

**RESCUE OUTREACH MISSION
OF CENTRAL FLORIDA, INC.**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2014



Greene, Dycus & Co, PA

Certified Public Accountants

407-322-0561

www.gdccpa.net

Table of Contents

Independent Auditors' Report.....	1
Statement of Financial Position.....	3
Statement of Activities and Changes in Net Assets.....	4
Statement of Functional Expenses.....	5
Statement of Cash Flows	6
Notes to the Financial Statements.....	8
Compliance Section	
Schedule of Expenditures of Federal Awards.....	15
Notes to Schedule of Expenditures of Federal Awards.....	16
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	17
Independent Auditors' Report on Compliance for each Major Program and Internal Control Over Compliance Required by OMB Circular A-133.....	19
Schedule of Findings and Questioned Costs.....	22
Summary Schedule of Prior Audit Findings and Corrective Action Plan – Federal Awards Program	23



INDEPENDENT AUDITORS' REPORT

Board of Directors
Rescue Outreach Mission of Central Florida, Inc.
Sanford, Florida

We have audited the accompanying financial statements of the Rescue Outreach Mission of Central Florida, Inc. (the "Mission"), a nonprofit organization, which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, 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. 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 the Mission as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

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 Agencies*, 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 July 13, 2015 on our consideration of the Agency'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 the 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 Mission's internal control over financial reporting and compliance.

Greene Dupuis & Co.

Professional Association
Certified Public Accountants
Sanford, Florida
July 13, 2015

RESCUE OUTREACH MISSION OF CENTRAL FLORIDA, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014

ASSETS

Current Assets

Cash and cash equivalents - unrestricted	\$ 60,890
Cash and cash equivalents - restricted	17,259
Grants and accounts receivable	9,815
Pledges receivable	130,617
Other assets	92
	218,673
Total current assets	218,673

Property and Equipment

Land	199,895
Building and improvements	1,950,096
Vehicle	50,469
Furniture and equipment	93,640
	2,294,100
Less accumulated depreciation	(547,096)
Net property and equipment	1,747,004
Total assets	\$ 1,965,677

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 8,351
Accrued payroll	19,417
Mortgage payable	44,290
	72,058
Total liabilities	72,058

Net Assets

Unrestricted	1,876,360
Temporarily restricted	17,259
	1,893,619
Total net assets	1,893,619
Total liabilities and net assets	\$ 1,965,677

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

**RESCUE OUTREACH MISSION OF CENTRAL FLORIDA, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Support and Revenue			
United Way	\$ 141,487		\$ 141,487
Public support and other income	299,142		299,142
Special events, net of costs of \$38,087	75,254		75,254
Grants	851,061		851,061
Shelter fees	22,310		22,310
Other revenue	12		12
Net assets released from restrictions	-	-	-
Total support and revenue	<u>1,389,266</u>	<u>-</u>	<u>1,389,266</u>
Expenses			
Program services:			
Shelter	330,534	-	330,534
Meals	130,621	-	130,621
Transitional housing	124,434	-	124,434
Total program services	<u>585,589</u>	<u>-</u>	<u>585,589</u>
Support services:			
Management and general	93,591	-	93,591
Fundraising	23,325	-	23,325
Total support services	<u>116,916</u>	<u>-</u>	<u>116,916</u>
Total expenses	<u>702,505</u>	<u>-</u>	<u>702,505</u>
Change in net assets	686,761	-	686,761
Net assets beginning of year	<u>1,189,599</u>	<u>17,259</u>	<u>1,206,858</u>
Net assets end of year	<u><u>\$ 1,876,360</u></u>	<u><u>\$ 17,259</u></u>	<u><u>\$ 1,893,619</u></u>

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

RESCUE OUTREACH MISSION OF CENTRAL FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014

	Program Services				Support Services			
	Shelter	Meals	Transitional Housing	Total Program Services	Management & General	Fund-raising	Total Support Services	Total
Personnel costs	\$ 212,270	\$ 63,352	\$ 103,492	\$ 379,114	\$ 56,159	\$ 11,602	\$ 67,761	\$ 446,875
Food costs	-	32,010	-	32,010	-	-	-	32,010
Insurance	9,307	3,580	-	12,887	1,432	-	1,432	14,319
Repairs and maintenance	21,413	-	-	21,413	-	-	-	21,413
Utilities	19,455	8,721	671	28,847	4,025	671	4,696	33,543
Depreciation	29,449	9,816	982	40,247	7,853	982	8,835	49,082
Professional fees	-	-	-	-	12,700	2,880	15,580	15,580
Equipment lease	5,660	2,830	707	9,197	4,245	707	4,952	14,149
Travel and training	4,116	-	2,967	7,083	2,058	686	2,744	9,827
Other office expense	9,093	2,385	447	11,925	2,236	745	2,981	14,906
Other costs	4,781	-	14,303	19,084	-	2,890	2,890	21,974
Communications	14,990	7,927	865	23,782	2,883	2,162	5,045	28,827
Total expenses	\$ 330,534	\$ 130,621	\$ 124,434	\$ 585,589	\$ 93,591	\$ 23,325	\$ 116,916	\$ 702,505

