

**Financial Statements** Years Ended September 30, 2014 and 2013

and

Supplemental Information Schedule of Expenditures of Federal Awards and Reports on Compliance and Internal Control Year Ended September 30, 2014

# FINANCIAL STATEMENTS Years Ended September 30, 2014 and 2013 <u>AND</u> <u>SUPPLEMENTAL INFORMATION INCLUDING</u> <u>SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND</u> <u>REPORTS ON COMPLIANCE AND INTERNAL CONTROL</u> Year Ended September 30, 2014

### TABLE OF CONTENTS

Page	

Ind	lependent Auditor's Report	1
Fin	nancial Statements:	
	Statements of Financial Position	2
	Statements of Activities and Changes in Net Assets	3
	Statements of Functional Expenses	4
	Statements of Cash Flows	5
	Notes to Financial Statements	6-9
Suj	pplemental Information:	
	Schedule of Expenditures of Federal Awards	10
	Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133	11
	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 <i>Government Auditing Standards</i>	12
	Schedule of Findings and Questioned Costs	13-14
	Summary Schedule of Prior Audit Findings	15



# **INDEPENDENT AUDITOR'S REPORT**

Board of Directors Seed Global Health Boston, Massachusetts

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of Seed Global Health (a nonprofit organization), which comprise the statements of financial position as of September 30, 2014 and 2013, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years ended September 30, 2014 and 2013, 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 audits 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 Seed Global Health as of September 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Other Matters**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2015, on our consideration of Seed Global Health'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 Seed Global Health's internal control over financial reporting and compliance.

Rickland Albrucht & Fridrichson LolC

Kirkland Albrecht & Fredrickson, LLC Braintree, MA

January 22, 2015

Statements of Financial Position September 30, 2014 and 2013

ASSETS		
	 2014	2013
ASSETS:		
Cash	\$ 2,300,364	\$ 1,030,071
Accounts receivable	-	64,135
Grants and contributions receivable	 428,601	250,000
Total assets	\$ 2,728,965	\$ 1,344,206
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable	\$ 70,032	\$ 20,585
Accrued expenses	5,618	3,305
Deferred revenue	 185,533	-
Total liabilities	 261,183	23,890
NET ASSETS:		
Unrestricted	1,772,626	986,925
Temporarily restricted	 695,156	333,391
Total net assets	2,467,782	1,320,316
Total liabilities and net assets	\$ 2,728,965	\$ 1,344,206

Statements of Activities and Changes in Net Assets Years ended September 30, 2014 and 2013

	 2014	2013
UNRESTRICTED REVENUES AND OTHER SUPPORT:		
Foundation and corporate contributions	\$ 1,069,000 \$	905,278
Individual contributions	349,488	34,144
Government contracts	1,068,391	550,626
In-kind contributions	267,329	193,794
Interest	485	953
Net assets released from restrictions	 498,225	141,609
Total unrestricted revenues and other support	 3,252,918	1,826,404
EXPENSES:		
Program	1,740,721	760,774
Administrative and general	452,052	192,505
Fundraising	 274,444	100,017
Total expenses	 2,467,217	1,053,296
Change in unrestricted net assets	 785,701	773,108
TEMPORARILY RESTRICTED NET ASSETS:		
Grants	859,990	475,000
Net assets released from restrictions	 (498,225)	(141,609)
Change in temporarily restricted net assets	 361,765	333,391
Change in net assets	1,147,466	1,106,499
NET ASSETS, BEGINNING OF YEAR	 1,320,316	213,817
NET ASSETS, END OF YEAR	\$ 2,467,782 \$	1,320,316

Statements of Functional Expenses Years Ended September 30, 2014 and 2013

	2014							
	Program		Administrative and General		Fundraising			Total
Employee compensation and related costs	\$	680,287	\$	132,993	\$	15,665	\$	828,945
Stipends		763,000		-		-		763,000
Consulting		61,210		203,941		242,842		507,993
Travel		148,928		4,828		5,215		158,971
Other program and operational costs		68,761		-		6,270		75,031
Indirect costs		-		62,990		-		62,990
Office		18,535		21,436		4,452		44,423
Occupancy		-		25,864		-		25,864
Total expenses	\$	1,740,721	\$	452,052	\$	274,444	\$	2,467,217

		2013						
		Administrative						
	1	Program	and	d General	Fu	ndraising		Total
Employee compensation and related costs	\$	383,976	\$	44,970	\$	17,485	\$	446,431
Consulting		57,878		98,591		77,737		234,206
Stipends		229,397		-		-		229,397
Travel		67,424		620		4,753		72,797
Indirect costs		-		28,355		-		28,355
Other program and operational costs		18,602		-		-		18,602
Office		1,157		12,409		-		13,566
Occupancy		2,340		7,560		42		9,942
Total expenses	\$	760,774	\$	192,505	\$	100,017	\$	1,053,296

See notes to financial statements.

