

CORRECTIONS FOUNDATION, INC.

FINANCIAL STATEMENTS

JUNE 30, 2011

CORRECTIONS FOUNDATION, INC.
TABLE OF CONTENTS
JUNE 30, 2011

	<u>Page(s)</u>
Independent Auditors' Report	1 – 2
Management's Discussion and Analysis	3 – 5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	6
Statement of Activities	7
Fund Financial Statements:	
Balance Sheet – Governmental Fund	8
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund	9
Notes to Financial Statements	10 – 13
Required Supplementary Information	14
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	15
Notes to Required Supplementary Information	16
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	17 – 18
Corrective Action Plan	19

JAMES MOORE & CO., P.L.
CERTIFIED PUBLIC ACCOUNTANTS

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, 2011, 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 opinions 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 opinions.

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, 2011, 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 August 31, 2011, 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 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.

Accounting principles generally accepted in the United State of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 5 and 14 through 16, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Tallahassee, Florida
August 31, 2011

Management's Discussion and Analysis June 30, 2011

Management is pleased to offer the following assessment of the operations of Corrections Foundation, Inc. (the "Organization") for the year ending June 30, 2011.

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. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-wide 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 6 - 7 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 statements, 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.

The basic governmental fund financial statements can be found on pages 8 - 9 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 10 – 13 of this report.

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 - 16 of this report.

Government-wide Financial Analysis

The assets of Corrections Foundation, Inc. exceeded its liabilities at June 30, 2011, by \$583,985. 94% of this total or \$550,366 is unrestricted.

Net Assets: Corrections Foundation, Inc.'s net assets increased by \$77,580 from fiscal year 2010. The primary cause of this increase was due to an increase in donations and membership.

Condensed Financial Statements

Net Assets

	2011	2010
Current Assets	\$ 587,967	\$ 509,507
Less Liabilities	3,982	3,102
Net Assets	<u>\$ 583,985</u>	<u>\$ 506,405</u>

Changes in Net Assets

	2011	2010
Program revenues:		
Operating grants and contributions	\$ 925,947	\$ 801,734
General revenues:		
Miscellaneous	3,885	10,665
Total revenues	<u>929,832</u>	<u>812,399</u>
Expenses		
Direct support activities	<u>852,252</u>	<u>738,330</u>
Total expenses	<u>852,252</u>	<u>738,330</u>
Increase in net assets	77,580	74,069
Net assets, beginning of year	<u>506,405</u>	<u>432,336</u>
Net assets, end of year	<u>\$ 583,985</u>	<u>\$ 506,405</u>

General Fund Budgetary Highlights

Major differences between the original budget and the final amended budget can be summarized as follows:

- Unexpected revenue.
- Increase in donations.
- Increase in additional fundraisers.

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:

Corrections Foundation, Inc.
501 South Calhoun Street
Tallahassee, FL 32399-2500

CORRECTIONS FOUNDATION, INC.
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Governmental Activities
ASSETS	
Current assets	
Cash and cash equivalents	\$ 325,794
Certificates of deposit	232,296
Contributions receivable	27,318
Inventory	2,559
Total Assets	587,967
LIABILITIES	
Accounts payable and accrued expenses	3,982
Total Liabilities	3,982
NET ASSETS	
Unrestricted	550,366
Restricted	33,619
Total Net Assets	\$ 583,985

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, 2011**

	Expenses	Program Revenues Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets Governmental Activities
<u>Functions/Programs</u>			
Governmental activities			
Direct support	\$ 852,252	\$ 925,947	\$ 73,695
Total governmental activities	\$ 852,252	\$ 925,947	73,695
		General revenues:	
		Other	3,885
		Change in net assets	77,580
		Net assets, beginning of year	506,405
		Net assets, end of year	\$ 583,985

