THE GLADES INITIATIVE, INC

FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2015
TOGETHER WITH REPORT OF INDEPENDENT ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Glades Initiative, Inc.
Belle Glade, Florida

Report on the Financial Statements

I have audited the financial statements of The Glades Initiative, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2015, and the related statements of activities, cash flows and functional expenses 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 of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Glades Initiative, Inc. as of September 30, 2015, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited The Glades Initiative, Inc.'s 2014 financial statements, and our report dated February 16, 2015, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated January 25, 2016, on my consideration of the Organization's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering The Glades Initiative, Inc.'s internal control over financial reporting and compliance.

Steven J. Corso, CPA
West Palm Beach, FL
January 25, 2016

THE GLADES INITIATIVE, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2015
WITH COMPARATIVE TOTALS FROM 2014

	FUNDS			
	UNRESTRICTED	TEMPORARILY RESTRICTED	2015 TOTAL	2014 TOTAL
ASSETS				
Cash & Cash Equivalents	$ 246,017	$ 213,755	$ 459,772	$ 400,375
Certificates of Deposits	0	105,315	105,315	105,284
Grants & Other Receivable	14,683	0	14,683	0
Prepaid Expenses	9,482	0	9,482	5,864
Security Deposits	1,500	0	1,500	1,500
Furniture & Equipment - Net	7,000	0	7,000	9,000
Total Assets	$ 278,682	$ 319,070	$ 597,752	$ 522,023
LIABILITIES				
Accounts Payable	$ 13,384	$ 0	$ 13,384	$ 12,970
Accrued Expenses	18,304	0	18,304	16,468
Notes Payable	0	0	0	0
Total Liabilities	31,688	0	31,688	29,438
NET ASSETS	246,994	319,070	566,064	492,585
Total Liabilities & Net Assets	$ 278,682	$ 319,070	$ 597,752	$ 522,023

Read Accompanying Notes

THE GLADES INITIATIVE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015
WITH COMPARATIVE TOTALS FOR 2014

	FUNDS			
	UNRESTRICTED	TEMPORARILY RESTRICTED	2015 TOTAL	2014 TOTAL
SUPPORT & REVENUE				
Grants & Contributions	$ 503,471	$ 119,070	$ 622,541	$ 565,321
Membership Dues	260	0	260	585
Program Service Fees	1,446	0	1,446	1,445
Interest Income	618	0	618	860
Other Revenues	25,606	0	25,606	30,759
Net Assets Released From Restriction	25,422	(25,422)	0	0
Total Revenue	556,823	93,648	650,471	598,970
EXPENSES				
Program Services	553,603	0	553,603	529,961
Support Services				
General & Administrative	18,619	0	18,619	17,724
Fund Raising	4,770	0	4,770	4,512
Total Support Services	23,389	0	23,389	22,236
Total Expenses	576,992	0	576,992	552,197
CHANGE IN NET ASSETS	(20,169)	93,648	73,479	46,773
TRANSFERS	0	0	0	0
BEGINNING NET ASSETS	267,163	225,422	492,585	445,812
ENDING NET ASSETS	$ 246,994	$ 319,070	$ 566,064	$ 492,585

Read Accompanying Notes

THE GLADES INITIATIVE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
WITH COMPARATIVE TOTALS FROM 2014

	FUNDS			
	UNRESTRICTED	TEMPORARILY RESTRICTED	2015 TOTAL	2014 TOTAL
Cash Flows From Operating Activities:				
Grants & Contributions Received	$ 488,788	$ 119,070	$ 607,858	$ 565,321
Membership Dues Received	260	0	260	585
Interest Received	618	0	618	860
Other Income	27,052	0	27,052	32,204
Operating Expenses Paid	(576,360)	0	(576,360)	(552,437)
Net Assets Released From Restriction	25,422	(25,422)	0	0
Net Cash Provided from Operating Activities:	(34,220)	93,648	59,428	46,533
Cash Flows From Investing Activities:				
Purchase of Equipment	0	0	0	(10,000)
Cash Flows From Financing Activities:	0	0	0	0
Net Cash Provided from Investing & Financing Activities:	0	0	0	(10,000)
Net Change In Cash, Equivalents, & CDs	(34,220)	93,648	59,428	36,533
Cash At Beginning of Year	280,237	225,422	505,659	469,126
Cash, Equivalents, & CDs At End of Year	$ 246,017	$ 319,070	$ 565,087	$ 505,659