Statements of Cash Flows Years Ended September 30, 2014 and 2013

		2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:			
Change in net assets	\$	1,147,466 \$	1,106,499
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Accounts receivable		64,135	(303,851)
Grants and contributions receivable		(178,601)	-
Accounts payable		49,447	520
Accrued expenses		2,313	3,305
Deferred revenue	1	185,533	-
Net cash provided by operating activities		1,270,293	806,473
CASH, BEGINNING OF YEAR		1,030,071	223,598
CASH, END OF YEAR	\$	2,300,364 \$	1,030,071

Notes to Financial Statements Years Ended September 30, 2014 and 2013

### 1. ORGANIZATION

Seed Global Health (the "Organization") is a not-for-profit organization established in 2011 under the laws of the Commonwealth of Massachusetts. The Organization's mission is to create sustainable solutions to strengthen health systems abroad and to empower a new generation of United States health professionals to serve as global health educators in countries facing critical human healthcare resource shortages. The Organization's goal is to first establish programs in Malawi, Uganda and Tanzania and expand to six countries over the next five years. The Organization strives to achieve its mission by increasing teaching capacity and clinical personnel to ultimately strengthen the medical, nursing and health education systems in partner countries.

# 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of** Accounting – The financial statements of the Organization have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

*Financial Statement Presentation* – The Organization follows the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) subtopic *Presentation of Financial Statements* for not-for-profit entities. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

<u>Unrestricted net assets</u> – Net assets that are not subject to donor-imposed restrictions. The Organization may designate portions of its unrestricted net assets as board designated for various purposes.

<u>Temporarily restricted net assets</u> – Net assets subject to donor-imposed stipulations that may be met either by actions of the Organization and/or the passage of time.

<u>Permanently restricted net assets</u> – Net assets subject to donor-imposed stipulations that must be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes. As of September 30, 2014 and 2013, the Organization had no permanently restricted net assets.

*Use of Estimates* – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash – The Organization maintains its cash at financial institutions, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risk on cash.

# 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

*Accounts Receivable* – Accounts receivable represents contract and grant revenue due at September 30, 2014 and 2013 for costs incurred related to program services. The Organization considers accounts receivable to be fully collectable and accordingly no allowance for doubtful accounts is required.

*Grants and Contributions Receivable* – Grants and contributions receivable represent grants and unconditional contributions awarded to the Organization in which collection is expected in the upcoming fiscal years. Management has evaluated the collectability of grants and contributions receivable and determined the receivables are fully collectible at September 30, 2014.

**Deferred Revenue** – Deferred revenue represents funding received in advance by the Organization prior to the fiscal year end for upcoming services in the following fiscal year.

**Revenue Recognition** – Revenue is reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Contract revenue is recognized as related expenses are incurred. Expenses are reported as decreases in unrestricted net assets. Gains and losses on assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

**Contributions** – Contributions are recognized as revenues in the period received. Contributions of assets other than cash are reported at their estimated fair value. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the unrestricted net asset class. Contributions of services that create or enhance non-financial assets or that require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. The fair market value of office space, equipment and services donated by hospitals, doctors, technology and legal firms is reflected in the financial statements.

*Tax Status* – The Organization is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and is generally exempt from income taxes pursuant to Section 501(a) of the Code. The Organization is subject to federal and state income taxes on unrelated business income, if any.

The Organization accounts for uncertain tax positions in accordance with FASB ASC Topic *Accounting for Uncertainty in Income Taxes*. The Topic prescribes a recognition threshold and measurement process for financial statement recognition of uncertain tax positions taken or expected to be taken in a tax return. The Topic also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. At September 30, 2014, management believes that the Organization has no material uncertain tax positions.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

*Tax Status...continued* – The Organization files informational tax returns in the U.S. federal and Massachusetts state jurisdictions. Management believes the Organization is no longer subject to U.S. federal and state examinations by tax authorities for years before fiscal year 2011.

*Reclassifications* – Certain prior year amounts have been reclassified to conform to current year presentation.

**Subsequent Events** – The Organization has evaluated all events subsequent to the statement of financial position date of September 30, 2014, through the date which the financial statements were available to be issued, January 22, 2015, and has determined that there are no subsequent events that require disclosure under FASB ASC Topic *Subsequent Events*.

### 3. GRANTS AND CONTRIBUTIONS RECEIVABLE

The balance of grants and contributions receivable at September 30, 2014 are due as follows:

2015 2016	-	\$ 353,601 75,000
	<u>.</u>	\$ 428,601

### 4. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	 2014	2013		
Time restricted	\$ 300,000	\$	250,000	
Research and training	162,146		65,604	
Staffing and travel	154,432		-	
Monitoring, evaluation and pilot program costs	 78,578		17,787	
Total temporarily restricted net assets	\$ 695,156	\$	333,391	

Net assets were released from donor restrictions during the years ended September 30, 2014 and 2013 in the amounts of \$498,225 and \$141,609, respectively, by incurring expenses satisfying the restricted purposes specified by donors.

Notes to Financial Statements Years Ended September 30, 2014 and 2013

### 5. RENT

The Organization maintains, as a part of its Collaboration Agreement with Massachusetts General Hospital, an agreement for its office space in Boston, Massachusetts which expires on September 30, 2015, with the option for annual one year renewals until the agreement is terminated. Rental payments for the years ended September 30, 2014 and 2013 were \$11,500 and \$8,620, respectively. In addition, the Organization received \$14,364 in donated office space for the year ended September 30, 2014.

