

**CORRECTIONS FOUNDATION, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2008**

**CORRECTIONS FOUNDATION, INC.**  
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**JUNE 30, 2008**

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors,  
Corrections Foundation, Inc.

We have audited the accompanying financial statements of the governmental activities and the major fund of Corrections Foundation, Inc. (a nonprofit organization) as of and for the year ended June 30, 2008, which collectively comprise Corrections Foundation, Inc.'s basic financial statements as listed in the table of contents. These financial statements are the responsibility of Corrections Foundation, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Corrections Foundation, Inc. as of June 30, 2008, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2008, on our consideration of Corrections Foundation, 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 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* and should be considered in assessing the results of our audit.

Management's discussion and analysis and budgetary comparison information on pages 2 through 4 and 14, is not a required part of the financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of supplementary information. However, we did not audit the information and express no opinion on it.

*James Moore & Co., P.L.*

Tallahassee, Florida  
July 24, 2008

## **Management's Discussion and Analysis** **June 30, 2008**

Management is pleased to offer the following assessment of the business operations of Corrections Foundation, Inc. for the year ending June 30, 2008.

### **Financial Highlights**

The assets of Corrections Foundation, Inc. exceeded its liabilities at June 30, 2008, by \$390,933. 93% of this total or \$364,631 is unrestricted.

### **Overview of Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Organization's basic financial statements. These basic statements consist of the government-wide financial statements and the fund financial statements.

The government-wide financial statements are designed to provide readers with a broad overview of the Organization's finances in a manner similar to a private sector business. The government-wide financial statements consist of the Statement of Net Assets and the Statement of Activities.

The **statement of net assets** presents information on all of the Organization's assets and liabilities with the difference between the two reported as net assets. Over time increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Organization is improving or deteriorating.

The **statement of activities** presents information showing how the Organization's net assets changed during the fiscal year. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The basic governmental-wide financial statements can be found on pages 5-6 of this report.

**Fund financial statements** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The organization uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The organization maintains one fund category, which is a governmental fund.

**Governmental funds** *Governmental funds* are used to account for essentially the same functions as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be used in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statement, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *government funds* and *governmental activities*.

The basic governmental fund financial statements can be found on pages 7-9 of this report.

Reconciliation between the governmental fund statements and the government-wide statements is included to facilitate a comparison between activities.

The **notes to the financial statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Corrections Foundation, Inc.'s budgetary information. Required supplementary information can be found on page 14 of this report.

### Government-wide Financial Analysis

Net Assets: Corrections Foundation, Inc.'s net assets decreased by \$34,111 from fiscal year 2007. The primary cause of this decrease was an increase in employee assistance of \$88,916.

### Condensed Financial Statements

#### Net Assets

	<u>2008</u>	<u>2007</u>
Current Assets	\$ 471,602	\$ 504,923
Capital Assets	—	—
Total Assets	<u>471,602</u>	<u>504,923</u>
Other Liabilities	<u>80,669</u>	<u>79,879</u>
Total Liabilities	<u>80,669</u>	<u>79,879</u>
Net Assets	<u>\$ 390,933</u>	<u>\$ 425,044</u>

#### Changes in Net Assets

	<u>2008</u>	<u>2007</u>
Program revenues:		
Operating grants and contributions	\$ 675,930	\$ 848,734
General revenues:		
Miscellaneous	<u>11,981</u>	<u>5,282</u>
Total revenues	<u>687,911</u>	<u>854,016</u>
Expenses		
Direct support activities	<u>722,022</u>	<u>913,366</u>
Total expenses	<u>722,022</u>	<u>913,366</u>
Increase (decrease) in net assets	<u>(34,111)</u>	<u>(59,350)</u>
Net assets, beginning of year	<u>425,044</u>	<u>484,394</u>
Net assets, end of year	<u>\$ 390,933</u>	<u>\$ 425,044</u>

## **Request for Information**

This report is designed to provide a general overview of Corrections Foundation, Inc. finances for all those with an interest in the Organization's finances. Questions concerning any of the information in this report or requests for additional information should be addressed as follows:

Sheri Logue  
Corrections Foundation, Inc.  
2601 Blair Stone Road  
Tallahassee, FL 32399

**CORRECTIONS FOUNDATION, INC.**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2008**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
<b>Current assets</b>	
Cash and cash equivalents	\$ 342,176
Certificates of deposit	105,548
Grant and contract receivables, net	19,088
Inventory	4,790
<b>Total Assets</b>	471,602
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	5,355
Long-term debt, due within one year	75,314
<b>Total Liabilities</b>	80,669
<b>NET ASSETS</b>	
Unrestricted	364,631
Restricted	26,302
<b>Total Net Assets</b>	\$ 390,933

