

Financial Statements

**Hubbard House, Inc.
(A Not-For-Profit Corporation)**

Years Ended June 30, 2015 and 2014



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**INDEPENDENT AUDITORS' COMBINED REPORT ON THE
BASIC FINANCIAL STATEMENTS AND SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS AND STATE FUNDING**

Board of Directors
Hubbard House, Inc.
Jacksonville, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Hubbard House, Inc. (a not-for-profit corporation), which comprise the statements of financial position as of June 30, 2015 and 2014, 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 Hubbard House, Inc. as of June 30, 2015 and 2014, 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 and state funding is presented, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.650, Rules of the Auditor General 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 23 2015, on our consideration of Hubbard House, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hubbard House, Inc.'s internal control over financial reporting and compliance.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedules of Source and Expenditure of City Grant Funds on pages 22-24 are presented for purposes of additional analysis and are not a required part of the basic 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. This information has been subjected to the auditing procedures applied in our audits of the basic 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole, and the nature of the expenses relating to the City of Jacksonville grant proceeds are in compliance with Ordinance Section 118.

Masters, Smith & Wisely, P.A.
Certified Public Accountants
Jacksonville, Florida

HUBBARD HOUSE, INC.
(A NOT-FOR-PROFIT CORPORATION)

STATEMENTS OF FINANCIAL POSITION

<u>ASSETS</u>	June 30	
	2015	2014
Cash and cash equivalents	\$ 1,317,925	\$ 1,328,255
Grants receivable	209,392	397,938
Promises to give	60,000	105,490
Prepaid expenses	1,459	500
Cash restricted for capital expenditures	5,153	5,284
Cash restricted for expansion	-	34,510
Investments restricted for purchase of land	-	465,665
Investments unrestricted	938,684	971,820
Assets restricted for Hubbard House Shelter Endowment Investments	714,615	740,246
Deposits	500	500
Property and equipment, net	6,380,382	4,880,083
Total Assets	\$ 9,628,110	\$ 8,930,291
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable	\$ 140,178	\$ 195,051
Accrued expenses	117,125	104,812
Notes payable, building	542,494	577,831
Total Liabilities	799,797	877,694
Net Assets:		
Unrestricted	7,919,190	6,614,586
Temporarily restricted	359,123	888,011
Permanently restricted	550,000	550,000
Total Net Assets	8,828,313	8,052,597
Total Liabilities and Net Assets	\$ 9,628,110	\$ 8,930,291

See notes to financial statements

HUBBARD HOUSE, INC.
(A NOT-FOR-PROFIT CORPORATION)

STATEMENTS OF ACTIVITIES

	Years Ended June 30	
	2015	2014
Changes in Unrestricted Net Assets:		
Unrestricted Support and Revenues:		
Government grants	\$ 2,162,626	\$ 1,531,519
Contributions - public	2,021,727	2,656,224
Contributions - United Way, allocated and designated	142,654	163,668
Contributions - in-kind	55,007	100,521
Gain (loss) on thrift store sales (see Note O)	(6,078)	18,515
Program services	198,377	183,764
Investment return	37,125	268,124
Loss on disposal of fixed assets	(70,931)	-
Miscellaneous	128,882	50,389
Total Unrestricted Support and Revenues	4,669,389	4,972,724
Net Assets Released from Restrictions:		
Restrictions satisfied by payments	681,388	411,311
Total Unrestricted Support and Revenues and Net Assets Released from Restrictions	5,350,777	5,384,035
Functional Expenses:		
Program Services:		
Assistance to clients	2,921,477	2,867,691
Batterer's services	229,494	209,066
Supporting Services:		
Management and general	621,015	565,135
Fund raising	274,187	225,206
Total Functional Expenses	4,046,173	3,867,098
Change in Unrestricted Net Assets	1,304,604	1,516,937
Changes in Temporarily Restricted Net Assets:		
Contributions	139,675	695,759
Investment return	12,825	1,874
Net assets released from restrictions	(681,388)	(411,311)
Change in Temporarily Restricted Net Assets	(528,888)	286,322
Change in Net Assets	775,716	1,803,259
Net Assets, Beginning of Year	8,052,597	6,249,338
Net Assets, End of Year	\$ 8,828,313	\$ 8,052,597

See notes to financial statements

HUBBARD HOUSE, INC.
(A NOT-FOR-PROFIT CORPORATION)