Read Accompanying Notes

THE GLADES INITIATIVE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2015
WITH COMPARATIVE TOTALS FOR 2014

EXPENSES	Program Services	General & Admin	Fund Raising	Total 2015	Total 2014
Awards & Gifts	$ 5,696	$ 0	$ 0	$ 5,696	$ 333
Back Ground Checks	19,408	0	0	19,408	14,328
Communications	6,330	360	505	7,195	7,577
Depreciation	2,000	0	0	2,000	1,000
Indirect Admin. & Fees	390	764	0	1,154	3,123
Insurance	3,073	341	0	3,414	4,013
Maintenance	3,246	170	0	3,416	1,283
Office & Supplies	6,634	1,770	505	8,909	10,174
Outside Services	15,278	0	0	15,278	17,968
Payroll & Payroll Expenses	364,689	7,519	3,760	375,968	340,706
Professional Fees	0	5,554	0	5,554	5,466
Program Supplies	75,773	0	0	75,773	81,294
Rent	34,200	1,800	0	36,000	36,000
Special Projects / Events	0	0	0	0	13,435
Training & Development	2,214	0	0	2,214	1,072
Travel & Conference	8,189	0	0	8,189	7,111
Utilities	6,483	341	0	6,824	7,314
Total Expenses	$ 553,603	$ 18,619	$ 4,770	$ 576,992	$ 552,197

Read Accompanying Notes

1. General Description of Activities and Significant Accounting Policies:

The Glades Initiative, Inc. is a nonprofit corporation organized as of October 1, 2003. The office is currently located at 141 SE Avenue C, Belle Glade, Florida 33430.

The specific and primary purposes for which The Glades Initiative, Inc. is formed are to operate for the furtherance of the common good and general welfare of the Glades communities, and for other charitable purposes, by the distribution of its funds and services. The particular goals and objectives are: 1) to develop/provide a primary central source or system of coordinating the needs of the community with resources of particular government agencies, charitable foundations or groups, community organizations, and religious entities and 2) to develop, maintain, and foster collaborative relationships to collectively address community needs.

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

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers cash on hand, demand deposits, and short-term investments to be cash equivalents.

Promises to Give

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

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

Contributed Services

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

Contributions

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

1. General Description of Activities and Significant Accounting Policies:

Property and Equipment

The Organization capitalizes property and equipment over $500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five to thirty years.

Income Taxes

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

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

Estimates

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

Functional Expenses

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

Summarized Financial Information for 2014

The financial information for the year ended September 30, 2014, presented for comparative purposes, is not intended to be complete financial statement presentation. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2014, from which the summarized information was derived.

2. Restriction on Net Assets:

In the fiscal year ended September 30, 2015, temporarily restricted net assets were $319,070, $200,000 of which was temporarily restricted by the board as a reserve fund.

3. Promises to Give:

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

4. Property & Equipment:

Computers & Equipment	14,330
Furniture & Fixtures	940
	15,270
Accumulated Depreciation	(8,270)
	$ 7,000

5. Concentration of Risk

The Organization is dependent on funding from state and local governments and various other contributors. The amount of contributions is dependent on the funds available and the budgets at the state and local levels. Lack of funding could have a significant detrimental effect on the continued operations of the Organization.

6. Compensated Absences:

As of September 30, 2015, accrued vacation pay and accrued wages totaled $18,304.

7. Evaluation of Subsequent Events:

Subsequent events have been evaluated through January 25, 2016, which is the date the financial statements were issued.

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Board of Directors
The Glades Initiative, Inc.
Belle Glade, Florida

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of The Glades Initiative, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2015, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated January 25, 2016.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered The Glades Initiative, Inc.'s internal control over financial reporting (internal control) to determine my audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Glades Initiative, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Glades Initiative, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Steven J. Corso, CPA
West Palm Beach, FL
January 25, 2016

THE GLADES INITIATIVE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2015

A. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial statements

Type of Auditor's Report Issued: **Unmodified**

No findings or questioned costs.

No prior period findings or questioned costs.