquidity, financial performance, and cash flows. The new standard is effective for fiscal years beginning after December 15, 2017 and may be adopted early. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

(2) **Significant Funding Source:**

The Organization receives a substantial amount of its funding from the Florida Department of Elder Affairs and Florida Developmental Disabilities Council, Inc. A significant reduction in the level of this funding, if this were to occur, could have an adverse effect on the Organization’s programs and activities.

OFFICE OF PUBLIC GUARDIAN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

(3) **Concentrations of Credit Risk:**

The more significant concentrations of credit risk are as follows:

(a) **Demand Deposits**—The Organization maintains cash deposits with one financial institution. The Organization has no policy requiring collateral to support its cash deposits, although all demand deposits with financial institutions are insured up to FDIC limits. At times such deposits may be in excess of FDIC limits.

(b) **Grant, Contract, and Other Receivables**—The Organization's receivables are for amounts due under contracts with State and local agencies. The Organization has no policy requiring collateral or other security to support its receivables.

(c) **Unconditional Promises to Give**—Financial instruments that potentially subject the Organization to concentrations of credit risk include the unconditional promises to give. The unconditional promises to give are from the United Way of the Big Bend, Inc. and the United Way of Northwest Florida, Inc.

(4) **Property and Equipment:**

The following is a summary of property and equipment at June 30, 2017:

Computer equipment	\$ 42,950
Furniture	18,328
Leasehold improvements	3,500
Software	7,500
	<hr/>
	72,278
Less: Accumulated depreciation	46,876
Total	<hr/> <hr/>
	\$ 25,402

(5) **Matching Requirements:**

The Organization received a portion of its support through grants and contracts. Certain grants and contracts require the Organization to provide specified amounts of matching revenue. Each contract, where applicable, has met all matching requirements. Also, for each contract that ended on or before June 30, 2017, no obligation remains outstanding to the funding source.

(6) **Contingencies:**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Organization expects such amounts, if any, to be immaterial.

OFFICE OF PUBLIC GUARDIAN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

(7) Unconditional Promise to Give:

The Organization had unconditional promises to give in less than one year, representing the following at June 30, 2017:

United Way	\$ <u>35,178</u>
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(8) Temporarily Restricted Net Assets:

Temporarily restricted net assets of \$35,178 at June 30, 2017 consist of receivables for unconditional promises to give and contributions restricted for future matching of grants.

(9) Guardianship Assets Held in Trust:

The Organization receives government subsidies and other funds to be held in trust for the sole purpose of providing court appointed guardianship services to meet the financial needs of each ward including living expenses, medical costs and providing for burial arrangements when necessary. In addition, household items, vehicles, and real property are held in trust for wards. Such amounts are managed, administered and reported to the court by the Organization and dispersed to the beneficiaries during the term of the respective guardianship agreements. These items are not assets of the Organization and are not included in the Statement of Financial Position or the Statement of Activities. Guardianship funds held in trust for wards as of June 30, 2017 are segregated into the following categories:

Wards' cash and cash equivalents	\$ 749,957
Wards' real and personal property	205,748
Wards' liabilities and payables	(6,661)
Total	<u>\$ 949,044</u>

A reconciliation of the transactions related to the assets held in trust for the year ended June 30, 2017 is as follows:

Balance as of July 1, 2016	\$ 857,104
Receipts	1,400,768
Disbursements	(1,386,423)
Change in capital accounts, net	77,595
Balance as of June 30, 2017	<u>\$ 949,044</u>

(10) Beneficial Interest in Endowment:

During the year ended June 30, 2017, the Organization had a beneficial interest in an endowment held by The Community Foundation of North Florida, Inc. (the "Foundation") for the purpose of helping to further and carry out the purpose of the Organization. As of June 30, 2017, the fair value of the Organization's endowment fund excluding third party contributions was \$11,575.

Contractually, the Foundation retains legal ownership of principal amounts contributed. However, because the Organization names itself as the beneficiary of such contributions, even though the variance power is explicitly stated in the gift instrument to the Foundation, the principal balances and any earnings or losses there on are reported as "Beneficial interest in endowment" on the Statement of Financial Position.

OFFICE OF PUBLIC GUARDIAN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

(10) **Beneficial Interest in Endowment:** (Continued)

The Fund is subject to the variance power described in Treasury Reg. Sec.1.170A-9(e)(11)(v)(B)(1) of the Internal Revenue Code of 1986, as amended from time to time. The Foundation has the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations, if in the sole judgment of the Foundation's Board of Directors (without the necessity of the approval of any trustee, custodian or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the North Florida community and other areas served by the corporation.

(11) **Fair Value Measurements:**

The Fair Value Measurements and Disclosures Topic of the FASB Codification defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The Codification requires the use of valuation techniques that are consistent with the market approach, the income approach, and/or the cost approach. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. In that regard, the Codification establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

A description of the valuation methodologies used for assets measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below.