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2015

	Program Services		Supporting Services			Total
	Assistance to Clients	Batterer's Services	Management and General	Fund Raising		
Personnel	\$ 2,065,210	\$ 178,771	\$ 441,068	\$ 201,913	\$	\$ 2,886,962
Contract services	26,647	14,464	27,127	-		68,238
Supplies	27,700	2,683	7,711	3,004		41,098
Telephone	42,659	1,677	4,346	914		49,596
Postage	4,616	272	2,699	7,432		15,019
Occupancy	205,368	8,356	45,616	-		259,340
Equipment, maintenance and rental	54,156	1,330	32,648	16,884		105,018
Printing	7,619	-	133	8,175		15,927
Transportation	21,835	5,405	5,424	97		32,761
Conventions and meetings	19,581	60	3,359	16,600		39,600
Assistance to individuals	266,805	-	-	-		266,805
Dues and subscriptions	5,654	-	14,356	198		20,208
Bank fees	8,626	-	3,037	4,290		15,953
Insurance	46,255	56	51	32		46,394
Other expenses	13,870	285	7,624	127		21,906
	2,816,601	213,359	595,199	259,666		3,884,825
Depreciation expense	104,876	16,135	25,816	14,521		161,348
Total Functional Expenses	\$ 2,921,477	\$ 229,494	\$ 621,015	\$ 274,187	\$	\$ 4,046,173

See notes to financial statements

HUBBARD HOUSE, INC.
(A NOT-FOR-PROFIT CORPORATION)

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2014

	<u>Program Services</u>		<u>Supporting Services</u>			<u>Total</u>
	<u>Assistance to Clients</u>	<u>Batterer's Services</u>	<u>Management and General</u>	<u>Fund Raising</u>		
Personnel	\$ 2,024,111	\$ 169,429	\$ 422,606	\$ 161,872	\$	\$ 2,778,018
Contract services	25,436	4,158	18,824	6,091		54,509
Supplies	25,237	3,607	8,464	2,689		39,997
Telephone	33,962	1,672	2,484	535		38,653
Postage	3,768	419	2,323	6,270		12,780
Occupancy	224,170	8,280	22,168	-		254,618
Equipment, maintenance and rental	54,541	1,306	28,939	3,715		88,501
Printing	7,978	-	-	14,659		22,637
Transportation	22,409	3,910	5,891	134		32,344
Conventions and meetings	18,121	60	1,622	12,207		32,010
Assistance to individuals	223,533	-	-	-		223,533
Dues and subscriptions	5,549	-	13,564	486		19,599
Bank fees	24,730	-	5,525	1,596		31,851
Insurance	50,062	48	58	16		50,184
Other expenses	21,325	368	7,373	708		29,774
	<u>2,764,932</u>	<u>193,257</u>	<u>539,841</u>	<u>210,978</u>		<u>3,709,008</u>
Depreciation expense	<u>102,759</u>	<u>15,809</u>	<u>25,294</u>	<u>14,228</u>		<u>158,090</u>
Total Functional Expenses	<u>\$ 2,867,691</u>	<u>\$ 209,066</u>	<u>\$ 565,135</u>	<u>\$ 225,206</u>		<u>\$ 3,867,098</u>

See notes to financial statements

HUBBARD HOUSE, INC.
(A NOT-FOR-PROFIT CORPORATION)

STATEMENTS OF CASH FLOWS

	Years Ended June 30	
	2015	2014
Cash Flows from Operating Activities:		
Change in net assets	\$ 775,716	\$ 1,803,259
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	161,348	158,090
Donated land and stock included in contributions	-	(89,510)
Net realized and unrealized gain on investments	(10,757)	(190,591)
Amortization of bond discount	(335)	(17,534)
Investment income unrestricted	(11,476)	(12,937)
Investment income restricted for long-term purposes	(8,849)	(8,965)
Loss on the disposal of property and equipment	70,931	2,033
Changes in assets and liabilities:		
Cash restricted for expansion	34,510	-
Grants receivable	188,546	(105,490)
Promises to give	45,488	(217,563)
Prepaid expenses	(959)	9,201
Accounts payable	(54,872)	159,159
Accrued expenses	12,313	(398)
Net Cash Flows from Operating Activities	1,201,604	1,488,754
Cash Flows from Investing Activities:		
Proceeds from sales of assets unrestricted	869,795	776,319
Purchase of assets unrestricted	(812,593)	(688,319)
Proceeds from sales of assets restricted to endowment	586,371	489,404
Purchase of assets restricted to endowment	(554,263)	(458,771)
Proceeds from sale of assets restricted for land purchase	466,000	-
Purchase of property and equipment	(1,732,038)	(402,116)
Net Cash Flows used for Investing Activities	(1,176,728)	(283,483)
Cash Flows from Financing Activities:		
Investment income and contributions restricted to long-term purposes: Restricted to endowment	131	148
Proceeds of expansion loan from HHF	-	129,074
Repayment of HHF expansion loan	-	(129,074)
Repayment of bank loan	(35,337)	(34,021)
Net Cash Flows from Financing Activities	(35,206)	(33,873)
Net Change in Cash and Cash Equivalents	(10,330)	1,171,398
Cash and Cash Equivalents, Beginning of Year	1,328,255	156,857
Cash and Cash Equivalents, End of Year	\$ 1,317,925	\$ 1,328,255
Supplemental Information:		
Cash paid during the year for interest	\$ 20,930	\$ 23,795
Non Cash Investing and Financing:		
Donation of land	\$ -	\$ 55,000

