

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

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.**  
**TABLE OF CONTENTS**  
**SEPTEMBER 30, 2018**

	<u>Page(s)</u>
<b>Independent Auditors' Report</b>	1 – 2
<b>Financial Statements</b>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 – 13
<b>Schedule of Expenditures of Federal Awards</b>	14
<b>Notes to Schedule of Expenditures of Federal Awards</b>	15
<b>Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></b>	16 – 17
<b>Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance</b>	18 – 19
<b>Schedule of Findings and Questioned Costs</b>	20 – 21
<b>Summary Schedule of Prior Audit Findings</b>	22
<b>Corrective Action Plan</b>	23

## 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 September 30, 2018, and the related statements of activities, functional expenses, and cash flows for the 15 months 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.

### ***Opinion***

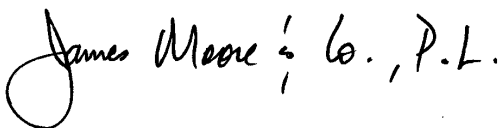
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida Alliance for Assistive Services and Technology, Inc. as of September 30, 2018, and the changes in its net assets and its cash flows for the 15 months then ended in accordance 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 financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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 February 25, 2019 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 25, 2019

**FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2018**

**ASSETS**

<b>Current assets</b>	
Cash and cash equivalents	\$ 390,656
Investments	2,214,739
Grants and contracts receivable	312,118
Current portion of notes receivable, net	76,707
Prepaid expenses	17,239
Total current assets	3,011,459
<b>Furniture and equipment, net</b>	74,718
<b>Other assets</b>	
Notes receivable, less current portion	177,384
<b>Total Assets</b>	\$ 3,263,561

**LIABILITIES AND NET ASSETS**

<b>Current liabilities</b>	
Accounts payable and accrued expenses	\$ 42,882
Deferred revenue	29,318
Total current liabilities	72,200
<b>Net assets</b>	
Unrestricted	455,386
Temporarily restricted	2,735,975
Total net assets	3,191,361
<b>Total Liabilities and Net Assets</b>	\$ 3,263,561

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

**FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE 15 MONTHS ENDED SEPTEMBER 30, 2018**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Support and revenue</b>			
Grants and contracts	\$ 1,667,227	\$ -	\$ 1,667,227
Contributions	21,858	-	21,858
Investment returns	-	208,629	208,629
Interest from notes receivable	-	14,586	14,586
Other income	27,417	-	27,417
Net assets released from restrictions	192,295	(192,295)	-
Total support and revenue	<u>1,908,797</u>	<u>30,920</u>	<u>1,939,717</u>
<b>Expenses</b>			
Program services			
Assistive Technology Programs	1,681,070	-	1,681,070
Loan Programs	474,901	-	474,901
Total program services	<u>2,155,971</u>	<u>-</u>	<u>2,155,971</u>
Support services			
Administrative	31,762	-	31,762
Total expenses	<u>2,187,733</u>	<u>-</u>	<u>2,187,733</u>
<b>Increase (decrease) in net assets</b>	<u>(278,936)</u>	<u>30,920</u>	<u>(248,016)</u>
<b>Net assets, beginning of year</b>	734,322	2,705,055	3,439,377
<b>Net assets, end of year</b>	<u>\$ 455,386</u>	<u>\$ 2,735,975</u>	<u>\$ 3,191,361</u>

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

**FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE 15 MONTHS ENDED SEPTEMBER 30, 2018**

	<u>Program Services</u>		<u>Supporting Services</u>	
	<u>Assistive Technology Programs</u>	<u>Loan Programs</u>	<u>Administrative</u>	<u>Total</u>
Subcontractors and materials	\$ 967,501	\$ 117	\$ 49	\$ 967,667
Salaries and benefits	399,712	353,076	1,137	753,925
Rent	32,441	5,542	3,585	41,568
Telephone and utilities	11,509	4,733	58	16,300
Insurance	10,728	4,854	292	15,874
Supplies	23,284	6,919	4,392	34,595
Travel and meetings	63,788	15,453	5,561	84,802
Professional fees	127,082	64,853	4,747	196,682
Office	35,077	8,885	2,241	46,203
Depreciation and amortization	9,677	9,678	9,678	29,033
Bank fees	-	542	-	542
Marketing	271	249	22	542
Total	<u>\$ 1,681,070</u>	<u>\$ 474,901</u>	<u>\$ 31,762</u>	<u>\$ 2,187,733</u>

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

**FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE 15 MONTHS ENDED SEPTEMBER 30, 2018**

<b>Cash flows from operating activities</b>	
Cash received from grantors and contractors	\$ 1,834,971
Cash paid to employees, vendors, and sub-recipients	(2,240,298)
Interest income from notes receivable	14,586
Investment income received	60,432
Other income received	27,417
Net cash used in operating activities	(302,892)
 <b>Cash flows from investing activities</b>	
Purchases of furniture and equipment	(7,607)
Loans on notes receivable	(147,159)
Collection on notes receivable	60,759
Purchases of investments	(604,685)
Sales of investments	971,369
Net cash provided by investing activities	272,677
<b>Net decrease in cash and cash equivalents</b>	(30,215)
<b>Cash and cash equivalents, beginning of period</b>	420,871
<b>Cash and cash equivalents, end of period</b>	\$ 390,656
 <b>Reconciliation of decrease in net assets to net cash used in operating activities</b>	
Decrease in net assets	\$ (248,016)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:	
Depreciation and amortization	29,033
Unrealized gain on investments	(148,197)
Decrease in grants and contracts receivable	116,568
Increase in prepaid expenses	(2,732)
Increase in deferred revenue	29,318
Decrease in accounts payable and accrued expenses	(78,866)
Total adjustments	(54,876)
<b>Net cash used in operating activities</b>	\$ (302,892)

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



**FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

(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 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.

