

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

FINANCIAL STATEMENTS

**JUNE 30, 2015 WITH SUMMARIZED INFORMATION
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014**

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Florida Alliance for Assistive Services and Technology, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Florida Alliance for Assistive Services and Technology, Inc., which comprise the statement of financial position as of June 30, 2015, 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.

Auditors' 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.

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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 June 30, 2015, 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.

Report on Summarized Comparative Information

We have previously audited Florida Alliance for Assistive Services and Technology, Inc.'s June 30, 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 24, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

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 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 September 9, 2016 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 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 Florida Alliance for Assistive Services and Technology, Inc.'s internal control over financial reporting and compliance.

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

Tallahassee, Florida
September 9, 2016

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015 WITH SUMMARIZED
INFORMATION AS OF JUNE 30, 2014

<u>ASSETS</u>		
	2015	2014
Current assets		
Cash and cash equivalents	\$ 161,735	\$ 605,758
Investments	-	23,815
Grants and contracts receivable	700,648	297,601
Prepaid expenses	167	6,892
Total current assets	862,550	934,066
Restricted assets		
Cash and cash equivalents	197,167	797,635
Investments	2,299,596	1,789,363
Total restricted assets	2,496,763	2,586,998
Furniture and equipment, net	17,982	23,711
Total Assets	\$ 3,377,295	\$ 3,544,775
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 29,512	\$ 29,452
Total current liabilities	29,512	29,452
Net assets		
Unrestricted	851,020	928,325
Temporarily restricted	2,496,763	2,586,998
Total net assets	3,347,783	3,515,323
Total Liabilities and Net Assets	\$ 3,377,295	\$ 3,544,775

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

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015 WITH SUMMARIZED INFORMATION
FOR THE YEAR ENDED JUNE 30, 2014

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Total
Support and revenue				
Grants and contracts	\$ 1,191,532	\$ -	\$ 1,191,532	\$ 1,127,228
Investment returns	30,688	12,810	43,498	89,417
Other income	1,065	-	1,065	4,562
Net assets released from restrictions	103,045	(103,045)	-	-
Total support and revenue	<u>1,326,330</u>	<u>(90,235)</u>	<u>1,236,095</u>	<u>1,221,207</u>
Expenses				
Program services				
Assistive Technology Programs	1,196,082	-	1,196,082	1,130,163
Loan Programs	164,663	-	164,663	137,380
Total program services	<u>1,360,745</u>	<u>-</u>	<u>1,360,745</u>	<u>1,267,543</u>
Support services				
Administrative	42,890	-	42,890	19,012
Total expenses	<u>1,403,635</u>	<u>-</u>	<u>1,403,635</u>	<u>1,286,555</u>
Decrease in net assets	<u>(77,305)</u>	<u>(90,235)</u>	<u>(167,540)</u>	<u>(65,348)</u>
Net assets, beginning of year	928,325	2,586,998	3,515,323	3,580,671
Net assets, end of year	<u>\$ 851,020</u>	<u>\$ 2,496,763</u>	<u>\$ 3,347,783</u>	<u>\$ 3,515,323</u>

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

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015 WITH SUMMARIZED INFORMATION
FOR THE YEAR ENDED JUNE 30, 2014

	2015				2014
	Program Services		Supporting Services		Total
	Assistive Technology Programs	Loan Programs	Administrative	Total	
Subcontractors and materials	\$ 647,550	\$ 4,664	\$ 214	\$ 652,428	\$ 710,287
Salaries and benefits	254,144	68,623	22,317	345,084	337,311
Rent	28,338	3,306	1,877	33,521	38,864
Telephone and utilities	15,657	2,102	110	17,869	16,837
Insurance	6,084	1,110	74	7,268	9,428
Supplies	9,522	9,897	280	19,699	3,833
Repairs and maintenance	3,317	613	41	3,971	6,962
Travel and meetings	146,795	2,540	1,147	150,482	70,846
Professional fees	57,773	69,326	15,772	142,871	55,178
Office	10,667	2,010	311	12,988	9,914
Depreciation	13,634	-	718	14,352	24,058
Publications and subscriptions	2,601	472	29	3,102	3,037
Total	<u>\$ 1,196,082</u>	<u>\$ 164,663</u>	<u>\$ 42,890</u>	<u>\$ 1,403,635</u>	<u>\$ 1,286,555</u>

