



PASCO KIDS FIRST, INC.

FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

PASCO KIDS FIRST, INC.

FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

TABLE OF CONTENTS

	<u>PAGE</u>
Report of Independent Certified Public Accountants	1
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	5
Statements of Cash Flows	7
Notes to Financial Statements	8
SUPPLEMENTARY INFORMATION AND OTHER REPORTS	
Schedule of Expenditures of Financial Awards	15
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>	18
Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133	20
Schedule of Findings and Questioned Costs	22
Corrective Action Plan	23



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Pasco Kids First, Inc.
New Port Richey, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Pasco Kids First, Inc. (the Organization), which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits 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 Pasco Kids First, Inc. as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years 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 federal awards, 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 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 September 18, 2014, 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.



Certified Public Accountants
September 18, 2014

PASCO KIDS FIRST, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Current Assets		
Cash	\$ 194,499	\$ 98,785
Grants receivable, net of allowance	257,122	223,874
Prepaid expenses	1,285	-
	<u>452,906</u>	<u>322,659</u>
Total Current Assets		
	<u>452,906</u>	<u>322,659</u>
Property and Equipment		
Property and equipment, net of accumulated depreciation of \$130,734 and \$123,692	346,431	347,603
Other Assets	<u>17,631</u>	<u>17,563</u>
Total Non-current Assets	<u>364,062</u>	<u>365,166</u>
Total Assets	<u>\$ 816,968</u>	<u>\$ 687,825</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accrued payroll	\$ 58,562	\$ 44,809
Accrued compensated absences	<u>48,918</u>	<u>45,152</u>
Total Liabilities	<u>107,480</u>	<u>89,961</u>
Net Assets		
Unrestricted, undesignated	363,057	250,261
Unrestricted, invested in property and equipment	346,431	347,603
Temporarily restricted	-	-
Permanently restricted	<u>-</u>	<u>-</u>
Total Net Assets	<u>709,488</u>	<u>597,864</u>
Total Liabilities and Net Assets	<u>\$ 816,968</u>	<u>\$ 687,825</u>

Read Report of Independent Certified Public Accountants.
The accompanying notes are an integral part
of these financial statements.

PASCO KIDS FIRST, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
CHANGE IN UNRESTRICTED NET ASSETS:		
Federal and state grants and contracts	\$ 1,750,359	\$ 1,512,859
Crime Victims Compensation	150,785	141,647
Other grants and contracts	51,013	54,127
Contributions	36,320	27,260
Bequests	66,577	-
In-kind contributions	330,843	330,777
	<u>2,385,897</u>	<u>2,066,670</u>
TOTAL REVENUES		
	<u>2,385,897</u>	<u>2,066,670</u>
EXPENSES		
<i>Program Services</i>		
Child Abuse Crisis Program	483,707	464,485
Healthy Families Program	1,154,137	1,020,634
Sexual Abuse Treatment Program (SATP)	479,949	428,503
	<u>2,117,793</u>	<u>1,913,622</u>
<i>Support Services</i>		
General and administrative	143,210	136,617
Fundraising	13,270	6,994
	<u>156,480</u>	<u>143,611</u>
TOTAL EXPENSES	<u>2,274,273</u>	<u>2,057,233</u>
CHANGE IN NET ASSETS	111,624	9,437
NET ASSETS, beginning of the year	<u>597,864</u>	<u>588,427</u>
NET ASSETS, end of year	<u><u>\$ 709,488</u></u>	<u><u>\$ 597,864</u></u>

Read Report of Independent Certified Public Accountants.
The accompanying notes are an integral part
of these financial statements.