See notes to financial statements

HUBBARD HOUSE, INC.
(A NOT-FOR-PROFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2015 and 2014

A. Nature of Activities:

Founded in Jacksonville, Florida in 1976, Hubbard House, Inc. operates the first emergency shelter for battered women established in the Southeast. A path-breaking initiative by a group of volunteers who recognized a critical need led to the creation of this agency, resulting in the opening of the 13th domestic violence center in the nation. The Hubbard House mission is Every Relationship Violence-Free. To that end, Hubbard House offers a full compendium of services for victims and perpetrators of domestic violence. Incorporating both intervention and prevention, program offerings cover an array of needs presented by families caught in the web of domestic abuse. Through innovative approaches addressing numerous aspects of the domestic abuse problem, Hubbard House has remained on the forefront in the effort to break the cycle of domestic violence in Northeast Florida.

B. Summary of Significant Accounting Policies:

Basis of Accounting:

The financial statements of Hubbard House, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation:

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board's Accounting Standard Codification for Financial Statements of Not-for-Profit Organizations (ASC 958). Under ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Cash Equivalents:

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Use of Estimates:

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

Expense Allocation:

The costs of providing program, management and fund raising 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.

HUBBARD HOUSE, INC.
(A NOT-FOR-PROFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2015 and 2014
(Continued)

B. Summary of Significant Accounting Policies (continued):

Inventories:

Inventories of donated clothing and articles to be sold by the thrift store are not included in the financial statements (See Note O).

Investments:

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values on the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Grants Receivable:

Grants receivable consist primarily of amounts due from various agencies per cost-reimbursement contracts. Management uses the direct write-off method for any uncollectible amounts as such there is no allowance for doubtful accounts.

Promises to Give:

Unconditional promises to give are recognized as revenues or gains in the period the promise is received.

Property and Equipment:

Property, improvements, equipment and donated assets are capitalized if their fair value is greater than or equal to \$1,000. Assets that are repaired where the costs are greater than or equal to \$1,000 and the assets' life is extended are also capitalized; otherwise they are expensed. Depreciation is computed using primarily the straight-line method over the following estimated useful lives:

	<u>Years</u>
Building and improvements	5-39
Equipment and furnishings	5-10
Vehicles	5

Advertising:

Advertising costs, which are principally included in store sales net of direct expenses, are expensed as incurred. Advertising expense for 2015 and 2014 was \$6,011 and \$6,358, respectively.

Reclassification of Financial Statement Presentation:

Certain reclassifications have been made to the June 30, 2014 financial statements to conform to the June 30, 2015 presentation. Such reclassifications have had no effect on the change in net assets as previously reported.

HUBBARD HOUSE, INC.
(A NOT-FOR-PROFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2015 and 2014
(Continued)

B. Summary of Significant Accounting Policies (continued):

Restricted and Unrestricted Revenue and Support:

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

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

C. Investments:

The Organization has investments consisting of the following:

<u>June 30, 2015</u>	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain/(Loss)</u>
Money Market Funds	\$ 62,241	\$ 62,241	\$ -
Government Securities	389,395	391,401	2,006
Corporate Bonds	71,984	72,443	459
Equity Securities	1,008,947	1,127,214	118,267
	<u>\$ 1,532,567</u>	<u>\$ 1,653,299</u>	<u>\$ 120,732</u>
<u>June 30, 2014</u>			
466,000 U.S. Treasury strips - 0% due February 15, 2015	<u>\$ 454,311</u>	<u>\$ 465,665</u>	<u>\$ 11,354</u>
Money Market Funds	\$ 151,351	\$ 151,351	\$ -
Government Securities	351,439	353,044	1,605
Corporate Bonds	82,610	83,021	410
Equity Securities	881,177	1,124,650	243,473
	<u>\$ 1,466,577</u>	<u>\$ 1,712,066</u>	<u>\$ 245,489</u>

Unrealized investment gains/losses are reported in the statement of activities.

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NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2015 and 2014

(Continued)

C. Investments (continued):

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2015.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Interest and dividends	\$ 47,399	\$ 18,035	\$ 65,434
Net realized and unrealized gains	2,720	4,869	7,589
Brokerage fees	(12,994)	(10,079)	(23,073)
Total Investment Return	\$ 37,125	\$ 12,825	\$ 49,950

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2014. Investment management fees for 2014 were \$16,906.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Interest and dividends	\$ 61,799	\$ 17,385	\$ 79,184
Net realized and unrealized gains (losses)	206,325	(15,511)	190,814
Total Investment Return	\$ 268,124	\$ 1,874	\$ 269,998

D. Fair Value Measurements:

The Financial Accounting Standards Board's Accounting Standards Codification on *Fair Value Measurements* (ASC 820), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3). The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. The hierarchy is measured in three levels based on the reliability of the inputs:

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2015 and 2014
(Continued)

D. Fair Value Measurements (continued):

- Level 1 Valuations based on unadjusted quoted prices in active markets for identical assets that the Organization has the ability to access at the measurement date.
- Level 2 Valuations based on inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. Observable inputs include quoted prices for similar assets in active or non-active markets.
- Level 3 Valuations derived through the use of valuation models or methodologies using significant unobservable inputs. Level 3 valuations incorporate certain assumptions and projections that are not observable in the market and as a result significant professional judgment may be used in determining the fair values.

