

**FLORIDA ALLIANCE FOR ASSISTIVE SERVICES
AND TECHNOLOGY, INC.**

TALLAHASSEE, FLORIDA

SEPTEMBER 30, 2020

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Law, Redd, Crona & Munroe, P.A.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Florida Alliance for Assistive Services and Technology, Inc.
Tallahassee, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Florida Alliance for Assistive Services and Technology, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation 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 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 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 Florida Alliance for Assistive Services and Technology, Inc. as of September 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 April 20, 2021, on our consideration of Florida Alliance for Assistive Services and Technology, 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 solely 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 effectiveness of Florida Alliance for Assistive Services and Technology, Inc.'s 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 Florida Alliance for Assistive Services and Technology, Inc.'s internal control over financial reporting and compliance.

Law Redd Crona + Munroe P.A.

LAW, REDD, CRONA & MUNROE, P.A.
Tallahassee, Florida
April 20, 2021

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2020

ASSETS

CURRENT ASSETS

| | |
|--|------------------|
| Cash and Cash Equivalents | \$ 353,594 |
| Investments | 2,506,623 |
| Grants and Contracts Receivable | 315,249 |
| Current Portion of Notes Receivable, net | 125,469 |
| Prepaid Expenses | 52,746 |
| Total Current Assets | 3,353,681 |

| | |
|------------------------------------|--------|
| PROPERTY AND EQUIPMENT, NET | 33,577 |
|------------------------------------|--------|

OTHER ASSETS

| | |
|--|---------|
| Notes Receivable, less current portion | 282,072 |
|--|---------|

| | |
|---------------------|---------------------|
| TOTAL ASSETS | \$ 3,669,330 |
|---------------------|---------------------|

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

| | |
|---------------------------------------|---------------|
| Accounts Payable and Accrued Expenses | \$ 40,788 |
| Deferred Revenue | 50,000 |
| Total Current Liabilities | 90,788 |

NET ASSETS

| | |
|----------------------------|------------------|
| Without Donor Restrictions | 405,775 |
| With Donor Restrictions | 3,172,767 |
| Total Net Assets | 3,578,542 |

| | |
|---|---------------------|
| Total Liabilities and Net Assets | \$ 3,669,330 |
|---|---------------------|

The accompanying notes are an integral part of these financial statements.

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---------------------------------------|------------------------------------|--------------|
| SUPPORT AND REVENUE | | | |
| Grants and contracts | \$ 1,294,546 | \$ 600,754 | \$ 1,895,300 |
| Contributions | 1,082 | - | 1,082 |
| Investment return | - | 116,917 | 116,917 |
| Interest from notes receivable | - | 19,649 | 19,649 |
| Other income | 1,374 | - | 1,374 |
| Net assets released from restrictions | 211,443 | (211,443) | - |
| Total Support and Revenue | 1,508,445 | 525,877 | 2,034,322 |
| EXPENSES | | | |
| Program Services | | | |
| Assistive Technology Programs | 1,223,569 | - | 1,223,569 |
| Loan Programs | 188,900 | - | 188,900 |
| Total Program Services | 1,412,469 | - | 1,412,469 |
| Supporting Services | | | |
| Administrative | 35,075 | - | 35,075 |
| Total expenses | 1,447,544 | - | 1,447,544 |
| CHANGE IN NET ASSETS | 60,901 | 525,877 | 586,778 |
| NET ASSETS - Beginning of the Year | 344,874 | 2,646,890 | 2,991,764 |
| NET ASSETS - End of the Year | \$ 405,775 | \$ 3,172,767 | \$ 3,578,542 |

The accompanying notes are an integral part of these financial statements.

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | <u>Program Services</u> | | <u>Supporting Services</u> | <u>Total</u> |
|-------------------------------|--------------------------------------|----------------------|----------------------------|---------------------|
| | <u>Assistive Technology Programs</u> | <u>Loan Programs</u> | <u>Administrative</u> | |
| Subcontractors and materials | \$ 758,128 | \$ 20,727 | \$ 777 | \$ 779,632 |
| Salaries and benefits | 310,774 | 128,166 | 26,667 | 465,607 |
| Rent | 26,110 | 9,002 | 1,848 | 36,960 |
| Telephone and utilities | 7,620 | 2,627 | 539 | 10,786 |
| Insurance | 5,315 | 2,578 | 161 | 8,054 |
| Supplies | 2,897 | 1,201 | 179 | 4,277 |
| Travel and Meetings | 14,681 | 398 | 82 | 15,161 |
| Professional fees | 76,045 | 18,659 | 3,609 | 98,313 |
| Office | 828 | 282 | 58 | 1,168 |
| Depreciation and amortization | 15,263 | 5,260 | 1,080 | 21,603 |
| Marketing | 5,908 | - | 75 | 5,983 |
| Total | <u>\$ 1,223,569</u> | <u>\$ 188,900</u> | <u>\$ 35,075</u> | <u>\$ 1,447,544</u> |

The accompanying notes are an integral part of these financial statements.