PASCO KIDS FIRST, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014

	PROGRAM SERVICES			
	Child Abuse Crisis Program	Healthy Families Program	SATP	Total Program Services
Salaries	\$ 278,433	\$ 557,361	\$ 286,258	\$ 1,122,052
Payroll taxes	22,728	45,166	21,049	88,943
Employee benefits	33,079	117,915	25,326	176,320
	334,240	720,442	332,633	1,387,315
Medical	46,894	-	600	47,494
Mileage and travel	2,638	57,543	3,325	63,506
Utilities	18,458	28,951	6,762	54,171
Employee training	3,120	2,116	993	6,229
Repairs & maintenance	4,977	11,455	2,719	19,151
Rent	44,984	277,062	93,195	415,241
Printing, postage & supplies	8,911	17,016	5,999	31,926
Professional fees	6,412	9,009	5,498	20,919
Insurance	8,440	17,357	7,399	33,196
Dues & subscriptions	2,950	8,902	2,251	14,103
Community events	-	-	-	-
Bad debt	-	-	17,000	17,000
Other expenses	275	792	237	1,304
	482,299	1,150,645	478,611	2,111,555
Depreciation	1,408	3,492	1,338	6,238
Total Expenses	\$ 483,707	\$ 1,154,137	\$ 479,949	\$ 2,117,793

SUPPORT SERVICES

General and Administrative		Fundraising	Total Support Services	Total Expenses
\$	99,734	\$ -	\$ 99,734	\$ 1,221,786
	7,388	-	7,388	96,331
	11,742	-	11,742	188,062
	118,864	-	118,864	1,506,179
	-	-	-	47,494
	1,398	39	1,437	64,943
	3,030	-	3,030	57,201
	1,895	-	1,895	8,124
	350	-	350	19,501
	-	-	-	415,241
	1,356	-	1,356	33,282
	-	-	-	20,919
	-	-	-	33,196
	6,016	-	6,016	20,119
	-	7,155	7,155	7,155
	-	-	-	17,000
	9,597	5,976	15,573	16,877
	142,506	13,170	155,676	2,267,231
	704	100	804	7,042
\$	143,210	\$ 13,270	\$ 156,480	\$ 2,274,273

Read the Report of Independent Certified Public Accountants.
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of these financial statements.

PASCO KIDS FIRST, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013

	PROGRAM SERVICES			
	Child Abuse Crisis Program	Healthy Families Program	SATP	Total Program Services
Salaries	\$ 258,735	\$ 476,674	\$ 267,512	\$ 1,002,921
Payroll taxes	22,168	39,613	19,631	81,412
Employee benefits	25,352	90,208	21,801	137,361
	306,255	606,495	308,944	1,221,694
Medical	45,872	-	600	46,472
Mileage and travel	2,264	50,920	2,797	55,981
Utilities	14,154	31,433	7,371	52,958
Employee training	2,387	4,156	1,639	8,182
Repairs & maintenance	4,783	9,726	1,445	15,954
Rent	56,873	277,062	90,921	424,856
Printing, postage & supplies	9,596	13,771	4,383	27,750
Professional fees	7,382	7,592	3,706	18,680
Insurance	10,084	11,345	3,782	25,211
Dues & subscriptions	2,892	3,841	994	7,727
Community events	-	-	-	-
Bad debt	-	-	-	-
Other expenses	187	461	324	972
	462,729	1,016,802	426,906	1,906,437
Depreciation	1,756	3,832	1,597	7,185
Total Expenses	\$ 464,485	\$ 1,020,634	\$ 428,503	\$ 1,913,622

SUPPORT SERVICES				
General and Administrative		Fundraising	Total Support Services	Total Expenses
\$	103,332	\$ -	\$ 103,332	\$ 1,106,253
	7,884	-	7,884	89,296
	5,832	-	5,832	143,193
	117,048	-	117,048	1,338,742
	-	-	-	46,472
	-	-	-	55,981
	972	-	972	53,930
	4,445	-	4,445	12,627
	21	-	21	15,975
	-	-	-	424,856
	6,724	-	6,724	34,474
	-	-	-	18,680
	-	-	-	25,211
	6,356	1,491	7,847	15,574
	-	5,079	5,079	5,079
	-	-	-	-
	253	424	677	1,649
	135,819	6,994	142,813	2,049,250
	798	-	798	7,983
\$	136,617	\$ 6,994	\$ 143,611	\$ 2,057,233

Read the Report of Independent Certified Public Accountants.
The accompanying notes are an integral part
of these financial statements.