The following are the major categories of assets measured at fair value on a recurring basis during the years ended:

June 30, 2015	Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Money Market Funds	\$ 62,241	\$ 62,241	-	-
Government Securities	391,401	391,401	-	-
Corporate Bonds	72,443	72,443	-	-
Equity Securities	1,127,214	1,127,214	-	-
Total	\$1,653,299	\$1,653,299	\$ -	\$ -

June 30, 2014	Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
U.S. Treasury Strips	\$ 465,665	\$ 465,665	\$ -	\$ -
Money Market Funds	151,351	151,351	-	-
Government Securities	353,044	353,044	-	-
Mutual Funds	83,021	83,021	-	-
Equity Securities	1,124,650	1,124,650	-	-
Total	\$ 2,177,731	\$ 2,177,731	\$ -	\$ -

HUBBARD HOUSE, INC.
(A NOT-FOR-PROFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2015 and 2014
(Continued)

E. Property and Equipment:

	June 30	
	2015	2014
Property and equipment consist of the following:		
Land	\$ 1,926,616	\$ 1,460,576
Building and improvements	4,792,130	3,474,930
Equipment and furnishings	673,315	544,495
Vehicles	100,574	100,574
Outreach center	1,548,706	1,461,346
Construction in progress	75,103	420,086
	9,116,444	7,462,007
Less, accumulated depreciation	2,736,062	2,581,924
	\$ 6,380,382	\$ 4,880,083

Depreciation expense for 2015 and 2014 was \$161,348 and \$158,090, respectively.

F. Notes Payable:

The Organization's obligations under its notes payable consist of the following:

	June 30	
	2015	2014
A \$500,000 mortgage loan with Duval County Housing Finance Authority bearing an interest rate of 2.00% per annum, monthly installments of principal and interest of \$1,635 are due through March 1, 2026	\$ 187,840	\$ 203,505
A \$448,000 loan with Wells Fargo bearing an interest rate of 5% per annum, commencing on July 17, 2009, monthly installments of principle and interest of \$3,183 are due through February 17, 2028	354,654	374,326
Total Notes Payable	\$ 542,494	\$ 577,831

HUBBARD HOUSE, INC.
(A NOT-FOR-PROFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2015 and 2014
(Continued)

F. Notes Payable (continued):

Notes payable are scheduled to mature as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2016	\$ 36,656
2017	38,099
2018	39,557
2019	41,083
2020	42,640
Thereafter	344,459
Total	\$ 542,494

Total interest expense was \$20,930 and \$23,795 for the years ended June 30, 2015 and 2014, respectively.

The Organization has secured a \$200,000 line of credit with Wells Fargo for short-term working capital requirements. The advances under the line of credit accrue an interest rate per annum at the bank's prime rate. The advances are secured by accounts receivable, furniture, fixtures and equipment. No advances were outstanding at June 30, 2015 or 2014.

G. Concentrations of Revenue:

For the years ended June 30, 2015 and 2014, 42% and 28%, respectively, of unrestricted revenue was derived from governmental sources.

H. Temporarily Restricted Net Assets Are Available for the Following Purposes or Periods:

	<u>June 30</u>	
	<u>2015</u>	<u>2014</u>
Specific purpose	\$ 7,098	\$ 92,232
Specific program	217,184	139,721
Restricted for expansion	129,557	185,109
Assets restricted for capital expenditures	5,284	5,284
Investments restricted for purchase of land	-	465,665
	\$ 359,123	\$ 888,011

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NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2015 and 2014
(Continued)

I. Support Received Which Required Match:

The Organization received a substantial portion of its support under three grant contracts with the Department of Health and Rehabilitative Services and one grant contract with the Department of Legal Affairs. These contracts are renegotiated annually. Although a maximum amount is established during the negotiation process, income is earned on a reimbursement basis; that is, income can be recognized only to the extent of eligible expenses incurred.

