

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

FINANCIAL STATEMENTS

**JUNE 30, 2016 WITH SUMMARIZED INFORMATION
AS OF AND FOR THE YEAR ENDED JUNE 30, 2015**

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, 2016, 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, 2016, 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

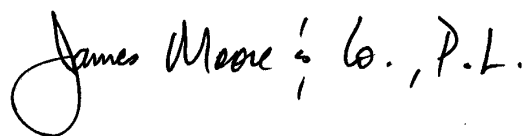
Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The schedule of assistive technology items available for loan is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Report on Summarized Comparative Information

We have previously audited Florida Alliance for Assistive Services and Technology, Inc.'s June 30, 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 9, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2017 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.

Tallahassee, Florida
February 6, 2017

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2016 WITH SUMMARIZED
INFORMATION AS OF JUNE 30, 2015

	<u>ASSETS</u>	
	<u>2016</u>	<u>2015</u>
Current assets		
Cash and cash equivalents	\$ 401,644	\$ 358,902
Grants and contracts receivable	497,238	700,648
Current portion of notes receivable	21,000	-
Investments	2,436,081	2,299,596
Prepaid expenses	1,639	167
Total current assets	<u>3,357,602</u>	<u>3,359,313</u>
Furniture and equipment, net	12,714	17,982
Other Assets		
Notes receivable, less current portion	71,683	-
Total Assets	<u>\$ 3,441,999</u>	<u>\$ 3,377,295</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
Current liabilities		
Accounts payable and accrued expenses	<u>\$ 50,310</u>	<u>\$ 29,512</u>
Net assets		
Unrestricted	779,040	851,020
Temporarily restricted	2,612,649	2,496,763
Total net assets	<u>3,391,689</u>	<u>3,347,783</u>
Total Liabilities and Net Assets	<u>\$ 3,441,999</u>	<u>\$ 3,377,295</u>

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, 2016 WITH SUMMARIZED INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	Unrestricted	Temporarily Restricted	Total	Total
Support and revenue				
Grants and contracts	\$ 1,093,633	\$ -	\$ 1,093,633	\$ 1,191,532
Contributions	13,749	-	13,749	-
Investment returns	-	251,308	251,308	43,498
Interest from notes receivable	-	1,672	1,672	-
Other income	10,573	-	10,573	1,065
Net assets released from restrictions	137,094	(137,094)	-	-
Total support and revenue	<u>1,255,049</u>	<u>115,886</u>	<u>1,370,935</u>	<u>1,236,095</u>
Expenses				
Program services				
Assistive Technology Programs	1,110,586	-	1,110,586	1,196,082
Loan Programs	146,308	-	146,308	164,663
Total program services	<u>1,256,894</u>	<u>-</u>	<u>1,256,894</u>	<u>1,360,745</u>
Support services				
Administrative	70,135	-	70,135	42,890
Total expenses	<u>1,327,029</u>	<u>-</u>	<u>1,327,029</u>	<u>1,403,635</u>
Increase (decrease) in net assets	<u>(71,980)</u>	<u>115,886</u>	<u>43,906</u>	<u>(167,540)</u>
Net assets, beginning of year	851,020	2,496,763	3,347,783	3,515,323
Net assets, end of year	<u>\$ 779,040</u>	<u>\$ 2,612,649</u>	<u>\$ 3,391,689</u>	<u>\$ 3,347,783</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, 2016 WITH SUMMARIZED INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015

	2016				2015
	Program Services		Supporting Services		Total
	Assistive Technology Programs	Loan Programs	Administrative	Total	
Subcontractors and materials	\$ 684,365	\$ 9,681	\$ 14,191	\$ 708,237	\$ 652,428
Salaries and benefits	231,228	66,273	37,373	334,874	345,084
Rent	19,241	3,526	1,304	24,071	33,521
Telephone and utilities	8,209	3,936	524	12,669	17,869
Insurance	7,261	1,322	367	8,950	7,268
Supplies	12,365	4,273	666	17,304	19,699
Repairs and maintenance	-	-	-	-	3,971
Travel and meetings	50,209	7,465	1,372	59,046	150,482
Professional fees	76,201	41,005	9,873	127,079	142,871
Office	9,676	2,054	1,178	12,908	12,988
Depreciation	2,707	2,707	2,708	8,122	14,352
Publications and subscriptions	3,877	1,083	250	5,210	-
Marketing	5,247	2,983	329	8,559	3,102
Total	<u>\$ 1,110,586</u>	<u>\$ 146,308</u>	<u>\$ 70,135</u>	<u>\$ 1,327,029</u>	<u>\$ 1,403,635</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, 2016 WITH SUMMARIZED
INFORMATION FOR THE YEAR ENDED JUNE 30, 2015