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

RESCUE OUTREACH MISSION OF CENTRAL FLORIDA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 686,761
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	49,082
Grant for facility improvements - non cash	(661,855)
Changes in operating assets and liabilities:	
Grants and accounts receivable	1,983
Pledges receivables	1,665
Other assets	76
Accounts payable	(4,929)
Accrued payroll	10,417
	83,200
Net cash provided by operating activities	83,200

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	(51,973)
Net cash used in investing activities	(51,973)
Net increase in cash and cash equivalents	31,227
Cash at beginning of year	46,922
Cash at end of year	\$ 78,149

RECONCILIATION TO STATEMENT OF FINANCIAL POSITION:

Cash and cash equivalents - unrestricted	60,890
Cash and cash equivalents - restricted	17,259
	78,149

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

RESCUE OUTREACH MISSION OF CENTRAL FLORIDA, INC.
STATEMENT OF CASH FLOWS - Continued
FOR THE YEAR ENDED DECEMBER 31, 2014

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING & FINANCING ACTIVITIES:

Imputed interest of \$840 was capitalized into the purchase price of land acquired in 2013.

The Mission received a grant to improve their facilities, the cost of the improvements are being paid directly from the grantor to the construction contractor. For the year ended December 31, 2014 the Mission recognized \$661,855 of improvements and grant revenue due to this project.

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

RESCUE OUTREACH MISSION OF CENTRAL FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 – NATURE OF ACTIVITIES

Rescue Outreach Mission of Central Florida, Inc. (the “Mission”) is incorporated under the laws of the State of Florida as a not-for-profit organization with facilities in Sanford, Florida; to provide food, temporary shelter, transitional housing and guidance to homeless and needy individuals. The Mission is supported primarily through donor contributions, grants and the United Way.

The Mission’s program “Opportunities and Hope” provides temporary shelter for a fee based upon ability to pay. The Mission provided shelter for 426 people during 2014. The Mission provided a total of 1,863 bed nights. The Mission’s program “Loaves and Fishes” provides 3 meals a day for shelter residents and 2 meals for local citizens. During 2014 approximately 47,000 meals were served. In addition approximately 102,000 pounds of food and 21,000 articles of clothing were provided to needy recipients.

The Transitional Housing program is designed to help families recover from homelessness and attain self-sufficiency and sustainability. The Transitional Housing program guides each family in becoming productive neighbors in the community. In 2014, the Mission helped twenty-eight families move into stable housing. Clients, who successfully enter and complete the program, are provided one full year of extended case management after moving into their new home.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Mission prepares its financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recognized when incurred.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Mission is required to report information regarding its financial position & activities according to three (3) classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Mission has no permanently restricted net assets.

Contributions and Support

Contributions and support received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

RESCUE OUTREACH MISSION OF CENTRAL FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Contributions and Support - Continued

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.

Income Taxes

The Mission is a nonprofit organization recognized as tax exempt by the Internal Revenue Service under Section 501(c)(3).

The Mission adopted the provisions of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (FASB ASC 740-10). Under this interpretation, the Mission is required to evaluate each of its tax positions to determine if they are more likely than not to be sustained if the taxing authority examines the respective position. A tax position includes an entity's status, including its status as a 501(c)(3), and the decision not to file a tax return. The Mission has evaluated each of its tax positions and has determined that no provision or liability for income taxes is necessary.

The Mission files a federal income tax return and is no longer subject to US federal income tax examination by tax authorities for years before 2012.

Cash and Cash Equivalents

Cash equivalents include time deposits, savings accounts, and all highly liquid debt instruments with original maturities of three months or less.

Equipment and Buildings

Property and equipment additions are recorded at cost, or market value if donated. Gifts of long-lived assets are reported as property and equipment on the Statement of Financial Position and as unrestricted revenue on the Statement of Activities and Changes in Net Assets. The Mission capitalizes property and equipment valued over \$500. Depreciation of equipment is computed using the straight line method. The building is depreciated over 39 years using the straight-line method.

Contributed property and equipment with donor restrictions on how long the assets must be used are recorded as restricted contributions. All other contributions of property and equipment are recorded as unrestricted contributions when the assets are placed in service.