The Organization had fixed price and/or unit of service contracts that required cost sharing or match. Hubbard House met the matching requirements of these contracts for the year ended June 30, 2015 as shown below:

Total Expenses		\$4,046,173
Less, non-matching revenues:		
Temporary Assistance for Needy Families	266,404	
Child and Adult Care Food Program	24,627	291,031
		3,755,142
Family Violence Prevention and Services (FVPS) 15-2214		
Amount received or receivable requiring match	129,490	
Match required - 25%:75%	32,373	161,863
Victims of Crime Act Fund (VOCA) V13125, V13152, V14125 and V14152		
Amount received or receivable requiring match	291,563	
Match required - 25%:75%	72,899	364,462
Excess Match Available		\$3,228,817

J. Permanently Restricted Net Assets:

Hubbard House Shelter Endowments:

A gift was received to establish an endowment for the maintenance and preservation of Hubbard House's current shelter. The gift places restrictions on the use of the endowment's principal and income. In any given fiscal year, the income of the fund, not to exceed five percent of the market value of the fund at the close of the previous fiscal year, may be disbursed. The remaining income would increase the endowment's funds to offset the effects of inflation. The endowment's funds (corpus of \$550,000) may be used to repair the structure should it suffer a catastrophic event. The funds in this endowment are considered to be permanently restricted under the provision of the gift agreement. Hubbard House established an investment policy to manage the endowment's funds.

HUBBARD HOUSE, INC.
(A NOT-FOR-PROFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2015 and 2014
(Continued)

J. Permanently Restricted Net Assets (continued):

A gift designated for Hubbard House was made to the Community Foundation for Northeast Florida during the year ended June 30, 2007. The funds are managed by the Community Foundation for Northeast Florida, and on an annual basis the net investment income will be made available to support Hubbard House's ongoing operation. All amounts relating to these funds are excluded from the accompanying financial statements. The balance was \$478,743 and \$515,596 at June 30, 2015 and 2014, respectively.

K. Concentration of Credit Risk Arising from Cash Deposits in Excess of Insured Limits:

The Organization maintains cash balances at several financial institutions located in Jacksonville, Florida, which may at times exceed Federal Deposit Insurance Corporation (FDIC) limits. Accounts at each institution are insured by the FDIC up to \$250,000. The Company has not experienced any losses in such accounts. Cash in excess of insured limits at June 30, 2015 and 2014, was \$1,173,663 and \$1,125,748, respectively.

L. Tax-Deferred Annuity Plan:

The Organization participates in a tax deferred annuity plan under Internal Revenue Service Code 403(b). Employees working 1,000 hours per year with more than two (2) years of continuous service are eligible for the plan and can contribute up to 20% of their wages into the plan as long as it doesn't exceed IRS guidelines. The employer may contribute up to 5% of the eligible wages into the plan. For the years ending June 30, 2015 and 2014, employer contributions were made totaling \$87,975 and \$87,514, respectively.

M. Subsequent Events:

The Organization has evaluated subsequent events through September 23, 2015, the date the financial statements were available to be issued.

N. Related Party Transactions:

The Organization received \$321,496 and \$242,530 in unrestricted contributions from its affiliate, Hubbard House Foundation, Inc. for the years ended June 30, 2015 and 2014, respectively. The above amounts are included in public contributions section in the statements of activities.

The Organization also received \$50,000 from Hubbard House Foundation, Inc. for management and general expenses for both of the years ended June 30, 2015 and 2014.

During the year ended June 30, 2014 the Organization received and repaid a short-term loan from Hubbard House Foundation of \$129,074 for its expansion project.

HUBBARD HOUSE, INC.
(A NOT-FOR-PROFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2015 and 2014
(Continued)

O. Sales to the Public (Thrift Store):

Hubbard House operates a thrift store in Jacksonville and solicits used clothing, furniture and other articles for sale to the public. The inventory of unsold clothing and articles on hand at June 30, 2015 and 2014 are not included in the financial statements since there is no readily determinable value for such items.

	Years Ended June 30	
	2015	2014
Sales, net of sales tax	\$ 306,994	\$ 310,386
Recycling, net	3,143	2,638
	310,137	313,024
Expenses:		
Personnel	193,985	180,272
Supplies	1,474	1,274
Telephone	6,365	4,304
Postage	-	5
Occupancy	70,342	71,161
Advertising	2,604	2,234
Equipment repairs and rentals	5,893	1,304
Transportation	3,731	3,685
Insurance	21,256	20,628
Other	10,565	9,642
	316,215	294,509
Sales to the Public, Net of Direct Expenses	\$(6,078)	\$ 18,515

P. Donated Services:

Donated services are recognized as contributions in accordance with FASB ASC 958-605-25, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provided tutoring and fund-raising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria under FASB ASC 958-605-25 were not met. Although no amounts have been reflected in the financial statements, management estimates the fair value of those services to be approximately \$385,064 for 17,076 volunteer hours for the year ended June 30, 2015, and \$412,352 for 18,625 volunteer hours for the year ended June 30, 2014.