	2016	2015
Cash flows from operating activities		
Cash received from grantors and contractors	\$ 1,218,109	\$ 788,485
Cash paid to employees, vendors, and sub-recipients	(1,299,581)	(1,330,490)
Interest income from notes receivable	1,672	-
Investment income received	92,038	86,481
Other income received	10,573	1,065
Net cash provided by (used in) operating activities	22,811	(454,459)
Cash flows from investing activities		
Purchases of furniture and equipment	(2,854)	(5,510)
Purchases of investments	(2,432,406)	(2,576,113)
Sales of investments	2,455,191	1,991,591
Net cash provided by (used in) investing activities	19,931	(590,032)
Net increase (decrease) in cash and cash equivalents	42,742	(1,044,491)
Cash and cash equivalents, beginning of year	358,902	1,403,393
Cash and cash equivalents, end of year	\$ 401,644	\$ 358,902
Reconciliation of increase (decrease) in net assets to net cash provided by (used in) operating activities		
Increase (decrease) in net assets	\$ 43,906	\$ (167,540)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	8,122	14,352
Unrealized (gain) loss on investments	(159,270)	94,991
(Increase) decrease in grants and contracts receivable	203,410	(403,047)
(Increase) decrease in prepaid expenses	(1,472)	6,725
Increase in notes receivable	(92,683)	-
Increase in accounts payable and accrued expenses	20,798	60
Total adjustments	(21,095)	(286,919)
Net cash provided by (used in) operating activities	\$ 22,811	\$ (454,459)

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, 2016

(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, 2016

(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, 2016

(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.

(n) **Notes Receivable**—Notes receivable are reported at their outstanding principal balance. Notes receivable are considered by management to be fully collectible and, accordingly, no allowance for doubtful accounts is considered necessary. In making that determination, management evaluated the financial condition of the borrowers, the estimated value of the underlying collateral, and current economic conditions.

(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.

(c) **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.

(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 an indirect loan funding agreement with a national bank. The terms of the agreement require the Organization to pledge cash or investments as

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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

collateral equal to 30% of the loan amounts guaranteed under the program. At June 30, 2016, the Organization has guaranteed loans under the funding agreements totaling \$11,378, and has recorded \$2,612,649 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.

(5) **Notes Receivable:**

As of June 30, 2016, the Organization held various notes receivable with interest rates ranging from ranging from 5.00% to 5.50% due from individuals, secured by equipment, being repaid in monthly payments ranging from \$25.72 to \$341.75 including interest, with maturity dates ranging from January 1, 2017 to August 1, 2021.

Interest revenue for the related notes receivable totaled \$1,672 for the year ended June 30, 2016 and is recognized in the Statements of Activities. The current portion of notes receivable is estimated at \$21,000 as of June 30, 2016.

(6) **Fair Value Measurements of Investments:**

Fair values of assets measured on a recurring basis at June 30, 2016 are as follows:

	Fair Value	Fair Value Measurements at Reporting Date Using Quoted Prices In Active Markets For Identical Assets (Level 1)
Fixed income securities and bonds	\$ 2,436,081	\$ 2,436,081

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

Temporarily restricted	\$ 251,308
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Investments at June 30, 2016 consisted of the following:

	Cost	Fair Value	Unrealized Gain (Loss)
Fixed income securities and bonds	\$ 2,276,811	\$ 2,436,081	\$ 159,270

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

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

(7) **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, 2016 were \$11,877.

(8) **Furniture and Equipment:**

The following is a summary of furniture and equipment at June 30, 2016:

Furniture and Equipment	\$ 153,450
Less: Accumulated depreciation	(140,736)
Total	<u>\$ 12,714</u>

(9) **Operating Leases:**

The Organization leases office space under an operating lease expiring in 2018. Rent expense for the year ended June 30, 2016 under the lease was \$27,250. Minimum future rental payments under operating leases as of June 30, 2016, for each of the next five years and in the aggregate are:

<u>Year</u>	<u>Amount</u>
2017	\$ 35,411
2018	35,411
2019	-
2020	-
2021	-
	<u>\$ 70,822</u>

(10) **Subsequent Events:**

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through February 6, 2017, the date which the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

(11) **Recently Issued Accounting Pronouncements:**

The Financial Accounting Standards Board (FASB) issued new or modifications to, or interpretations of, existing accounting guidance during the year ended June 30, 2016. The Organization has considered the new pronouncements that altered accounting principles generally accepted in the United States of America, and other than as disclosed in the notes to the financial statements below, does not believe that any other new or modified principles will have a material impact on the Organization’s reported financial position or operations in the near term.