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

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015 WITH SUMMARIZED
INFORMATION FOR THE YEAR ENDED JUNE 30, 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
Cash received from grantors and contractors	\$ 788,485	\$ 1,050,735
Cash paid to employees, vendors, and sub-recipients	(1,382,498)	(1,310,427)
Investment income received	86,481	96,839
Other income received	1,065	4,562
Net cash used in operating activities	<u>(506,467)</u>	<u>(158,291)</u>
Cash flows from investing activities		
Purchases of furniture and equipment	(5,510)	(2,785)
Sales of certificates of deposit	-	774,533
Purchases of investments	(2,524,105)	(468,176)
Sales of investments	1,991,591	-
Net cash provided by (used in) investing activities	<u>(538,024)</u>	<u>303,572</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,044,491)</u>	<u>145,281</u>
Cash and cash equivalents, beginning of year	1,403,393	1,258,112
Cash and cash equivalents, end of year	<u>\$ 358,902</u>	<u>\$ 1,403,393</u>
Reconciliation of decrease in net assets to net cash used in operating activities		
Decrease in net assets	\$ (167,540)	\$ (65,348)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Depreciation	14,352	24,058
Increase in grants and contracts receivable	(403,047)	(38,109)
Increase (decrease) in accounts payable and accrued expenses	60	(55,243)
Decrease in prepaid expenses	6,725	7,313
Decrease in deferred revenue	-	(38,384)
Realized (gain) loss on investments	(52,008)	1,467
Unrealized loss on investments	94,991	5,955
Total adjustments	<u>(338,927)</u>	<u>(92,943)</u>
Net cash used in operating activities	<u>\$ (506,467)</u>	<u>\$ (158,291)</u>

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

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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

The following is a summary of the more significant accounting policies and practices of Florida Alliance for Assistive Services and Technology, Inc. (the “Organization”) which affect significant elements of the accompanying financial statements:

(a) **Organization and Purpose**—The Organization is a not-for-profit organization which assists Florida’s disabled population in enhancing their lives by promoting the awareness of, access to and advocacy for assistive technology through various program services.

(b) **Furniture and Equipment**—Furniture and equipment acquired by the Organization are 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.

Furniture 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 contributed. 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.

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

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

The Organization 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.

(d) **Cash and Cash Equivalents**—For the purpose of reporting cash flows, cash and cash equivalents include cash on hand, amounts in demand deposits held with banks, and short-term investments with original maturities of 90 days or less.

(e) **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.

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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

(f) **Basis of Accounting**—The financial statements have been prepared on the accrual basis of accounting, and accordingly, reflect significant receivables, payables and other liabilities.

(g) **Basis of Presentation**—The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

(h) **Functional Allocation of Expenses**—The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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

(j) **Contributions**—All contributions are considered to be available for unrestricted use 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 temporarily restricted or permanently restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the entity reports the support as unrestricted.

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 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 unrestricted support or contributions.

(k) **Grants and Contracts Receivable**—Grants and contracts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with grantors and contractors having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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

(l) **Accrued Leave**— Eligible employees accrue vacation leave at varying rates based upon length of employment. Vacation leave is accrued as earned by employees and recorded as an expense in the period earned.

(m) **Revenues**—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.

(2) **Significant Funding Sources:**

The Organization receives a substantial amount of its funding from the U.S. Department of Education passed through State of Florida Department of Education, Division of Vocational Rehabilitation. A significant reduction in the level of this funding, if this were to occur, could have an adverse effect on the Organization's programs and activities.

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

The more significant concentrations of credit risk are as follows:

(a) **Demand and Time Deposits**—The Organization maintains demand deposits with several financial institutions. The Organization has no policy requiring collateral or other security to support its demand deposits in excess of FDIC coverage.

(b) **Grants and Contracts Receivable**—The Organization's receivables are for amounts due under contracts with the State of Florida and Federal government agencies. The Organization has no policy requiring collateral or other security to support its receivables.

(4) **Temporarily Restricted Net Assets and Restricted Cash and Investments:**

Temporarily restricted net assets 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 a 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 June 30, 2015, the Organization has guaranteed loans under the funding agreements totaling \$36,376, and has recorded \$2,496,763 as restricted cash and investments related to those loans. 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. The loans guaranteed have various maturity dates through July, 2018.