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | |
|---|-------------------|
| Cash flows from operating activities | |
| Cash received from grantors and contractors | \$ 1,917,951 |
| Cash paid to employees, vendors, and sub-recipients | (1,480,857) |
| Interest income from notes receivable | 19,649 |
| Investment income received | 32,183 |
| Other income received | 1,374 |
| Net cash provided by operating activities | <u>490,300</u> |
| Cash flows from investing activities | |
| Loans made on notes receivable | (233,483) |
| Collections on notes receivable | 213,107 |
| Purchase of equipment | (3,856) |
| Purchases of investments | (1,180,273) |
| Sales of investments | 787,830 |
| Net cash used in investing activities | <u>(416,675)</u> |
| Net increase in cash and cash equivalents | 73,625 |
| Cash and cash equivalents, beginning of the year | 279,969 |
| Cash and cash equivalents, end of the year | <u>\$ 353,594</u> |
| Reconciliation of change in net assets to net cash provided by operating activities | |
| Change in net assets | <u>\$ 586,778</u> |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | |
| Depreciation and amortization | 21,603 |
| Increase in allowance for doubtful accounts | 954 |
| Unrealized gain on investment | (84,734) |
| Increase in grants and contracts receivable | (19,665) |
| Increase in prepaid expenses | (42,922) |
| Increase in deferred revenue | 41,234 |
| Decrease in accounts payable and accrued expenses | (12,948) |
| Total adjustments | <u>(96,478)</u> |
| Net cash provided by operating activities | <u>\$ 490,300</u> |

The accompanying notes are an integral part of these financial statements.

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: Florida Alliance for Assistive Services and Technology, Inc. (the Organization) is a nonprofit corporation organized under the laws of the State of Florida in October 1994, for the purpose of assisting Florida's disabled population in enhancing their lives by promoting the awareness of, access to and advocacy for assistive technology through various program services.

Income Taxes: The Organization is recognized as a nonprofit corporation under Section 501(c)(3) of the *Internal Revenue Code* and has not been classified as a private foundation under Section 509(a). Therefore, no provision for income taxes has been made in the accompanying financial statements.

A summary of the significant accounting policies and reporting practices followed by the Organization in the preparation of its financial statements is set forth below:

Basis of Accounting: The financial statements of the Organization have been prepared on the accrual basis. The Organization reports information regarding its financial position and activities according to two classes of net assets (net assets without donor restrictions and net assets with donor restrictions) based on the existence or absence of donor-imposed restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Cash and Cash Equivalents: Cash and cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near maturity at the date of purchase that they bear insignificant risk of value change due to changes in interest rates.

Investments: The Organization invests in money market funds, mutual funds, and equities. Investments are carried at fair value. Unrealized gains and losses are included in the change in net assets on the Statement of Activities.

Grants and Contracts Receivable: Grants and contracts receivable primarily represent amounts due for services provided by the Organization under federal and state grant funding. Management considers all grants and contracts receivable to be collectible.

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment: Property and equipment acquired by the Organization is considered to be owned by the Organization. However, funding sources may maintain an equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. The State of Florida has a reversionary interest in those assets purchased with its funds which have a cost of \$1,000 or more and an estimated useful life of at least one year. The Federal government may maintain an equitable interest in the property purchased with grant monies as well as the right to determine the use of any assets purchased with its funds which have a cost of \$5,000 or more and an estimated useful life of at least one year.

Property and equipment with a value greater than \$500 and an estimated useful life of at least one year are recorded at cost when purchased or at estimated fair value when donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from three to ten years. Repairs and maintenance, which are not considered improvements and do not extend the useful life of the property and equipment, are expensed as incurred.

Assistive Technology Devices: Assistive technology devices purchased with funds from the Assistive Technology grant program are used in demonstration sessions and are loaned out to participants in the program. These devices are expensed when acquired.

Advertising and Marketing Costs: Advertising and marketing costs are expensed as incurred. Advertising and marketing expenses were \$5,983 for the year ended September 30, 2020.