Beneficial interest in assets held by Community Foundation of North Florida, Inc.- Assets held by the Foundation are invested in equities and mutual funds that have quoted prices in active markets. The Organization adjusts its interest in the assets held by the Foundation similar to the equity method of accounting, which results in the asset being carried at fair value. The interest in the assets held by the Foundation is measured using level 3 inputs within the fair value hierarchy. These assets totaled \$11,575 as of June 30, 2017. The following is a roll forward of these level 3 assets at June 30, 2017:

**OFFICE OF PUBLIC GUARDIAN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

(11) **Fair Value Measurements:** (Continued)

	Endowment Fund
Balance, June 30, 2016	\$ 10,852
Unrealized gain	723
Purchases of securities	-
Balance, June 30, 2017	\$ 11,575

(12) **Operating Leases:**

The Organization leases office space under two operating leases: one expiring in December 2017 and the other in December 2021.

Minimum future rental payments under operating leases having remaining terms in excess of one year as of June 30, 2017, for each of the next five years and in the aggregate are:

Year Ending June 30,	Amount
2018	\$ 63,150
2019	58,358
2020	59,525
2021	60,716
2022	30,658
Total	\$ 272,407

For the year ended June 30, 2017, rental expense under the terms of these leases totaled \$66,320.

(13) **In-Kind Support:**

The Organization received in-kind production services related to a course that the created to help teach people how to help adults with developmental disabilities achieve independence.

(14) **Subsequent Events:**

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through December 14, 2017, the date which the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

OFFICE OF PUBLIC GAURDIAN, INC.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2017

State Grantor/Pass Through Grantor/ Program Title	State CFSA Number	Contract Number	Expenditures
STATE FINANCIAL ASSISTANCE			
State of Florida, Department of Elder Affairs			
Public Guardianship	65.003	X9116	\$ 800,134

The accompanying note to schedule of expenditures of state financial assistance is an integral part of this schedule.

**OFFICE OF PUBLIC GUARDIAN, INC.
NOTE TO SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2017**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of state financial assistance includes the state grant and contract activity of Office of Public Guardian, Inc. and is presented on the accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of Chapter 10.650, Rules of the State of Florida, Office 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.

**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 *GOVERNMENT
AUDITING STANDARDS***

To the Board of Directors,
Office of Public Guardian, Inc.:

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 Office of Public Guardian, Inc. (the "Organization") which comprise the statement of financial position as of June 30, 2017, 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 December 14, 2017.

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 Organization's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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.

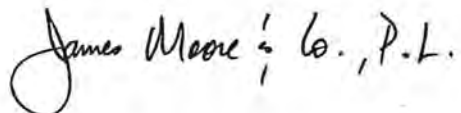
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 the Organization'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 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.

James Moore & Co., P.L.

Tallahassee, Florida
December 14, 2017

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

To the Board of Directors,
Office of Public Guardian, Inc.:

Report on Compliance for Major State Project

We have audited Office of Public Guardian, Inc.'s compliance with the types of compliance requirements described *State of Florida State Projects Compliance Supplement*, that could have a direct and material effect on Office of Public Guardian, Inc.'s major State project for the year ended June 30, 2017. Office of Public Guardian, Inc.'s major State project is identified in the summary of auditors' 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 State project.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Office of Public Guardian, Inc.'s major State project 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 Chapter 10.650, Rules of the State of Florida, Office of the Auditor General. Those standards and Chapter 10.650, Rules of the State of Florida, Office 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 the major State project occurred. An audit includes examining, on a test basis, evidence about Office of Public Guardian, 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 the major State project. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on 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 the state project for the year ended June 30, 2017.

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 the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on the major State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major State project and to test and report on internal control over compliance in accordance with chapter 10.650 Rules of the State of Florida, Office of 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 a 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 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.

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 State of Florida, Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

James Moore & Co., P.L.

Tallahassee, Florida
December 14, 2017

**OFFICE OF PUBLIC GUARDIAN, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

I. Summary of Auditors' Results:

Financial Statements

Type of auditors' report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? ___yes X no
- Significant deficiency(ies) identified? ___yes X none reported

Noncompliance material to financial statements noted? ___yes X no

State Financial Assistance

Internal control over major projects:

- Material weakness(es) identified? ___yes X no
- Significant deficiency(ies) identified? ___yes X none reported

Type of auditors' report issued on compliance for major state projects: *Unmodified*

Any audit findings disclosed that are required to be reported related to state financial assistance projects? ___yes X no

Identification of major state projects:

State Project	State CSFA Number
Public Guardianship	65.003
Dollar threshold used to distinguish between type A and type B state projects:	\$300,000

II. Financial Statement Findings: None

III. State Financial Assistance Findings and Questioned Costs: None reported

IV. State Financial Assistance Summary Schedule of Prior Year Findings: None reported

V. Management letter in Accordance with Chapter 10.650, Rules of the State of Florida, Office of the Auditor General: Nothing to report.