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

CORRECTIONS FOUNDATION, INC.
BALANCE SHEET -
GOVERNMENTAL FUND
JUNE 30, 2011

ASSETS	General Fund
Cash and cash equivalents	\$ 325,794
Certificates of deposit	232,296
Contributions receivable	27,318
Inventory	2,559
Total Assets	\$ 587,967
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable and accrued expenses	\$ 3,982
Fund balance	
Nonspendable	2,559
Restricted (Note 6)	33,619
Unassigned	547,807
Total Fund Balance	583,985
Total Liabilities and Fund Balances	\$ 587,967

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, 2011**

	General Fund
Support and Revenue	
Membership contributions	\$ 734,525
Other public contributions	130,698
Grants	3,500
Product sales	3,885
In-kind support	57,224
Total revenues	929,832
 Expenditures	
Direct grant	9,216
Accounting/legal fees	3,200
Bank charges	171
Donations	200
Employee assistance	564,685
Filing fees	361
Insurance	1,845
Miscellaneous	2,923
Office and personnel	97,376
Other programs	109,684
Travel	391
Cost of goods sold	4,976
In-kind expenses	57,224
Total expenditures	852,252
 Excess of revenues over expenditures	77,580
 Fund balances, beginning of year	506,405
 Fund balances, end of year	\$ 583,985

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

CORRECTIONS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

(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. 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 Foundation’s 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 directly supporting 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, 2011

(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 measurement 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 expendable financial resources.

(d) **Income Taxes**—The Foundation is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and therefore, no provision for income taxes has been made in the accompanying financial statements.

The Foundation files income tax returns in the U.S. Federal jurisdiction. The Foundation's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

The Foundation has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Foundation.

(e) **Cash and Cash Equivalents**—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) **Advertising**—The Foundation expenses advertising costs as they are incurred.

(h) **Inventory**—Inventory consists primarily of pins and apparel and is valued at the lower of cost (first-in, first-out method) or market.

CORRECTIONS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

(i) **Fund Balance**—Beginning with fiscal year 2011, the Foundation implemented GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance—includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. All amounts reported as nonspendable by the Foundation at June 30, 2011 are in nonspendable form.

Restricted fund balance—includes amounts restricted by external sources or by constitutional provision or by enabling legislation.

Unassigned fund balance—includes amounts that have not been assigned, committed, or restricted within the General fund.

Beginning Fund balances for the Foundation’s governmental funds have been restated to reflect the above classifications.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Foundation considers restricted funds to have been spent first.

(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 several institutions. The Foundation has no policy requiring collateral or other security to support its deposits in excess of FDIC coverage.

(b) **Contributions Receivable**—The Foundation has no policy requiring collateral or other security to support its contributions receivable.

(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.

CORRECTIONS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

(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 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, 2011:

Rent	\$ 16,753
Office expenses	16,471
Personnel costs	24,000
Total In-Kind Support	<u>\$ 57,224</u>

(6) **Restricted Net Assets/Restricted Fund Balance:**

Restricted net assets/restricted fund balance are available for the following purposes as of June 30, 2011:

Chapel Fund	\$ 3,515
Dade Correctional Institution Education Program	3,497
Ford Motor YAATC Program	15,861
Hernando Correctional Institution Chaplain's Inmate Welfare Fund	2,313
Dog Training Programs	7,493
Inspector General Canine Unit	940
Total Restricted Net Assets/Restricted Fund Balance	<u>\$ 33,619</u>