Accrued Leave: The Organization compensates its employees for unused vacation leave upon termination of employment. The amount of change in accrued vacation leave for all employees from one year to the next is recorded in salary expense during the current year.

Revenue Recognition: The Organization receives substantially all of its grant and contract revenue from Federal, State and local agencies. The Organization recognizes contract revenue (up to the contract ceiling) from its contracts over a period which represents the service period for certain contracts, or to the extent of expenses. Revenue recognition depends on the contract.

Any of the funding sources may, at its discretion, request reimbursement for expenses or return of funds, or both, as a result of non-compliance with the terms of the grants/contracts.

Contributions: Contributions are considered to be without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restrictions which increases that net asset class. However, if a restriction is fulfilled in the same time period in which the contribution is received, the entity reports the support as without donor restrictions.

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using the risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Contributed property and equipment is recorded at fair value at the date of donation. In the absence of donor-imposed stipulations regarding how long the contributed assets must be used, the entity has adopted a policy of not implying a time restriction on contributions of such assets. Consequently, all contributions of property and equipment, and of the assets contributed to acquire property and equipment, are recorded as support without donor restrictions or contributions.

Functional Allocation of Expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. Costs that can be identified with a specific program or support services are charged directly to that program or support service. Costs common to multiple functions have been allocated among the programs and supporting services benefited.

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 revenues and expenses during the reporting period, such as allowances for uncollectible accounts and depreciation, and allocation of expenses by function. Actual results could differ from those estimates.

Notes Receivable: Notes receivable are reported at their outstanding principal balance less an allowance for amounts deemed uncollectible by management. In making that determination, management evaluated the financial condition of the borrowers, the estimated value of the underlying collateral, and current economic conditions.

Deferred Revenue: The Organization records grant/contract receipts as deferred revenue until they are expended for the purpose of the grant/contract, at which time they are recognized as revenue.

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Delay of Implementation of Accounting Standards: In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2020-05, *Effective Dates for Certain Entities*, the Organization has elected to delay implementation of ASU 2016-02, *Leases* and ASU 2014-09, *Revenue from Contracts with Customers*, until fiscal year ending September 30, 2021.

Recently Adopted Accounting Standard: For the year ended September 30, 2020, the Organization adopted the provisions of FASB ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This amendment provides additional guidance for contributions received and contributions made. The adoption of this standard had no material effect on the Organization's recognition of contribution revenues or expenses.

NOTE 2 – CASH AND CASH EQUIVALENTS

The Organization maintains its cash and cash equivalents at three North Florida commercial banks. At times, the balances may exceed the current Federal Deposit Insurance Corporation (FDIC) limit of \$250,000 per bank. The Organization believes credit risk related to these balances is minimal. There were no uninsured balances at September 30, 2020.

The Organization also maintains cash in money market funds held in three accounts with TD Ameritrade. Balances in these accounts at September 30, 2020 were \$36,466, and were covered by FDIC.

NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Fair Value Measurement and Disclosures Topic of the FASB Accounting Standards Codification establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the Fair Value Measurement and Disclosures Topic are described as follows:

- Level 1:* Quoted Prices in active markets for identical assets or liabilities.
- Level 2:* Observable market based inputs or unobservable inputs that are corroborated by the market data.
- Level 3:* Unobservable inputs that are not corroborated by market data.

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

At September 30, 2020, investments were as follows:

| | <u>Fair Value</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
|-------------------|---------------------|---------------------|----------------|----------------|
| Investments | | | | |
| Mutual Funds | \$ 2,506,623 | \$ 2,506,623 | \$ - | \$ - |
| Total Investments | <u>\$ 2,506,623</u> | <u>\$ 2,506,623</u> | <u>\$ -</u> | <u>\$ -</u> |

Net investment return for the year ended September 30, 2020 consisted of the following:

| | |
|---|-------------------|
| Interest and Dividends | \$ 48,883 |
| Net Realized and Unrealized Gain on Investments | 84,733 |
| Investment Expenses | <u>(16,699)</u> |
| Total Investment Return | <u>\$ 116,917</u> |

NOTE 4 – NOTES RECEIVABLE

The Organization’s notes receivable are amounts due with individuals. The Organization has a policy of requiring collateral to support the notes receivable. As of September 30, 2020, the Organization held various notes receivable with interest rates ranging from 0.00% to 5.50% due from individuals, both secured by equipment and unsecured, being repaid in monthly payments ranging from \$25 to \$472 including interest, with maturity dates ranging from October 1, 2020 to August 15, 2025. Interest revenue for the related notes receivable totaled \$19,649 for the year ended September 30, 2020 and is recognized in the Statement of Activities. As of September 30, 2020, the allowance for uncollectible notes receivable balance was \$17,061.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at September 30, 2020:

| | |
|---|------------------|
| Furniture and Equipment | \$ 207,131 |
| Interactive Learning Modules | 54,000 |
| | <u>261,131</u> |
| Less: Accumulated Depreciation and Amortization | <u>(227,554)</u> |
| Property and Equipment, Net | <u>\$ 33,577</u> |

Depreciation and amortization expense for the year ended September 30, 2020 were \$10,803 and \$10,800, respectively.