PASCO KIDS FIRST, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 111,624	\$ 9,437
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	7,042	7,983
Bad debt expense	17,000	-
(Increase) decrease in grants receivable	(50,248)	16,072
(Increase) decrease in prepaid expense	(1,285)	10,768
(Increase) decrease in other assets	(68)	68
Increase (decrease) in accounts payable	-	(888)
Increase (decrease) in accrued payroll	13,753	2,534
Increase (decrease) in accrued compensated absences	3,766	1
	<u>(10,040)</u>	<u>36,538</u>
Total Adjustments		
Net Cash Provided by (Used in) Operating Activities	<u>101,584</u>	<u>45,975</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(5,870)</u>	<u>(1,567)</u>
Net Cash Provided by (Used in) Investing Activities	<u>(5,870)</u>	<u>(1,567)</u>
NET INCREASE (DECREASE) IN CASH	95,714	44,408
CASH, BEGINNING OF YEAR	<u>98,785</u>	<u>54,377</u>
CASH, END OF YEAR	<u><u>\$ 194,499</u></u>	<u><u>\$ 98,785</u></u>

Read Report of Independent Certified Public Accountants.
The accompanying notes are an integral part
of these financial statements.

PASCO KIDS FIRST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE A - DESCRIPTION OF ORGANIZATION

Pasco Kids First, Inc. ("the Organization") is a nonprofit entity incorporated in 1990 under the laws of the State of Florida. Their mission is to assist in the protection of Pasco County children from the devastating effects of child abuse. Through partnerships with other community agencies, the Organization provides accurate assessments and services to children and their families by utilizing a multidisciplinary approach. Through community education and early intervention, the Organization promotes a healthy and nurturing family environment for all of their children.

Major funding is provided by the U.S. Department of Health and Human Services passed-through the State of Florida through grant agreements and contracts with the Department of Health, Healthy Families of Florida and other agencies. Funding is also provided by Pasco County and local organizations.

The Organization offers the following programs:

- **Child Abuse Crisis Program** – The Organization provides medical, forensic and psychological evaluations and counseling through a team of child abuse specialists made up from a network of doctors, nurses, social workers, psychologists and other professionals to alleged victims of child abuse and neglect. Community education and awareness programs are also provided.
- **Healthy Families Pasco/Hernando** – A voluntary home visiting program for expectant parents and families of newborns is offered to the community. This positive parent support program works to build parenting skills, promotes parent-child relationships and bonding, promotes healthy child development, and links families to other services in the community.
- **Sexual Abuse Treatment Program (SATP)** – The Organization provides an array of education, prevention, assessment and intervention services to all members of the family affected by sexual abuse. Child victims of sexual abuse are provided immediate safety, assistance with coping with the trauma of the abuse and help with prevention of further incidents of abuse.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations, including restricted contributions whose restrictions are met in the same reporting period.

Read Report of Independent Certified Public Accountants

PASCO KIDS FIRST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

The Organization receives substantially all of its revenue from Federal and State contracts and grants. These contracts and grants are excluded from the definition of contributions in the accounting standards because they carry attributes of exchange transactions, and are therefore, recorded as unrestricted net assets in the financial statements.

Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Cash and Cash Equivalents

The Organization considers currency on hand, demand deposits and money market funds as cash. Cash equivalents would consist of highly liquid debt instruments purchased with maturities of three months or less.

Grants Receivable

Grants receivable result from services which have been provided pursuant to the Organization's grants and contracts, but for which reimbursement has not yet been received at June 30, 2014. At June 30, 2014, the Organization set up an allowance for estimated uncollectible accounts of \$17,000 related to Crime Victims Compensation services that have not been paid for over a year. No allowance was set up for federal and state grants as any amounts determined unallowable by the grantor are deducted from revenue upon notification of the disallowance. No material amounts were subsequently disallowed with respect to the amounts recorded at June 30, 2014 and 2013.