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

(5) **Fair Value Measurements:**

The Fair Value Measurements and Disclosures Topic of the FASB Codification defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The Codification requires the use of valuation techniques that are consistent with the market approach, the income approach, and/or the cost approach. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. In that regard, the Codification establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Fair values of assets measured on a recurring basis at June 30, 2015 are as follows:

	<u>Fair Value</u>	<u>Fair Value Measurements at Reporting Date Using Quoted Prices In Active Markets For Identical Assets (Level 1)</u>
June 30, 2015		
Fixed income securities and bonds	\$ 2,299,596	\$ 2,299,596

The investment return is classified in the Statement of Changes in Net Assets as follows:

Unrestricted	\$ 30,688
Temporarily restricted	12,810

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

(5) **Fair Value Measurements:** (Continued)

Investments at June 30, 2015 consisted of the following:

	Cost	Fair Value	Unrealized Gain (Loss)
Fixed income securities and bonds	\$ 2,333,605	\$ 2,299,596	\$ (34,009)

Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets.

(6) **Pension 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 fiscal year ended June 30, 2015 were \$8,073.

(7) **Furniture and Equipment:**

The following is a summary of furniture and equipment at June 30, 2015:

Furniture and Equipment	\$ 151,271
Less: Accumulated depreciation	(133,289)
Total	\$ 17,982

(8) **Operating Leases:**

The Organization leases office space under an operating lease expiring in 2018. Rent expense for the year ended June 30, 2015 under the lease was \$41,400. Minimum future rental payments under operating leases as of June 30, 2015, for each of the next five years and in the aggregate are:

Year	Amount
2016	\$ 29,800
2017	35,411
2018	35,411
2019	-
2020	-
	\$ 100,622

(9) **Subsequent Events:**

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through September 9, 2016, the date which the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Contract Number	Expenses
FEDERAL AWARDS			
U.S. Department of Education			
Passed through Florida Department of Education, Division of Vocational Rehabilitation			
Assistive Technology	84.224	11-101	\$ 755,093
Assistive Technology	84.224	H224A15009	135,525
			<u>890,618</u>
Rehabilitation Services Demonstration and Training Programs	84.235	VH265	30,618
Total Federal Awards			<u><u>\$ 921,236</u></u>

The accompanying notes to Schedule of Expenditures of Federal awards are
an integral part of this statement.

**FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015**

Note 1. Basis of Presentation

The accompanying Schedule of Expenses of Federal Awards includes the Federal award activity of Florida Alliance for Assistive Services and Technology, Inc., 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 financial statements.

Note 2. Sub-recipients

Of the expenditures presented in the accompanying Schedule of Expenditures of Federal Awards, Florida Alliance for Assistive Services and Technology, Inc. provided Federal awards to sub-recipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Sub-recipients</u>
Assistive Technology	84.224	\$ 552,028

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,
The Florida Alliance for Assistive Services and Technology, Inc. :

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 The Florida Alliance for Assistive Services and Technology, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2015, 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 September 9, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and significant deficiencies.

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 Organization's financial statements will not be prevented, or detected and corrected on a timely basis. We considered the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses: Finding 2015-001, Finding 2015-004, and Finding 2015-005.

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A *significant deficiency* is a deficiency, or 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. We consider the following deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiencies: Finding 2015-002 and Finding 2015-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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*.

The Organizations response to the internal control over financial reporting findings identified in our audit are described in the accompanying Corrective Action Plan. The Organization's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

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

Tallahassee, Florida
September 9, 2016

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133**

To the Board of Directors,
Florida Alliance for Assistive Services and Technology, Inc.:

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 Circular A-133 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 June 30, 2015. Florida Alliance for Assistive Services and Technology, Inc.'s major Federal programs are identified in the summary of auditors' 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.

Auditors' 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 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 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.

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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 June 30, 2015.

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 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 Florida Alliance for Assistive Services and Technology, Inc.'s internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Findings 2015-004, and 2015-005 to be material weaknesses.

Florida Alliance for Assistive Services and Technology, Inc.'s responses to the internal control over compliance finding identified in our audit is described in the accompanying corrective action plan. Florida Alliance for Assistive Services and Technology, Inc.'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.