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 6 – SUPPORT FROM GOVERNMENTAL AGENCIES AND OTHER CONTRACTS

The Organization received approximately 92% of its support from governmental grants for the year ended September 30, 2020. Awards are reviewed and determined annually. At September 30, 2020, the Organization recorded accounts receivable of \$315,249, from governmental agencies for grants and contracts.

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions relate to funds received to guarantee loans provided to Floridians with disabilities for the purchase of assistive technology in accordance with the Assistive Technology Act of 2004 as the Alternative Finance Program (RSA-662) and Telework Program (RSA-687). For purposes of administering these programs, the Organization entered into an indirect loan funding agreement with a national bank. The terms of the agreement require the Organization to pledge cash or investments as collateral equal to 30% of the loan amounts guaranteed under the program. At September 30, 2020, the Organization has guaranteed loans under the funding agreements totaling \$458,315 and has \$87,327 in a cash reserve account. In the event of default on a guaranteed loan, the Organization will be responsible for purchasing the loan, from the national bank, at par value (principal, interest, fees and other charges due) on any guaranteed loan that becomes 90 days delinquent. For the year ended September 30, 2020, the bank has waived the noncompliance on the 30% requirement.

NOTE 8 – LIQUIDITY AND AVAILABILITY OF RESOURCES

As of September 30, 2020, the Organization had approximately \$3.3 million of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of cash totaling \$354,000, investments totaling \$2.5 million, grants and contracts receivable of \$315,000 and the current portion of notes receivable of \$125,000. Financial assets of approximately \$3.17 million are subject to donor or other contractual restrictions that would make them unavailable for general expenditures within one year of the statement of financial position date. The grants and contracts receivable are expected to be collected within 120 days subsequent to the statement of financial position date. Additionally, the Organization receives significant grant funds each year, which are available to meet annual cash needs to general and program expenditures.

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 9 – RETIREMENT PLAN

The Organization has a Simplified Employee Pension Plan (the “Plan”). Under the Plan the Organization may provide discretionary contributions to the individual retirement account or individual retirement annuity of all full time employees who have completed one year of employment. Employer contributions to the Plan during the year ended September 30, 2020 were \$24,861.

NOTE 10 – INCOME TAXES

For the years ended September 30, 2020, the Organization had no unrelated business income and, accordingly, has incurred no income tax liability from unrelated business activities.

An entity must recognize the impact of uncertain tax positions in the financial statements if it is more likely than not that a tax position taken for tax return purposes will not be sustained upon examination by taxing authorities. The Organization has concluded that it has no material uncertain tax positions and, accordingly, it has not recognized any liability for unrecognized tax benefits. The Organization has filed all required tax returns in all jurisdictions in which it operates. Tax years after 2015 remain subject to examination by the applicable taxing authorities.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Contingency

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, a worldwide adverse impact on economic and financial markets. It is unknown how long these conditions will last and what the complete financial effect will be; accordingly, the related impact cannot be reasonably estimated at this time. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential ramifications, and any government actions taken to mitigate them. It is unknown how long these conditions will last and what the complete financial effect will be; accordingly, the related impact cannot be estimated at this time.

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE 11 – COMMITMENTS AND CONTINGENCIES (continued)

Operating Lease

The Organization leased office space under an operating lease during the year. As of September 30, 2020, future minimum lease payments due in one year total \$18,480. The lease expires in March 2021. For the year ended September 30, 2020, rental expense under the terms of this lease totaled \$36,960. See Note 12 for extension of the lease term.

NOTE 12 – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through April 20, 2021, the date which the financial statements were available to be issued.

Effective March 1, 2021, the Organization obtained a one year lease extension for office space (Note 11). The termination date is now March 31, 2022.