HUBBARD HOUSE, INC.
(A NOT-FOR-PROFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2015 and 2014
(Continued)

Q. Commitments:

Land lease purchase

Through June 30, 2015 the Organization leased the land where their shelter is located as provided by a lease with an initial lease term of twenty years with six renewal options of ten years each. The lease also contained a purchase option at the end of the initial term and each extension period. On June 30, 2015 the Organization exercised the purchase option in the amount of \$466,000. Lease expense for this lease was \$34,965 and \$33,783 for the years ended June 30, 2015 and 2014, respectively.

Office equipment

The Organization leases certain office equipment under an operating lease expiring in 2017.

Future minimum lease payments of this lease are as follows:

<u>Years Ending June 30</u>	<u>Amount</u>
2016	5,161
2017	3,870
Total	<u>\$ 9,031</u>

R. Income Taxes:

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

The Organization takes positions which it feels are adhering to the laws established by the taxing authorities; therefore, the Organization doesn't believe it has taken any uncertain tax positions which could subject it to penalties or interest, so none have been accrued in the accompanying financial statements. The taxing authorities have the right to audit the Organization's information return for the current and last three open tax years which are 2015, 2014, 2013, and 2012.

ADDITIONAL INFORMATION

HUBBARD HOUSE, INC.
(A NOT-FOR-PROFIT CORPORATION)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FUNDING
Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program	<u>CFDA CSFA Number</u>	<u>Contract/ Grant Number</u>	<u>Expenditures</u>
U.S. Department of Health and Human Services/			
Florida Coalition Against Domestic Violence/ Family Violence Prevention and Services DV Center Basic Needs Agreement	93.671 93.671	15-2214 15-2214	\$ 129,277 213
Temporary Assistance for Needy Families DV Center Basic Needs Agreement	93.558 93.558	15-2214 15-2214	265,804 600
Total U.S. Department of Health and Human Services			<u>395,894</u>
U.S. Department of Justice/			
State of Florida Department of Legal Affairs/ Crime Victim Assistance (Victims of Crime Act Fund)	16.575	V13125	73,901
Crime Victim Assistance (Victims of Crime Act Fund)	16.575	V13152	9,917
Crime Victim Assistance (Victims of Crime Act Fund)	16.575	V14125	182,516
Crime Victim Assistance (Victims of Crime Act Fund)	16.575	V14152	25,229
			<u>291,563</u>
City of Jacksonville/ Arrest Policies and Enforcement of Protection Orders	16.590	7027-74	116,623
Stop Violence Against Women Formula Grant Program	16.588	N/A	1,034
Jacksonville Area Legal aid	16.524	2014-WL-AX-0064	9,170
			<u>126,827</u>
Total U.S. Department of Justice			<u>418,390</u>
U.S Department of Housing & Urban Development			
Emergency Services and Homeless Coalition of Jacksonville, Inc. Safe Space Project	24 CFR 583	FLO125B4H101003	5,129
Department of Health/			
State of Florida/ Child and Adult Care Food Program (Food and Nutrition)	10.558	I-065	24,627
Total Expenditures of Federal Awards			<u>\$ 844,040</u>
State Grantor/Project			
Florida Coalition Against Domestic Violence/			
Domestic Violence Trust Fund	N/A	15-2214	\$ 144,469
DV Center Basic Needs Agreement	N/A	15-2214	5,154
General Revenue Fund	N/A	15-2214	321,166
Prevention Initiative Project	N/A	15-2214	20,000
Child Protection Investigations (CPI) Project	N/A	15-2214-CPI	75,000
Department of Children & Families/			
Domestic Violence Capital Improvement Grant	N/A	14160400	585,488
Total Expenditures of State Funding			<u>\$ 1,151,277</u>

See notes to schedule of awards

HUBBARD HOUSE, INC.
(A NOT-FOR-PROFIT CORPORATION)

NOTES TO SCHEDULE OF AWARDS
Year Ended June 30, 2015

A. Basis of Presentation:

The schedule of expenditures of Federal awards and State projects presented on page 20 includes federal, state and other grant activity and is presented on the accrual basis of accounting. The information on 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 of the amounts presented in these schedules may differ from amounts presented in, or used in the preparation of the basic financial statements.

HUBBARD HOUSE, INC.
(A NOT-FOR-PROFIT ORGANIZATION)

SCHEDULE OF SOURCE AND EXPENDITURE OF CITY GRANT FUNDS
PER ORDINANCE CODE CHAPTER 118.205(e)
For Audit Year 2014-2015

City of Jacksonville Public Service Grants for Fiscal Year 2014/2015 Audit

Receipt of City Funds

	<u>City FY 2013- 2014 Grant No. 7027-77</u>	<u>City FY 2014- 2015 Grant No. 7027-78</u>
Amount of Award (per City budget ordinance)	\$ 129,000	\$ 125,000
Actual Funds Received from City in Last Audit Period	(94,040)	-
Actual Amount Received this Period	<u>(34,694)</u>	<u>(99,259)</u>
Amount Remaining to be Distributed	<u>\$ 266</u>	<u>\$ 25,741</u>