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

Tallahassee, Florida
September 9, 2016

FLORIDA ALLANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

I. Summary of Auditors' Results:

Financial Statements

Type of audit report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiencies identified? X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major Federal programs:

- Material weakness(es) identified? X yes no
- Significant deficiencies identified? yes X none reported

Types of auditor's report issued on compliance for major Federal programs: *Unmodified*

Any audit findings that are required to be reported in accordance with section 510(a) of OMB Circular A-133? yes X no

Identification of major Federal programs:

Federal Program	Federal CFDA Number
Assistive Technology	84.224

Dollar threshold used to distinguish between type A and type B Federal programs: \$ 300,000

Auditee qualified as low-risk auditee? yes X no

FLORIDA ALLANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015
(CONTINUED)

II. Financial Statements Findings:

Finding 2015-001: Segregation of Duties

Internal controls are designed to safeguard assets and help prevent or detect losses from employee dishonesty or error. A fundamental concept in a good system of internal control is the segregation of duties. The basic premise is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction. We noted an authorized check signer had the ability to make changes to the accounting system. In addition, we noted journal entries tested did not have adequate supporting documentation and were not approved by an employee or member of management, other than the employee preparing and posting the entry. We recommend check signers only have viewing capabilities for the accounting system and all journal entries have supporting documentation and be approved.

Finding 2015-002: Transfers of Funds

We noted during our testing that for one quarter for the year ending June 30, 2015, management did not transfer funds from the restricted accounts to reimburse for administrative costs paid for by the unrestricted accounts. We recommend these transfers be made after the end of each quarter.

Finding 2015-003: Budget Monitoring

We noted the Organization overspent certain budgeted line items. We recommend that the Organization monitor the monthly budget expenses and adhere to the approved spending plan.

FLORIDA ALLANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015
(CONTINUED)

III. Federal Award Findings and Questioned Costs:

United States Department of Education passed through Florida Department of Education, Division of Vocational Rehabilitation, Assistive Technology, CFDA Number 84.224

Finding 2015-004: Subrecipient Monitoring

Condition and Criteria: The Organization receives funding under cost reimbursement grants from grantors that it passes through to subrecipient organizations. As required by OMB Circular A-133, a pass-through entity must perform certain specific functions for Federal awards that it makes to subrecipients. We noted as in fiscal year June 30, 2014, that the Organization did not properly and timely document subrecipient monitoring in accordance with OMB Circular A-133.

Cause: There was not adequate documentation in place to support that adequate subrecipient monitorings were occurring for grants passed through to subrecipient organizations.

Effect: Failure to properly perform subrecipient contractual and monitoring procedures could result in the Organization having to refund the grant funding in the event the subrecipient is not properly managing the Federally funded grant program.

Recommendation: We recommend that the Organization follow their procedures to ensure subrecipients are appropriately monitored in accordance with grant provisions.

United States Department of Education passed through Florida Department of Education, Division of Vocational Rehabilitation, Assistive Technology, CFDA Number 84.224

Finding 2015-005: Activities Allowed or Unallowed and Allowable Cost/ Cost Principles

Condition and Criteria: OMB Circular A-122, "Cost Principles for Non-Profit Organizations" require that costs be allocated based upon some reasonable method. The Organization did have a cost allocation plan, but did not follow it for a period of time during the year under audit.

Cause: The Organization changed allocation methods without updating the cost allocation plan.

Effect: Inconsistent allocation could result in the Organization incorrectly expensing individual grant cost to an inappropriate program.

Recommendation: We recommend that the cost allocation plan be consistently followed and updated as needed.

IV. Summary of Prior Year Findings – Federal Awards:

Finding 2014-03: Subrecipient Monitoring

Unresolved

Finding 2015-001:

Segregation of Duties

Internal controls are designed to safeguard assets and help prevent or detect losses from employee dishonesty or error. A fundamental concept in a good system of internal control is the segregation of duties. The basic premise is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction. We noted an authorized check signer had the ability to make changes to the accounting system. In addition, we noted journal entries tested did not have adequate supporting documentation and were not approved by an employee or member of management, other than the employee preparing and posting the entry.

Recommendation:

We recommend check signers only have viewing capabilities for the accounting system, and all journal entries have supporting documentation and be approved.