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

(11) **Recently Issued Accounting Pronouncements:** (Continued)

In May 2014, the FASB issued Accounting Standards Update 2014-09: Revenue from Contracts with Customers, to clarify the principles used to recognize revenue for all entities. The new standard (as amended) is effective for fiscal years beginning after December 15, 2018 and may be adopted early. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

In February 2016, the FASB issued Accounting Standards Update 2016-02: Leases (Topic 842), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the Statement of Financial Position and disclosing key information about leasing arrangements. The new standard is effective for fiscal years beginning after December 15, 2019 and may be adopted early. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

In August 2016, the FASB issued Accounting Standards Update 2016-14: Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, to make improvements to the information provided in financial statements and accompanying notes of not-for-profit entities, including net asset classification requirements and the information presented about an entity's liquidity, financial performance, and cash flows. The new standard is effective for fiscal years beginning after December 15, 2017 and may be adopted early. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
SCHEDULE OF ASSISTIVE TECHNOLOGY ITEMS AVAILABLE FOR LOAN
FOR THE YEAR ENDED JUNE 30, 2016
(UNAUDITED)

Regional District Centers:

Atlantic Regional Center	\$ 90,852
Central Florida Regional Center	264,826
CIL Fort Myers RRC	17,478
Gulf Coast Regional Center	236,095
Northeast Regional Center	120,509
Northwest RDC	14,728
Self Reliance RRC	3,840
South Florida Regional Center	16,525
	<hr/>
	764,853

Assitive Technology: 203,581

Total \$ 968,434

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, 2016, 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 February 6, 2017.

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) 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 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.

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 below, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

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. We consider Finding 2016-001 to be a material weakness.

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Finding 2016-001: Onsite 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 The Uniform Guidance, a pass-through entity must perform certain specific functions for Federal awards that it makes to subrecipients. These functions include both desktop monitoring and onsite monitoring. We noted that the Organization did not properly and timely document onsite subrecipient monitoring.

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.

Recommendations: We recommend the Organization document all onsite monitoring of its subrecipients. We also recommend that the Organization do so in a timely manner.

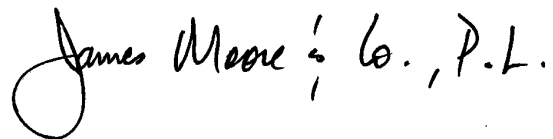
Compliance and Other Matters

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.



Tallahassee, Florida
February 6, 2017

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
CORRECTIVE ACTION PLAN
JUNE 30, 2016

Finding 2016-001:

Onsite Subrecipient Monitoring

The Organization receives funding under cost reimbursement grants from grantors that it passes through to subrecipient organizations. As required by The Uniform Guidance, a pass-through entity must perform certain specific functions for Federal awards that it makes to subrecipients. These functions include both desktop monitoring and onsite monitoring. We noted that the Organization did not properly and timely document onsite subrecipient monitoring.

Recommendations:

We recommend the Organization document all onsite monitoring of its subrecipients. We also recommend that the Organization do so in a timely manner.

Management Response:

A monthly monitoring report was completed for each of the 6 Regional Demonstration Centers during each month of the contract year to measure progress on achieving contract deliverables. Consultative services and guidance were provided as needed when program goals were not meeting expectations. These reports were provided quarterly to the designated contract manager at the Department of Education/Vocational Rehabilitation. In addition, annual site reviews were conducted for each of the Regional Demonstration Centers to ensure programmatic requirements of the contract are being met. An overview of the findings during the site review are reviewed with each RDC and a site monitoring report is completed, emailed to the regional coordinator, and kept on file at FFAST Headquarters. To ensure best practices are being achieved, moving forward, the Director of Development and Program Services will provide a copy of the report to each RDC coordinator and request that they review, sign and return the report within 5 business days.