RESCUE OUTREACH MISSION OF CENTRAL FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Impairment

The Mission periodically reviews its long-lived assets to be held and used in operations for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. An impairment loss is recognized when the estimated undiscounted future cash flows from the assets are less than the carrying value of the assets.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Grants and Accounts Receivable

Grants receivable consist of balances due for contractual services provided under contracts typically entered into with federal, state and local governments, but not paid as of the end of the accounting period. Accounts receivable consist of balances due for services rendered, to typically non-governmental entities and individuals, but not paid as of the end of the accounting period. Based upon an analysis of both history and past due receivables, it is management's opinion that no allowance for uncollectible accounts is necessary.

Subsequent Events

The Mission has evaluated subsequent events through July 13, 2015, the date which the financial statements were available to be issued.

**RESCUE OUTREACH MISSION OF CENTRAL FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 3 – DONATIONS OF SUPPLIES, SERVICES AND FACILITIES

The Mission has not recorded donated goods and services for the year ended December 31, 2014. The estimated value of donated goods and services is over approximately \$10,000. The Mission tracks volunteer hours based on a time reporting system and utilizes a best estimate of the market hourly rate, considering the type of services performed. Services provided by volunteers include volunteer board duties, fund raising, tutoring and mentoring services and shelter assistance such as cooking and housekeeping. These duties are performed by students, business and church volunteers and retirees. These functions are an integral part of the Mission's operations, and are necessary to meet program goals. In accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, these services are excluded from the financial statements, as the positions are not funded under current grant agreements, and unrestricted contributions are insufficient to pay for such services.

The Mission also received property and equipment with an approximate value of \$500. These donations have been recorded by the Mission as revenue and property and equipment. In addition the Mission receives a significant amount of donations of food, clothing, electronics and household items that are disbursed to the community.

NOTE 4 – MORTGAGE PAYABLE

The Mission was provided property to be utilized in its Transitional Housing Program for the benefit of eligible low or moderate income residents of Seminole County. Seminole County has sold the property to the Mission and is holding a mortgage with a \$57,727 face value with "deferred payment zero percent (0%) interest rate with a maturity date of August 17, 2030 (the end of the Affordability Period. If the Mission complies with the Affordability Period requirements as of August 17, 2020 and August 17, 2030, 50% and 100% of the principal of the Mortgage will be forgiven, respectively.

Mortgage payable gross	57,727
Imputed interest at 3.5%	<u>(13,437)</u>
Mortgage payable net	<u><u>44,290</u></u>

NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS

At times, temporarily restricted net assets include funds advanced but not spent, related to future program services. For the year ended December 31, 2014, this represents the unspent balance from a grant received from the Edyth Bush Charitable Foundation for the purpose of funding a Director of Development position.

**RESCUE OUTREACH MISSION OF CENTRAL FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 6 – CONCENTRATION RISK

Revenue to support the Mission’s programs is received primarily from government/nonprofit grants and awards, and accounts for over 50% of total revenues. Thus, the Mission is subject to changes in policy and funding allocations. In the event these entities discontinue funding these programs, the Mission would have a difficult time achieving current program goals.

Support is received primarily from foundations, businesses, churches, grants and individuals located in the Central Florida area. As a result, continued contributions may be affected by the economy of this region.

At December 31, 2014, cash on deposit with one commercial bank in Florida was approximately \$51,000. The cash on deposit is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

NOTE 7 – OPERATING LEASES

The Mission has entered into operating leases for office equipment expiring in 2018. The lease payments made during the current year were approximately \$14,000. The minimum lease payments for the remaining fiscal years ended December 31 are as follows:

	Minimum Payment
2015	\$ 9,831
2016	9,831
2017	9,831
2018	4,916
	<u>\$ 34,409</u>

NOTE 8 – OTHER ITEMS

The Mission received approximately \$770,000 HUD/CDBG funds in 2014/2013 for the express purpose to renovate and improve portions of their facilities. The “restrictive use covenant” of the agreement requires that the facilities being improved must be used for affordable housing purposes for a period through June 30, 2034. In addition the Mission received approximately \$400,000 HUD/CDBG funds in 2007 for the same purposes and agreed to a “restrictive use covenant” until June 30, 2022.

The Mission pledged “Real Property” as collateral for this grant, and if the “restrictive use covenant” is not complied with the grant will need to be re-paid or the “Real Property” pledged as collateral may transfer to the Grantor.

RESCUE OUTREACH MISSION OF CENTRAL FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 8 – OTHER ITEMS - Continued

In the normal course of operations, the Mission participates in various governmental and/or non-governmental grant programs from year to year. The grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. An additional liability for reimbursement which may arise as a result of these potential audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

The Mission is subject to various claims, legal proceedings, and investigations covering a wide range of matters that arise in the ordinary course of business. In the opinion of management, all such matters, if any, are adequately covered by insurance and, if not so covered, are without merit, or involve such amounts as would not have a significant effect on the financial position or results of operations of the Organization if disposed of unfavorably.