REQUIRED SUPPLEMENTARY INFORMATION

CORRECTIONS FOUNDATION, INC.
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>General Fund</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Support and Revenue				
Membership contributions	\$ 612,800	\$ 614,961	\$ 734,525	\$ 119,564
Other public contributions	80,200	137,465	130,698	(6,767)
Grants	5,900	5,900	3,500	(2,400)
Interest	4,750	4,250	-	(4,250)
Product sales	4,000	4,450	3,885	(565)
In-kind support	57,000	57,224	57,224	-
Total revenues	<u>764,650</u>	<u>824,250</u>	<u>929,832</u>	<u>105,582</u>
Expenditures				
Direct grant	28,000	9,255	9,216	39
Accounting/legal fees	7,500	6,200	3,200	3,000
Advertising/promotion	2,000	100	-	100
Bank charges	50	175	171	4
Donations	200	200	200	-
Employee assistance	524,200	564,685	564,685	-
Filing fees	375	375	361	14
Insurance	1,805	1,805	1,845	(40)
Miscellaneous	2,600	1,925	2,923	(998)
Office and expenses	92,870	96,170	97,376	(1,206)
Other programs	42,550	109,766	109,684	82
Travel	2,000	2,400	391	2,009
Cost of goods sold	3,500	3,670	4,976	(1,306)
In-kind expenses	57,000	57,224	57,224	-
Total expenditures	<u>764,650</u>	<u>853,950</u>	<u>852,252</u>	<u>1,698</u>
Excess of revenues over expenditures	<u>-</u>	<u>(29,700)</u>	<u>77,580</u>	<u>107,280</u>
Fund balance, beginning of year	506,405	506,405	506,405	-
Fund balance, end of year	<u>\$ 506,405</u>	<u>\$ 476,705</u>	<u>\$ 583,985</u>	<u>\$ 107,280</u>

The accompanying notes to schedule of revenues, expenditures and changes in fund balance - budget and actual are an integral part of this statement.

CORRECTIONS FOUNDATION, INC.
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2011

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

The Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual is presented using the Correction Foundation Inc.’s budget format for all governmental funds.

(2) **Budgetary Basis of Accounting:**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The budget presented for fiscal year ended June 30, 2011, has been amended according to Board procedures.

Budgets are presented on the modified accrual basis of accounting. The legal level of budgetary control is the fund level.

JAMES MOORE & CO., P.L.
CERTIFIED PUBLIC ACCOUNTANTS

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 the major fund of Corrections Foundation, Inc., as of and for the year ended June 30, 2011, which collectively comprise the Corrections Foundation, Inc.'s basis financial statements and have issued our report thereon dated August 31, 2011. 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 opinions 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.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we considered to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described below, that we consider to be a significant deficiency in internal control over financial reporting.

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.

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.

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 finding identified in our audit is 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 entity 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
August 31, 2011



**CORRECTIONS
FOUNDATION, INC.**

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

501 S. Calhoun Street • Tallahassee, FL 32399 • www.correctionsfoundation.org • (850) 717-3712 phone • (850) 410-4411 fax

August 31, 2011

James Moore and Co., CPA
2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386

Dear James Moore and Co., CPA:

Here is the Corrections Foundation's management response to audit findings for fiscal year 2010 -2011.

In response to this year's audit finding and suggestion for the Corrections Foundation to compile its own financial statements, we find that it would not be cost effective for the organization to employ an accountant on staff for the sole purpose of preparing our financial statements and therefore we rely on your accounting firm to prepare them as part of our annual audit. We believe this also provides the Board of Directors with an inside look at operations from an independent and objective source while strengthening our ability to oversee the financial operations of the organization.

We appreciate this suggestion of how to further improve and strengthen our operations and thank you for the thoroughness of the audit performed by James Moore and Company, CPA. The results of the audit reflect the board and staff's desire to serve the Department of Corrections and its staff in a manner above reproach. The audit, our operating policies, and financial statements are available for public review upon request.

Sincerely,

Chris Akins
Executive Director

CA/sl

A COPY OF THE OFFICIAL REGISTRATION AND FINANCIAL INFORMATION MAY BE OBTAINED FROM THE DIVISION OF CONSUMER SERVICES BY CALLING TOLL-FREE (800-435-7352) WITHIN THE STATE. REGISTRATION DOES NOT IMPLY ENDORSEMENT, APPROVAL, OR RECOMMENDATION BY THE STATE.

Established as the non-profit Direct Support Organization for the Florida Department of Corrections pursuant to Chapter 944.802, Florida Statutes. Contributions to the Corrections Foundation, a 501(c)3 non-profit corporation, may be tax-deductible for federal income tax purposes. Tax ID#: 59-3440417.