SUPPLEMENTAL INFORMATION

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

| | <u>CFDA Number</u> | <u>Contract Number</u> | <u>Expenditures</u> | <u>Amount Provided to Subrecipients</u> |
|---|------------------------|----------------------------|---------------------|---|
| <u>U.S. Department of Education</u> | | | | |
| Pass-through from University of Miami | | | | |
| Special Education Educational Technology, Media, and Materials for Individuals with Disabilities | 84.327 | SPC-000343 | \$ 42,373 | \$ - |
| <u>U.S. Department of Health and Human Services</u> | | | | |
| Pass-through from State of Florida Department of Education | | | | |
| ACL Assistive Technology | 93.464 | 18-127 | 772,870 | 299,500 |
| TOTAL FEDERAL AWARDS | | | <u>\$ 815,243</u> | <u>\$ 299,500</u> |

NOTES:

- (1) The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal programs of the Organization for the year ended September 30, 2020. All expenditures related to federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included in the accompanying Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).
- (2) The Schedule was prepared on the accrual basis of accounting.
- (3) The Organization elected not to use the 10% de minimis indirect cost rate.

See independent auditor's report.



Law, Redd, Crona & Munroe, P.A.
Certified Public Accountants

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

Board of Directors
Florida Alliance for Assistive Services and Technology, Inc.
Tallahassee, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Florida Alliance for Assistive Services and Technology, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2020, 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 April 20, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Florida Alliance for Assistive Services and Technology, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 Florida Alliance for Assistive Services and Technology, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Florida Alliance for Assistive Services and Technology, Inc.'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 Florida Alliance for Assistive Services and Technology, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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.



LAW, REDD, CRONA & MUNROE, P.A.
Tallahassee, Florida
April 20, 2021



Law, Redd, Crona & Munroe, P.A.
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Florida Alliance for Assistive Services and Technology, Inc.
Tallahassee, Florida

Report on Compliance for Each Major Federal Program

We have audited Florida Alliance for Assistive Services and Technology, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Florida Alliance for Assistive Services and Technology, Inc.'s major federal programs for the year ended September 30, 2020. Florida Alliance for Assistive Services and Technology, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Florida Alliance for Assistive Services and Technology, Inc.'s major federal programs 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Florida Alliance for Assistive Services and Technology, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Florida Alliance for Assistive Services and Technology, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Florida Alliance for Assistive Services and Technology, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

Report on Internal Control Over Compliance

Management of Florida Alliance for Assistive Services and Technology, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Florida Alliance for Assistive Services and Technology, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Florida Alliance for Assistive Services and Technology, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program 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 requirement 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Directors
Florida Alliance for Assistive Services and Technology, Inc.
Page Three

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Law Redd Crona & Munroe P.A.

LAW, REDD, CRONA & MUNROE, P.A.
Tallahassee, Florida
April 20, 2021

**FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Section I -- Summary of Auditor's Results

Financial Statements

| | |
|--|------------|
| Type of auditor's report issued: | Unmodified |
| Internal control over financial reporting: | |
| Material weakness(es) identified? | No |
| Significant deficiency(ies) identified not considered to be material weaknesses? | None |
| Noncompliance material to financial statements noted? | No |

Federal Awards

| | |
|--|------------|
| Internal control over major programs: | |
| Material weakness(es) identified? | No |
| Significant deficiency(ies) identified not considered to be material weaknesses? | None |
| Type of auditor's report issued on compliance for major programs? | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200, section 200.516(a)? | No |

| | | |
|-----------------------------------|--------------------|---|
| Identification of major programs: | <u>CFDA Number</u> | <u>Name of Federal Program</u> |
| | 93.464 | U.S. Department of Health and Human Services Pass-through from State of Florida Department of Education ACL Assistive Technology |

| | |
|--|-----------|
| Dollar threshold used to distinguish between Type A and Type B programs: | \$750,000 |
| Auditee qualified as low-risk auditee? | No |

Section II -- Financial Statement Findings

We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Section III -- Federal Award Findings and Questioned Costs

We noted no matters involving noncompliance that are required to be reported in accordance with 2 CFR 200.516(a).

See independent auditor's report.

**FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Financial Statement Finding:

MATERIAL WEAKNESS

2019-001: Segregation of Duties/Policies and Procedures

Bank reconciliations and journal entries were not always being reviewed after they were prepared. Credit card statements were not being reviewed by an independent person. The Executive Director activities were not also being reviewed to ensure Organization policies and procedures were being followed.

Current year status: Corrective Action was taken.

Federal Programs Finding:

MATERIAL WEAKNESS

2019-002: Subrecipient Monitoring

FAAST passed down a portion of their grant funding to three regional demonstration centers. They were unable to produce onsite monitoring reports for two out of the three.

Current year status: Corrective Action was taken.

See independent auditor's report.