Federal and State Grants and Contracts

Revenues from federal and state grants and contracts are recorded based upon terms of the grantor allotment which generally provide that revenues are earned when the allowable costs of the specific grant provisions have been incurred. Revenues are subject to audit by the grantor and, if the examination results in a disallowance of any expenditure, repayment could be required. As of June 30, 2014 and 2013, federal and state grants and contracts were 73% of total revenue, with 63% of the funding from one agency.

PASCO KIDS FIRST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment are stated at historical cost and depreciated using the straight-line method over the estimated useful lives ranging from 5 to 39 years. Acquisitions of property and equipment in excess of \$500 are capitalized. Maintenance and repairs are charged to operations when incurred. When property and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in earnings.

Donated Facilities and Services

Donated facilities are reflected in the accompanying financial statements as revenue and expense based on the fair rental value of comparable facilities, which totaled \$330,843 and \$330,777 for the years ended June 30, 2014 and 2013, respectively. These facilities were used in the operations of the following programs:

	2014	2013
Healthy Families	\$ 277,062	\$ 277,062
SATP	53,781	53,715
	<hr/>	<hr/>
Total	\$ 330,843	\$ 330,777
	<hr/>	<hr/>

Donated services are recorded at their approximate fair value if they create or enhance non-financial assets, are of a specialized nature, are provided by an individual possessing those skills, and would have been purchased if not donated. There were no services meeting these criteria during the years ended June 30, 2014 and 2013.

Donated Land and Building

The Organization holds land and building that were originally donated by Pasco County, Florida. In the event that the Organization ceases to utilize the property for its intended business purpose, the property will revert back to the grantor.

Functional Allocation of Expenses

The costs of providing the various programs have been summarized on a functional basis in the statement of functional expenses. Salaries and other expenses that are associated with a specific program are charged directly to that program. Salaries and other expenses that benefit more than one program are allocated to the various programs based on the relative benefit provided.

Income Tax Status

The Organization is an exempt organization under Section 501(c)(3) of the Internal Revenue Code and similar state provisions. The Organization is treated as a public supported organization and not as a private foundation. Therefore, no provision for income taxes has been made in these financial statements. Management is not aware of any activities that would jeopardize the Organization's tax exempt status.

PASCO KIDS FIRST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax Status (continued)

The Organization accounts for uncertain tax positions, if any, in accordance with ASC Section 740. In accordance with these professional standards, the Organization recognizes tax positions only to the extent that Management believes it is "more likely than not" that its tax positions will be sustained upon IRS examination. Management believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements for the years ended June 30, 2014 and 2013.

The Organization believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Organization's financial condition, change in net assets or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2014 and 2013.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for fiscal years ending prior to June 30, 2011.

The Organization's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.

Fair Value of Financial Instruments

Professional standards require disclosure of an estimate of fair value of certain financial instruments. The Organization's significant financial instruments are cash, grants receivable and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value.

Concentration of Credit Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist of cash and receivables at June 30, 2014 and 2013. The Organization places its cash with creditworthy, high-quality financial institutions. Accounts are maintained at institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. From time to time amounts held may exceed this limit. As of June 30, 2014 and 2013, no amounts exceeded the FDIC limit.

Reclassification

Certain 2013 amounts have been reclassified to conform to the 2014 presentation.

PASCO KIDS FIRST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE C – PROPERTY AND EQUIPMENT

Property and equipment at cost as of June 30,:

	<u>2014</u>	<u>2013</u>
Land and Building	\$ 375,559	\$ 375,559
Equipment	<u>101,606</u>	<u>95,736</u>
Total Property and Equipment	477,165	471,295
Less: Accumulated Depreciation	<u>(130,734)</u>	<u>(123,692)</u>
Net Property and Equipment	<u>\$ 346,431</u>	<u>\$ 347,603</u>

Depreciation expense for the years ended June 30, 2014 and 2013 was \$7,042 and \$7,983, respectively.