Expenditures of City Funds

City FY 2013-2014 Grant No. 7027-77 - \$129,000

<u>Item</u>	<u>(Unaudited) Original Budgeted</u>	<u>Actual 10/1/2013- 6/30/2014</u>	<u>Actual 7/1/2014- 9/30/2014</u>	<u>Total Actual</u>	<u>Remaining Balance</u>
Telephone	\$ 15,634	\$ 13,302	\$ 2,332	\$ 15,634	\$ -
Utilities	98,000	67,175	30,559	97,734	266
Salaries - Maint tech	<u>15,366</u>	<u>13,563</u>	<u>1,803</u>	<u>15,366</u>	<u>-</u>
Total	<u>\$ 129,000</u>	<u>\$ 94,040</u>	<u>\$ 34,694</u>	<u>\$ 128,734</u>	<u>\$ 266</u>

City FY 2014-2015 Grant No. 7027-78 - \$125,000

<u>Item</u>	<u>(Unaudited) Original Budgeted</u>	<u>Actual 10/1/2014- 6/30/2015</u>	<u>Actual 7/1/2015- 9/30/2015</u>	<u>Total Actual</u>	<u>Remaining Balance</u>
Telephone	\$ 17,898	\$ 15,929	\$ -	\$ 15,929	\$ 1,969
Utilities	100,800	77,028	-	77,028	23,772
Security Monitoring	<u>6,302</u>	<u>6,302</u>	<u>-</u>	<u>6,302</u>	<u>-</u>
Total	<u>\$ 125,000</u>	<u>\$ 99,259</u>	<u>\$ -</u>	<u>\$ 99,259</u>	<u>\$ 25,741</u>

HUBBARD HOUSE, INC.
(A NOT-FOR-PROFIT ORGANIZATION)

SCHEDULE OF SOURCE AND EXPENDITURE OF CITY GRANT FUNDS
PER ORDINANCE CODE CHAPTER 118.205(e)
For Audit Year 2014-2015
(Continued)

City of Jacksonville Public Service Grants for Fiscal Year 2014/2015 Audit

Receipt of City Funds

	<u>City FY 2013- 2014 Grant No. 7027-76</u>	<u>City FY 2014- 2015 Grant No. 7027-79</u>
Amount of Award (per City budget ordinance)	\$ 30,785	\$ 35,601
Actual Funds Received from City in Last Audit Period	(23,116)	-
Actual Amount Received this Period	<u>(7,669)</u>	<u>(25,690)</u>
Amount Remaining to be Distributed	<u>\$ -</u>	<u>\$ 9,911</u>

Expenditures of City Funds

City FY 2013-2014 Grant No. 7027-76 - \$30,785

<u>Item</u>	<u>(Unaudited) Original Budgeted</u>	<u>Actual 10/1/2013- 6/30/2014</u>	<u>Actual 7/1/2014- 9/30/2014</u>	<u>Total Actual</u>	<u>Remaining Balance</u>
Salaries	\$ 26,949	\$ 20,122	\$ 6,827	\$ 26,949	\$ -
FICA	1,418	1,371	47	1,418	-
Health Ins.	2,418	1,623	795	2,418	-
Total	<u>\$ 30,785</u>	<u>\$ 23,116</u>	<u>\$ 7,669</u>	<u>\$ 30,785</u>	<u>\$ -</u>

City FY 2014-2015 Grant No. 7027-79 - \$35,601

<u>Item</u>	<u>(Unaudited) Original Budgeted</u>	<u>Actual 10/1/2014- 6/30/2015</u>	<u>Actual 7/1/2015- 9/30/2015</u>	<u>Total Actual</u>	<u>Remaining Balance</u>
Salaries	\$ 27,219	\$ 19,279	\$ -	\$ 19,279	\$ 7,940
FICA	2,082	1,370	-	1,370	712
Health Ins.	4,920	4,095	-	4,095	825
Dental	343	48	-	48	295
Life Ins.	399	378	-	378	21
Workers Comp.	474	391	-	391	83
Unemployment Ins.	164	129	-	129	35
Total	<u>\$ 35,601</u>	<u>\$ 25,690</u>	<u>\$ -</u>	<u>\$ 25,690</u>	<u>\$ 9,911</u>

HUBBARD HOUSE, INC.
(A NOT-FOR-PROFIT ORGANIZATION)

SCHEDULE OF SOURCE AND EXPENDITURE OF CITY GRANT FUNDS
PER ORDINANCE CODE CHAPTER 118.205(e)
For Audit Year 2014-2015

(Continued)

City of Jacksonville Arrest Grants for Fiscal Year 2014/2015 Audit

Receipt of City Funds

	City FY 2012- 2015 Grant No. 7027-74
Amount of Award (per City budget ordinance)	\$ 275,257
Approved Amendment	25,309
Revised Amount	300,566
Actual Amount Received this Period	(116,623)
Actual Funds Received from City in Last Audit Period	(130,396)
Actual Amount Received period 10/1/2012-6/30/2013	(53,547)
Amount Remaining to be Distributed	\$ -