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

**CORRECTIONS FOUNDATION, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Expenses</b>	<b>Program Revenues Operating Grants and Contributions</b>	<b>Net (Expense) Revenue and Changes in Net Assets Governmental Activities</b>
<b><u>Functions/Programs</u></b>			
<b>Governmental activities</b>			
Direct support	\$ 722,022	\$ 675,930	\$ (46,092)
Total governmental activities	\$ 722,022	\$ 675,930	(46,092)
		General revenues:	
		Other	11,981
		Change in net assets	(34,111)
		<b>Net assets, beginning of year</b>	425,044
		<b>Net assets, end of year</b>	<b>\$ 390,933</b>

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

**CORRECTIONS FOUNDATION, INC.**  
**BALANCE SHEET**  
**GOVERNMENTAL FUND**  
**JUNE 30, 2008**

<b>ASSETS</b>	<u><b>General Fund</b></u>
Cash and cash equivalents	\$ 342,176
Certificates of deposit	105,548
Grant and contract receivables	19,088
Inventory	4,790
<b>Total Assets</b>	<u><u>\$ 471,602</u></u>
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities	
Accounts payable and accrued expenses	\$ 5,355
Total Liabilities	<u>5,355</u>
Fund balance	
Reserved for programs	26,302
Unreserved	439,945
<b>Total Fund Balance</b>	<u><u>466,247</u></u>
Amounts reported for governmental activities in the statement of net assets are different because:	
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(75,314)
Net assets of governmental activities	<u><u>\$ 390,933</u></u>

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

**CORRECTIONS FOUNDATION, INC.  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2008**

	<b>General Fund</b>
<b>Support and Revenue</b>	
Membership contributions	\$ 460,685
Other public contributions	73,217
Grants	67,069
Interest	6,031
Product sales	5,950
In-kind support	74,959
Total revenues	687,911
 <b>Expenses</b>	
Direct grant	37,804
Accounting/legal fees	9,427
Advertising/promotion	655
Employee assistance	435,256
Filing fees	361
Insurance	2,546
Interest	5,430
Miscellaneous	5,621
Office expenses/personnel	85,334
Other programs	57,281
Supplies	2,341
Travel	2,008
Cost of goods sold	2,999
In-kind expenses	74,959
Total expenses	722,022
 <b>Decrease in net assets</b>	(34,111)
 Net assets, beginning of year	500,358
 Net assets, end of year	\$ 466,247

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

**CORRECTIONS FOUNDATION, INC.**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO**  
**THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Amounts reported for governmental activities in the statement of activities (page 6) are different because:

Net change in fund balance - total governmental fund (page 8)	\$ (34,111)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.	-
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	-
Change in net assets of governmental activities (page 6)	<u>\$ (34,111)</u>

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

**CORRECTIONS FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

(1) **Reporting Entity:**

Corrections Foundation, Inc. (the Foundation) is a nonprofit organization under Internal Revenue Code Section 501(c)(3) and is established as a direct support organization to the State of Florida, Department of Corrections (the “Department”) pursuant to Section 944.802 of the Florida Statutes. The purpose of the Foundation is to support the programs, personnel and services of the Department in the interest of public safety. The Foundation is supported primarily through donor contributions, in-kind support from the Department, and grants. The Foundation was incorporated in December 1996 and began operating in July 1997. It is administered by a board of directors appointed by the Secretary of the State of Florida, Department of Corrections.

The accounting policies adopted by the Foundation conform to accounting principles generally accepted in the United States of America as applied to not-for-profit organizations reporting using the governmental model. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Foundation. There were no entities that required inclusion as a component unit within the Foundation’s financial statements.

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

The following is a summary of the more significant accounting policies and practices of Corrections Foundation, Inc. which effect significant elements of the accompanying financial statements:

- (a) **Government-wide and Fund Financial Statements**—The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Foundation. There are no component units or fiduciary funds.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for the governmental fund. The Foundation reports one governmental fund.

(b) **Basis of Presentation**

**Governmental Fund Type**—Governmental funds are the funds through which most governmental functions typically are financed. The acquisition, use and balances of the Foundation’s expendable financial resources and the related liabilities are accounted for through a governmental fund. The measurement focus is based upon determination of changes in working capital, rather than upon net income determination. The following is the Foundation’s governmental fund type:

- The general fund is established to account for resources devoted to direct support to the State of Florida, Department of Corrections. All operating resources are recorded in the general fund.