Management Response:

FAAST management concurs that during the audit period an authorized check signer had the ability to make changes in the accounting system but never made any changes. This situation has been rectified. FAAST has three authorized check signers, and none have access to the accounting system. Only one FAAST staff member has access to the accounting system, and one FAAST contractor has access to the accounting system.

Concerning the additional finding for noted journal entry tests, FAAST management does not see this as a systematic issue. There have been few instances in which supporting documentation was not supplied and approved by a member of management. Needless to say, a certainty system has been developed in which all purchases are entered into an online purchase order system, and the Executive Director approves them at the time of the request and at the time payments are disbursed by signing a FAAST Financial Facesheet.

Finding 2015-002:

Transfers of Funds

We noted during our testing that for one quarter for the year ending June 30, 2015, management did not transfer funds from the restricted accounts to reimburse for administrative costs paid for by the unrestricted accounts.

Recommendation:

We recommend these transfers be made after the end of each quarter.

Management Response:

FAAST management concurs that during the audit period one quarter was missed for the transfer of funds from restricted accounts. All requests for reimbursements are completed by the 15th of the month at the end of each quarter.

Finding 2015-003:**Budget Monitoring**

We noted the Organization overspent certain budgeted line items.

Recommendation:

We recommend that the Organization monitor the monthly budget expenses and adhere to the approved spending plan.

Management Response:

This finding was self-reported by FFAST management. Therefore, FFAST management concurs that during the audit period two budget lines were overspent. A budget amendment was prepared for the March 2015 Board meeting but was not approved. The FFAST Executive Director reviews the budget monthly and signs off on any overtures. In addition, during FY 2016, a budget amendment was submitted to the Board and approved at the May meeting.

Finding 2015-004: Subrecipient Monitoring

Condition and Criteria: The Organization receives funding under cost reimbursement grants from grantors that it passes through to subrecipient organizations. As required by OMB Circular A- 133, a pass-through entity must perform certain specific functions for Federal awards that it makes to subrecipients.

We noted as in fiscal year June 30, 2014, that the Organization did not properly and timely document subrecipient monitoring in accordance with OMB Circular A-133.

Cause: There was not adequate documentation in place to support that adequate subrecipient monitorings were occurring for grants passed through to subrecipient organizations.

Effect: Failure to properly perform subrecipient contractual and monitoring procedures could result in the Organization having to refund the grant funding in the event the subrecipient is not properly managing the Federally funded grant program.

Recommendation: We recommend that the Organization follow their procedures to ensure subrecipients are appropriately monitored in accordance with grant provisions.

Management Response:

During the audit period, FFAST produced monthly subrecipient reports. Each quarter 15 reports were provided to the Department of Education, Division of Vocation Rehabilitation. These monitoring reports were not tracking individuals deliverables. Instead, these reports were monitoring programmatic issues like reporting timelines,

providing audits promptly, and Regional Demonstration Centers (RDCs) being ADA compliant.

With the addition of the FFAST Director of Statewide Programs Services the format of these reports drastically changed. All individual deliverables are tracked and RDCs provided timely feedback. On-site monitoring visits now focus on programmatic issues.

Finding 2015-005: Activities Allowed or Unallowed and Allowable Cost/ Cost Principles

Condition and Criteria: OMB Circular A-122, “Cost Principles for Non-Profit Organizations” require that costs be allocated based upon some reasonable method. The Organization did have a cost allocation plan, but did not follow it for a period of time during the year under audit.

Cause: The Organization changed allocation methods without updating the cost allocation plan.

Effect: Inconsistent allocation could result in the Organization incorrectly expensing individual grant cost to an inappropriate program.

Recommendation: We recommend that the cost allocation plan be consistently followed and updated as needed.

Management Response:

This finding was self-reported by FFAST management. FFAST management believes this finding is solely based off the allocation rate assigned to the Northwest Regional Demonstration Center. The office in Tallahassee had transitioned to a State Headquarter and was providing services to Northwest Florida on a requested basis. All of the device loan requests were fulfilled by the FFAST Statewide Device Loan Program. FFAST management attempted several times to convey these facts to the FFAST Executive Committee and the entire Board of Directors without success. The Board of Directors instructed the Executive Director by a vote to allocate expenses for the Northwest RDC even though no time sample was performed. A 7% allocation rate for the Northwest RDC was developed and applied across all budget lines.