### 6. **RETIREMENT PLAN**

During the year ended September 30, 2014, the Organization offered a qualified defined contribution retirement plan (the Plan) for all eligible employees. The Plan is designed in accordance with the provisions of Section 401(k) of the Internal Revenue Code. Contributions are made by the Plan participants based on participant elections. Under the plan, employees may contribute up to the IRS indexed maximum amount for each calendar year. In addition, the Organization makes matching contributions to the plan up to 5% of the employees' salaries. During the year ended September 30, 2014, the Organization contributions totaled \$7,388.

SUPPLEMENTAL INFORMATION

Schedule of Expenditures of Federal Awards Year Ended September 30, 2014

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	
Peace Corps:				
Direct programs: Peace Corps' Global Health and PEPFAR Initiative Program	45.400	N/A	\$ 1,003,557	
U.S Department of Health and Human Services:				
Direct programs:				
Global AIDS	93.067	N/A	54,871	
Total Expenditures of Federal Awards			<u>\$ 1,058,428</u>	

# NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

### **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Seed Global Health and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



#### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

 Braintree MA 02184
444 Washington Street Woburn MA 01801
T: 781-356-2000
F: 781-356-5450

To the Board of Directors Seed Global Health Boston, Massachusetts

#### **Report on Compliance for Each Major Federal Program**

We have audited Seed Global Health's (the "Organization") (a non-profit organization) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended September 30, 2014. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

#### Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Seed Global Health's compliance.

#### **Opinion on Each Major Federal Program**

In our opinion, Seed Global Health complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2014.

#### **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as items 2014-1. Our opinion on each major federal program is not modified with respect to these matters.

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

#### **Report on Internal Control over Compliance**

Management of Seed Global Health is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Seed Global Health's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2014-1, that we consider to be a significant deficiency.

Seed Global Health's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Seed Global Health's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Rickland Albrucht & Friduckson LolC

Kirkland Albrecht & Fredrickson, LLC Braintree, Massachusetts

January 22, 2015



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

 IO Forbes Road West Braintree MA 02184
444 Washington Street Woburn MA 01801
T: 781-356-2000
F: 781-356-5450

The Board of Directors Seed Global Health Boston, Massachusetts

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 Seed Global Health (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of September 30, 2014, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 22, 2015.

# **Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 Seed Global Health'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.

Kirkland Albrucht & Friduckson LolC

Kirkland Albrecht & Fredrickson, LLC Braintree, Massachusetts

January 22, 2015

# I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements					
Type of auditor's report issued:			Unmodi	fied	
Internal control over financial	reporting:				
Material weakness(es) identified	ed?		_Yes	<u> </u>	0
Significant deficiency(ies) iden that are not considered to be			_Yes	<u> </u>	Vone
Noncompliance material to fin	ancial statements noted?		_Yes	<u> </u>	0
Federal Awards					
Internal Control over major progra	am:				
Material weakness(es) identified?				<u> </u>	0
Significant deficiency(ies) idea are not considered to be mat		<u> </u>	_Yes	N	None
Type of auditor's report issued of for major program:	on compliance		Unmodi	fied	
Any audit findings disclosed the to be reported in accordance of OMB Circular A-133?		<u> </u>	_Yes	N	ю
Identification of major program	15:				
CFDA Number(s)	Name of Federal Program				
45.400	Peace Corps' Global Health a	nd PEPFA	R Initiativ	e Program	
Dollar threshold used to disting	uish between Type A and Type B prog	grams:	<u>\$300,00</u>	<u>)0</u>	
Auditee qualified as low-risk a	uditee?		Yes	<u> </u>	0

### II. FINANCIAL STATEMENT FINDINGS

None

### III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

#### Finding 2014-1: Late Submission of Federal Reports – Data Collection Form

### Criteria or Specific Requirement:

Pursuant to OMB Circular A-133, §\_.320 (a), the audit shall be completed and the Data Collection Form and reporting package shall be submitted by the earlier date of either 30 days after the receipt of the auditor's report(s), or nine months after the end of the fiscal year end date.

#### Condition:

The Data Collection Form for FY2013 was not submitted by the due date, as specified in OMB Circular A-133.

#### Cause:

Due to turnover in the finance department, the Data Collection Form was filed late.

#### Effect:

The Data Collection Form was not filed by the due date in accordance with provisions of OMB Circular A-133.

#### Recommendation:

We recommend that the Organization complete and submit the Data Collection Form in accordance with provisions of OMB Circular A-133.

#### Views of Responsible Officials and Planned Corrective Actions:

Management agrees with the finding and recognizes the importance of submitting the Data Collection Form in accordance with the provisions of OMB Circular A-133. The Organization has hired a new Director of Finance and Administration who is dedicated to directing the Organization's audit process and ensuring timely completion and submission of the Data Collection Form.

# **PRIOR YEAR AUDIT FINDINGS**:

# I. FINANCIAL STATEMENT FINDINGS

None

# II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None