**CORRECTIONS FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

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

- (c) **Measurement Focus, Basis of Accounting and Financial Statement Presentation**—The government-wide financial statements are reported using the economic resources measurements focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they become both available and measurable (flow of current financial resources measurement focus). The basis of accounting determines when transactions and economic events are reflected in the financial statements, and measurement focus identifies which transactions and events should be recorded.

Revenues are measurable when they are subject to reasonable estimation, while the available criterion is satisfied when revenues are collectible during the period and actual collection will occur either a) during the current period or, b) after the end of the period but in time to pay fund liabilities. Generally, grant revenues are recorded as revenue when they are susceptible to accrual and conditions of the grant have been satisfied. Expenditures, if measurable, are recorded when they have used or are expected to use current expandable financial resources.

- (d) **Income Taxes**—The Foundation is generally exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statements.
- (e) **Cash and Cash Equivalents**—For the purpose of reporting cash flows, cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of 90 days or less.
- (f) **Use of Estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- (g) **Accounts Receivable**—Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Management has concluded that realization losses on balances outstanding at year-end will be immaterial.
- (h) **Advertising**—The Foundation expenses advertising costs as they are incurred.

**CORRECTIONS FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

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

The more significant concentrations of credit risk are as follows:

- (a) **Demand Deposits**—Corrections Foundation, Inc. maintains demand deposits with three banks. The Organization has no policy requiring collateral or other security to support its deposits in excess of FDIC coverage.
- (b) **Accounts Receivable**—Corrections Foundation, Inc.’s receivables are for amounts due from the State of Florida for employee payroll deductions. The Foundation has no policy requiring collateral or other security to support its receivables.

(4) **Risk Management:**

The Foundation is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Foundation carries commercial insurance. Insurance against losses is provided for the following types of risk:

- Personal Property
- Public Officials’ Liability

There have not been any settlements against insurance coverage.

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

In-kind contributions of materials, facilities, and services are reflected as support in the statement of activities at their estimated fair market value when received. The primary source of the Foundation’s in-kind support is from the Department for operating costs. The value assigned to in-kind support other than payroll costs is an allocation based on the Foundation’s use of space within the Department’s facilities. In-kind salaries, payroll taxes and benefits are actual costs paid for by the Department for vocational instructors and an administrative assistant. In-kind materials, facilities, and services from all sources consist of the following for the year ended June 30, 2008:

Rent	\$ 18,471
Office expenses	15,928
Payroll costs	40,560
Program supplies	—
Total In-Kind Support	<u>\$ 74,959</u>

**CORRECTIONS FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

(6) **Restricted Net Assets:**

Restricted net assets are available for the following purposes as of June 30, 2008:

Chapel Fund	\$	3,539
Dade Correctional Institution Education Program		1,800
Ford Motor YAATC Program		20,963
Total Restricted Net Assets	<u>\$</u>	<u>26,302</u>

**CORRECTIONS FOUNDATION, INC.**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Budgeted Amounts</b>		<b>General Fund</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Support and Revenue</b>				
Membership contributions	\$ 458,315	\$ 458,315	\$ 460,685	\$ 2,370
Other public contributions	76,350	76,350	73,217	(3,133)
Grants	60,600	60,600	67,069	6,469
Interest	9,000	9,000	6,031	(2,969)
Product sales	2,000	2,000	5,950	3,950
In-kind support	74,959	74,959	74,959	-
Total revenues	<u>681,224</u>	<u>681,224</u>	<u>687,911</u>	<u>6,687</u>
<b>Expenses</b>				
Direct grant	44,500	44,500	37,804	6,696
Accounting/legal fees	6,500	6,500	9,427	(2,927)
Advertising/promotion	5,000	5,000	655	4,345
Employee assistance	355,000	355,000	435,256	(80,256)
Filing fees	300	300	361	(61)
Insurance	2,500	2,500	2,546	(46)
Interest	5,800	5,800	5,430	370
Miscellaneous	6,750	6,750	5,621	1,129
Office expenses/personnel	90,200	90,200	85,334	4,866
Other programs	53,050	53,050	57,281	(4,231)
Supplies	1,500	1,500	2,341	(841)
Travel	400	400	2,008	(1,608)
Cost of goods sold	1,500	1,500	2,999	(1,499)
In-kind expenses	74,959	74,959	74,959	-
Total expenses	<u>647,959</u>	<u>647,959</u>	<u>722,022</u>	<u>(74,063)</u>
<b>Increase (decrease) in net assets</b>	<u>33,265</u>	<u>33,265</u>	<u>(34,111)</u>	<u>(67,376)</u>
<b>Net assets, beginning of year</b>	500,358	500,358	500,358	-
<b>Net assets, end of year</b>	<u>\$ 533,623</u>	<u>\$ 533,623</u>	<u>\$ 466,247</u>	<u>\$ (67,376)</u>

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors,  
Corrections Foundation, Inc.