Expenditures of City Funds

City FY 2012-2015 Grant No. 7027-74 - \$300,566 as revised

	(Unaudited) Original	(Unaudited) Approved	Revised	Actual 10/1/2012- 6/30/2014	Actual 7/1/2014- 6/30/2015	Total Actual	Remaining Balance
Item	Budgeted	Amendment	Budget	6/30/2014	6/30/2015	Actual	Balance
Salaries/Wages	\$ 175,267	\$ 13,486	\$ 188,753	\$ 120,657	\$ 68,096	\$ 188,753	\$ -
Employee Benefits	57,380	(2,472)	54,908	35,746	19,162	54,908	-
Out of Town Travel	3,050	(170)	2,880	2,880	-	2,880	-
Local Travel	0	1,719	1,719	-	1,719	1,719	-
Community Tool Kit	5,000	3,891	8,891	-	8,891	8,891	-
Consultant Services	34,560	8,855	43,415	24,660	18,755	43,415	-
Total	\$ 275,257	\$ 25,309	\$ 300,566	\$ 183,943	\$ 116,623	\$ 300,566	\$ -



STEVEN D. RAWLINS, CPA
GARY M. HUGGETT, CPA
JEFFREY M. JACOBS, CPA

**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
Hubbard House, Inc.
Jacksonville, 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 Hubbard House, Inc. (a not-for-profit organization), which comprise statement of financial position as of June 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 our report thereon dated September 23, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hubbard House, 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 Hubbard House, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hubbard House, 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 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.

Master, Smith & Wisby, P.A.

Certified Public Accountants
Jacksonville, Florida

September 23, 2015



STEVEN D. RAWLINS, CPA
GARY M. HUGGETT, CPA
JEFFREY M. JACOBS, CPA

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133
AND CHAPTER 10.650 RULES OF THE AUDITOR GENERAL**

Board of Directors
Hubbard House, Inc.
Jacksonville, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Hubbard House, Inc. (a not-for-profit organization) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of Hubbard House, Inc.'s major Federal programs and State projects for the year ended June 30, 2015. Hubbard House, Inc.'s major Federal programs and State projects 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 and State projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Hubbard House, Inc.'s major Federal programs and State projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.650 Rules of the Auditor General. Those standards, OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program or State project occurred. An audit includes examining, on a test basis, evidence about Hubbard House, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program and State project. However, our audit does not provide a legal determination of Hubbard House, Inc.'s compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, Hubbard House, Inc. 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 and State projects for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Hubbard House, Inc. 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 Hubbard House, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program or State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and State project and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Hubbard House, Inc.'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 or State project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program or State project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program or State project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and Chapter 10.650 Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Moster, Smith & Wialy, P.A.
Certified Public Accountants
Jacksonville, Florida

September 23, 2015

**HUBBARD HOUSE, INC.
(A NOT-FOR-PROFIT CORPORATION)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2015**

Financial Statements:

Type of Auditors' Report	Unmodified
Internal Control Over Financial Reporting:	
Material weakness identified?	No
Significant deficiency(s) identified not considered to be material weakness	None reported
Noncompliance material to financial statements noted	No

Federal Programs and State Projects:

Internal Control Over Major Programs and State Projects:	
Material weakness identified?	No
Significant deficiency(s) identified not considered to be material weakness	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 or Chapter 10.650, Rules of the Auditor General	No

Identification of major programs:

Federal Program

CFDA No.

Crime Victim Assistance	16.575
Temporary Assistance for Needy Families	93.558

State Project

CSFA No.

Domestic Violence Trust Fund	N/A
General Revenue Trust Fund	N/A
Domestic Violence Capital Improvement Grant	N/A

	<u>Federal</u>	<u>State</u>
Dollar threshold used to distinguish Type A and Type B programs:	\$300,000	\$300,000
Auditee qualify as low risk auditee?	Yes	Yes

HUBBARD HOUSE, INC.
(A NOT-FOR-PROFIT CORPORATION)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2015
(Continued)

Financial Statement Findings:

There are no significant deficiencies, material weaknesses, or instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

Major Federal Programs and State Projects Findings and Questioned Costs:

There are no significant deficiencies, material weaknesses, or instances of noncompliance including questioned costs that are required to be reported in accordance with Circular A-133 or Chapter 10.650, Rules of the Auditor General.

Other Matters:

The management letter required by A.G. Rule Section 10.656(3)(e) is not included in this report because there were no findings required to be reported.

The Summary Schedule of Prior Audit Findings is not included in this report because there were no prior audit findings related to Federal programs or State projects.

A Corrective Action Plan is not required because there were no findings required to be reported under the Federal or State Single Audit Act.