COMPLIANCE SECTION

RESCUE OUTREACH MISSION OF CENTRAL FLORIDA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2014

<u>Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Expenses Incurred</u>
<u>FEDERAL</u>			
U.S. Department of Housing and Urban Development			
<i>Passed through the City of Sanford, Florida</i>			
Community Development Block Grants/Entitlement Grants*	14.218	N/A	\$ 70,000
<i>Passed through the County of Seminole, Florida</i>			
Community Development Block Grants/Entitlement Grants*	14.218	N/A	700,000
Expended in prior year			(108,145)
			<u>\$ 661,855</u>

* Indicates Major Program

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

**RESCUE OUTREACH MISSION OF CENTRAL FLORIDA, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2014**

Note 1 – Reporting Entity

For reporting entity purposes, the Schedule of Federal Awards includes only the activities of the Rescue Outreach Mission of Central Florida, Inc. 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 Agencies*. Because the Schedule presents only a selected portion of the operations of the Rescue Outreach Mission of Central Florida, Inc. it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Rescue Outreach Mission of Central Florida, Inc.

Note 2 – Summary of Significant Accounting Policies / Basis of Presentation

The accounting policies and presentation of the Schedule of Expenditures of Federal Awards are in accordance with accounting principles generally accepted in the United States of America as applicable to governmental and nonprofit agencies. This schedule is prepared on the accrual basis of accounting and is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Agencies* and OMB Circular A-122, *Cost Principals for Non-Profit Agencies*. 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**

Board of Directors
Rescue Outreach Mission of Central Florida, Inc.
Sanford, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Rescue Outreach Mission of Central Florida, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 13, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Rescue Outreach Mission of Central Florida, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Rescue Outreach Mission of Central Florida, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Mission'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Rescue Outreach Mission of Central Florida, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of 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 Mission'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 Mission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Greene Dupuis & Co.

Professional Association
Certified Public Accountants
Sanford, Florida
July 13, 2015



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors
Rescue Outreach Mission of Central Florida, Inc.
Sanford, Florida

Report on Compliance for Each Major Federal Program

We have audited the Rescue Outreach Mission of Central Florida Inc.'s, (the Mission) 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 Rescue Outreach Mission of Central Florida Inc.'s major federal programs for the year ended December 31, 2014. The Mission's major federal programs are identified in the Summary of Auditors' Findings 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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Rescue Outreach Mission of Central Florida Inc.'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 Agencies*. 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 identified in the accompanying schedule of findings and questioned costs occurred. An audit includes examining, on a test basis, evidence about the Mission'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 Mission's compliance.

Opinion on Each Major Federal Program

In our opinion, the Mission 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 December 31, 2014.

Other Matters

The results of our auditing procedures reported no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133. Our opinion on each major federal program is not modified with respect to these matters.

The Mission's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Mission's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Mission 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 Mission's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our 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 Mission'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 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 the 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.

Greene Dycus & Co.

Professional Association
Certified Public Accountants
Sanford, Florida
July 13, 2015

RESCUE OUTREACH MISSION OF CENTRAL FLORIDA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2014

I. Summary of Auditors' Findings

Financial Statements

1. We have audited the financial statements of the Rescue Outreach Mission of Central Florida, Inc. as of and for the year ended December 31, 2014 and issued an unqualified opinion dated July 13, 2015.

Internal Control over Financial Reporting

2.
 - A. Material weaknesses identified? – No
 - B. Significant deficiencies identified that are not considered to be material weaknesses? – None reported
 - C. Noncompliance material to financial statements noted? – No

Federal Awards

3. Internal Control Over Major Programs
 - A. Material weaknesses identified? – No
 - B. Significant deficiencies identified that are not considered material weaknesses? – None reported
4. Our report issued on compliance for major programs was unqualified.
5. Our audit did not disclose any audit findings which are required to be reported under Office of Management and Budget (OMB) Circular A-133, Section 510(a).
6. Major programs have been identified on the Schedule of Expenditures of Federal Awards.
7. The threshold used to distinguish between Type A and Type B programs is \$300,000.
8. The Rescue Outreach Mission of Central Florida, Inc. did not qualify as a low-risk audit under provisions of OMB Circular A-133, Section 530.

**II. Findings Related to the Financial Statements
Required to Be Reported Under
Government Auditing Standards**

NONE REPORTED

III. Findings and Questioned Costs for Major Federal Awards

NONE REPORTED

**RESCUE OUTREACH MISSION OF CENTRAL FLORIDA, INC.
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND
CORRECTIVE ACTION PLAN – FEDERAL AWARDS PROGRAM
Year Ended December 31, 2014**

Prior Year Audit Findings:

There were no audit findings, relating to federal awards programs in the prior year independent auditors' reports which required corrective action.

Corrective Action Plan:

There were no findings, relating to federal awards programs, in the current year that required a corrective action plan.