NOTE D – EMPLOYEE BENEFIT PLAN

The Organization has a 403(b) retirement plan which is a tax-deferred annuity for its employees. Employer contributions to the plan for the years ended June 30, 2014 and 2013 totaled \$28,227 and \$26,010, respectively. Administrative costs for 2014 and 2013 were immaterial.

NOTE E - COMMITMENTS AND CONTINGENCIES

Lease Commitments

The Organization conducts operations in New Port Richey from a facility subject to a non-cancelable lease expiring June 30, 2018. Future minimum lease payments are as follows:

<u>Year</u>	
2015	\$ 92,070
2016	92,070
2017	92,070
2018	92,070

Rent expense in the statement of functional expenses consists of the following for the years ended June 30,:

	<u>2014</u>	<u>2013</u>
Facilities rent	\$ 84,398	\$ 94,079
Donated rent	<u>330,843</u>	<u>330,777</u>
	<u>\$415,241</u>	<u>\$424,856</u>

Read Report of Independent Certified Public Accountants

PASCO KIDS FIRST, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE F – MATCH REQUIREMENT

The Organization receives funds under a grant from Healthy Families Florida, which requires a match of 25% of the contract award. For the years ended June 30, 2014 and 2013 this match requirement was met through in-kind contributions as allowed under the grant. The Organization also receives funds through a grant from the State of Florida under the Victims of Crime Act, which requires a match of 20% of the contract award (20% for 2013). For the year ended June 30, 2014 and 2013 this match was met through cash and in-kind contributions as allowed under the grant.

NOTE G - SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 18, 2014, the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION
AND
OTHER REPORTS**

PASCO KIDS FIRST, INC.
SCHEDULE OF EXPENDITURES OF FINANCIAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass- Through Entity Identifying Number</i>	<i>Federal Expenditures (\$)</i>
TANF Cluster			
Department of Health and Human Services Pass-Through Programs From			
Temporary Assistance for Needy Families	93.558		
Healthy Families Florida-Ounce of Prevention Fund of Florida		HF-13-14-21	\$ 906,494
Total Department of Health and Human Services			<u>906,494</u>
Other Programs			
United States Department of Justice Pass-Through Programs From			
Crime Victim Assistance	16.575		
State of Florida Office of the Attorney General-Victims of Crime Act (VOCA)		V12154	55,701
State of Florida Office of the Attorney General-Victims of Crime Act (VOCA)		V13154	<u>175,822</u>
Total United States Department of Justice			<u>231,523</u>
Department of Health and Human Services Pass-Through Programs From			
Community-Based Child Abuse Prevention Grants	93.590		
Healthy Families Florida-Ounce of Prevention Fund of Florida		HF-13-14-21	31,906
Social Services Block Grant	93.667		
State of Florida Department of Health-Child Protection Team		CPS5B	<u>219,335</u>
Total Department of Health and Human Services			<u>251,241</u>
Total Other Programs			<u>482,764</u>
Total Expenditures of Federal Awards			<u>1,389,258</u>

Read Report of Independent Certified Public Accountants.
See Accompanying notes to Schedule of Expenditures of Financial Awards.

PASCO KIDS FIRST, INC.
SCHEDULE OF EXPENDITURES OF FINANCIAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

<i>State Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>State CSFA Number</i>	<i>Pass- Through Entity Identifying Number</i>	<i>State Expenditures (\$)</i>
State of Florida Department of Health			
Medical Services for Abused and Neglected Children	64.006	CPS5B	188,931
Medical Services for Abused and Neglected Children	64.006	CSAPA	<u>35,000</u>
Total State of Florida Department of Health			223,931
Florida Network of Child Advocacy Centers			
Direct Services for Abused and Neglected Children	22.016		130,836
Stop Child Abuse Specialty License Tag	76.067		3,800
Trust Fund	N/A		<u>2,534</u>
Total Florida Network of Child Advocacy Centers			137,170
Total Expenditures of State Financial Assistance Projects			<u>361,101</u>
Total Expenditures of Federal & State Financial Awards			<u>\$ 1,750,359</u>

Read Report of Independent Certified Public Accountants.
See Accompanying notes to Schedule of Expenditures of Financial Awards.