We have audited the financial statements of the governmental activities and each major fund of Corrections Foundation, Inc. as of and for the year ended June 30, 2008, and have issued our report thereon dated July 24, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Corrections Foundation, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Corrections Foundation, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Corrections Foundation, Inc.'s internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the Organization's internal control. We consider the deficiencies described below to be significant deficiencies in internal control over financial reporting.

**Preparation of Financial Statements**—A system of internal control over financial reporting should allow the Organization to prepare financial statements, including note disclosures in accordance with generally accepted accounting principles (GAAP). While auditors can assist with the preparation of financial statements and related footnotes, the financial statements are the responsibility of management. A control deficiency exists in instances where the Organization is not positioned to draft the financial statements and all required disclosures in accordance with generally accepted accounting principles. Presently, as is common to many Organizations, management relies on the audit firm to draft the financial statements and related disclosures. For subsequent audits, management may wish to take a more active role in the drafting of the financial statements and related disclosures.

**Segregation of Duties**—Internal controls are designed to safeguard assets and help prevent or detect losses from employee dishonesty or error. A fundamental concept in a good system of internal control is the segregation of duties. Although the size of the Organization’s accounting staff prohibits complete adherence to this concept, we believe that the following practices should be implemented to improve existing internal control:

1. Mail should be opened by an employee not responsible for accounting. Cash receipts should be recorded by the person opening the mail. Deposits should be prepared by another employee. The cash receipts journal and the deposit ticket should be forwarded to the accounting staff for postings to the general ledger.
2. Bank statements, canceled checks, and appropriate advises should be received and approved by someone other than employees maintaining cash records. Such items should be reviewed monthly prior to turning them over for reconciliation. Unusual items noted during the review should be investigated promptly.
3. Checks should not be signed by the employee responsible for accounts payable.
4. Management should review and approve supporting documents for all disbursements.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization’s internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the segregation of duties significant deficiency described above is a material weakness.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Corrections Foundation, Inc.’s financial statements are free of 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*.

Corrections Foundation, Inc.'s response to the findings identified in our audit are described in the accompanying corrective action plan. We did not audit Corrections Foundation, Inc.'s response and accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Directors, others within the organization and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

James Moore & Co., P.L.C.

Tallahassee, Florida  
July 24, 2008



**CORRECTIONS  
FOUNDATION, INC.**

**Louie L. Wainwright, President  
Tom Rush, Vice President  
Dave Mecusker, Treasurer**

2601 Blair Stone Road • Tallahassee, FL 32399 • [www.correctionsfoundation.org](http://www.correctionsfoundation.org) • (850) 410-4305 phone • (850) 410-4411 fax

July 24, 2008

James Moore and Co., CPA  
2473 Care Drive, Suite 2  
Tallahassee, FL 32308-9815

Dear James Moore and Co., CPA:

Please find below the Corrections Foundation's management response to audit findings for fiscal year 07/08.

While opportunities for improvement were identified, we are pleased that, as the audit report highlights, there are no instances of wrongdoing. This reflects our past spotless audits and the integrity of the board and staff.

The management, during the 07/08 fiscal year, implemented procedures to cover many of the concerns listed on page 9 of the audit. Our current policies and procedures increase the level of checks and balances and improve the Foundation's internal controls. One such policy is the segregation of accounting duties to include the Executive Director, Administrative Director and Staff Assistant in accounting functions. All mail including bank statements is now opened and reviewed by the Executive Director prior to coming to the Administrative Director for processing and all checks and purchase requests are reviewed and approved by the Executive Director prior to checks being written. Checks are not returned to the Administrative Director for mailing, the staff assistant is involved in this function. It is recognized that there is room for improvement to adhere to the written financial procedures and to ensure that approval is documented on all transactions. All documents were reviewed in the past year however notation of approval was not always made. We will refer to the board of directors for review a change in signature authority to further segregate the accounting duties and increase the checks and balances we have in place. We will also implement James Moore and Company's suggestion of further segregating the deposit process by involving more staff in this process.

We're grateful for the opportunity to improve and strengthen our operations and appreciate the thoroughness of the audit performed by James Moore and Company, CPA. This reflects the board's and staff's desire to serve the Department of Corrections and its staff in a manner above reproach. The audit, our new policies, and financial statements are available for review upon request.

Sincerely,

Chris Akins  
Executive Director

CA/sl

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