PASCO KIDS FIRST, INC.
NOTE TO SCHEDULE OF EXPENDITURES OF FINANCIAL AWARDS

NOTE 1. Basis of Presentation

The accompanying schedule of expenditures of financial awards includes the federal grant activity of Pasco Kids First, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.

Pursuant to OMB Circular A-133 section 310(b) (2) the Organization, as a sub-recipient of federal awards, has provided the name of the pass-through entity and the identifying description and number assigned by the pass-through entity when available from the pass-through entity. Pursuant to OMB Circular A-133 section 310(b) (3) the Organization has provided the total federal awards expended for each individual federal program and the CFDA number or other identifying information when the CFDA information is not available. OMB Circular A-133 does not require the Organization to provide this information, nor a breakdown of amounts awarded by CFDA number if that information is not available from the awarding agency.



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS 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
Pasco Kids First, Inc.
New Port Richey, 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 Pasco Kids First, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and change in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 18, 2014.

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 opinions 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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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.

A handwritten signature in black ink that reads "Beebe & Associates, PA". The signature is written in a cursive, flowing style.

Certified Public Accountants
September 18, 2014



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To Pasco Kids First, Inc.
New Port Richey, Florida

Report on Compliance for Each Major Federal Program

We have audited Pasco Kids First, Inc.'s (the Organization) 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 the Organization's major federal programs for the year ended June 30, 2014. The Organization'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

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program 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 federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

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 each of its major federal programs for the year ended June 30, 2014.

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 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, 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 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.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the Organization as of and for the year ended June 30, 2014, and have issued our report thereon dated September 18, 2014, which contained an unmodified opinion on those financial statements. Our 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 is presented for purposes of additional analysis as required by OMB Circular A-133 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 schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



Certified Public Accountants
September 18, 2014

PASCO KIDS FIRST, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Pasco Kids First, Inc. (the Organization).
2. There were no significant deficiencies disclosed during the audit of the basic financial statements.
3. No instances of noncompliance material to the basic financial statements of the Organization were disclosed during the audit of the basic financial statements.
4. There were no significant deficiencies disclosed during the audit of the major federal award program.
5. The auditor's report on compliance for the major federal award program for the Organization expresses an unmodified opinion.
6. There were no audit findings relative to the major federal awards program of the Organization.
7. The federal programs tested as major programs included:

***United States Department of Health and Human Services:
Passed-through State of Florida, Healthy Families Florida***

Healthy Families Program:

93.558 Temporary Assistance for Needy Families \$906,494

8. The threshold for distinguishing Type A and Type B programs was \$300,000 for major federal awards programs.
9. The Organization was determined to be a low-risk auditee pursuant to OMB Circular A-133.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

NONE

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS PROGRAMS

NONE

D. OTHER ISSUES

NONE

E. PRIOR YEAR FINDINGS

NONE

**PASCO KIDS FIRST, INC.
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2014**

Pasco Kids First, Inc. respectfully submits the following corrective action plan For the Year Ended June 30, 2014.

Contact person responsible for corrective action:

Mr. Richard Hess
Pasco Kids First, Inc.
7615 Little Road
New Port Richey, FL 34654

The findings from the June 30, 2014 Schedule of Findings and Questioned Costs are discussed below. The findings are lettered consistently with the letter assigned in the Schedule of Findings and Questioned Costs.

A. SUMMARY OF AUDIT RESULTS

This section does not include any findings and is therefore not addressed.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

NONE

**C. FINDINGS AND QUESTIONED COSTS– MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

NONE

D. OTHER ISSUES

NONE

E. PRIOR YEAR FINDINGS

NONE