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**  
**SEPTEMBER 30, 2018**

(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.

(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.

**FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

(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 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.

(o) **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.

(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.

(d) **Financial Instruments**—Financial instruments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Credit risk is a consequence of carrying investment positions. To manage credit risk, the Organization holds investments with a broker that is covered by SPIC (Securities Investor Protection Corporation); however, this does not protect against loss due to market fluctuation.

**FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

(d) **Financial Instruments** (Continued)—Due to the level of risk associated with certain financial instruments, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the Statement of Financial Position.

(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 collateral equal to 30% of the loan amounts guaranteed under the program. At September 30, 2018, the Organization has guaranteed loans under the funding agreements totaling \$142,691 and has \$74,688 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.

(5) **Notes Receivable:**

As of September 30, 2018, the Organization held various notes receivable with interest rates ranging from 5.00% to 5.50% due from individuals, both secured by equipment and unsecured, being repaid in monthly payments ranging from \$20 to \$478 including interest, with maturity dates ranging from October 15, 2018 to August 15, 2023.

Interest revenue for the related notes receivable totaled \$14,586 for the 15 months ended September 30, 2018 and is recognized in the Statement of Activities.

As of September 30, 2018, the allowance for uncollectible notes receivable balance was \$10,586.

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

Fair values of assets measured on a recurring basis at September 30, 2018 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>
Fixed income securities and bonds	\$ 2,214,739	\$ 2,214,739

**FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

The investment return is classified in the Statement of Activities as follows:

Temporarily restricted	\$ 208,629
------------------------	------------

Investments at September 30, 2018 consisted of the following:

	Cost	Fair Value	Unrealized Gain (Loss)
Fixed income securities and bonds	\$ 1,975,019	\$ 2,214,739	\$ 239,720

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

(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 15 months ended September 30, 2018 were \$28,322.

(8) **Furniture and Equipment:**

The following is a summary of furniture and equipment at September 30, 2018:

Furniture and Equipment	\$ 203,275
Interactive Learning Modules	54,000
Less: Accumulated depreciation and amortization	(182,557)
Total	\$ 74,718

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

The Financial Accounting Standards Board (FASB) issued new or modifications to, or interpretations of, existing accounting guidance. 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.

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.

**FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

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.

In June 2018, the FASB issued Accounting Standards Update 2018-08: Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made, to clarify and improve the scope and accounting guidance around contributions of cash and other assets received and made by not-for-profit organizations. The new standard 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.

**(10) Operating Leases:**

The Organization leased office space under two operating leases during the period. One lease expired in June 2018. The other lease expires in March 2021.

Minimum future rental payments under the operating lease having remaining terms in excess of one year as of September 30, 2018, for each of the next five years and in the aggregate are:

Year Ending September 30,	Amount
2019	\$ 36,960
2020	36,960
2021	18,480
Total	\$ 92,400

For the 15 months ended September 30, 2018, rental expense under the terms of these leases totaled \$41,568.

**FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

(11) **Subsequent Events:**

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through February 25, 2019, the date which the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

(12) **Change in Fiscal Year End:**

The Organization changed its year end from June 30<sup>th</sup> to September 30<sup>th</sup>.

**FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE 15 MONTHS ENDED SEPTEMBER 30, 2018**

<b>Federal Grantor/Pass Through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Award Number</b>	<b>Pass-Through to Subrecipients</b>	<b>Expenditures</b>
<b>U.S. Department of Education</b>				
Passed through the University of Miami				
Special Education Educational Technology Media, and Materials for Individuals with Disabilities	84.327	667968	\$ -	\$ 41,910
Special Education Educational Technology Media, and Materials for Individuals with Disabilities	84.327	SPC-000343	-	153,835
			<u>-</u>	<u>195,745</u>
<b>U.S. Department of Health and Human Services</b>				
Passed through Florida Department of Education				
ACL Assistive Technology	93.464	17-126	135,000	171,266
ACL Assistive Technology	93.464	18-127	694,280	700,881
			<u>829,280</u>	<u>872,147</u>
Passed through The Christopher & Dana Reeve Foundation				
Paralysis Resource Center	93.325	90PR3002	-	45,682
			<u>-</u>	<u>45,682</u>
<b>Total Federal Awards</b>			<u>\$ 829,280</u>	<u>\$ 1,113,574</u>

The accompanying notes to schedule of expenditures of Federal awards are  
an integral part of this schedule.



**FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE 15 MONTHS ENDED SEPTEMBER 30, 2018**

(1) **Basis of Presentation:**

The accompanying Schedule of Expenditures of Federal Awards includes the Federal award activity of The 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 audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

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

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

(3) **De Minimis:**

Florida Alliance for Assistive Services and Technology, Inc. has elected not to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

**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., which comprise the statement of financial position as of September 30, 2018, and the related statements of activities, functional expenses, and cash flows for the 15 months then ended, and the related notes to the financial statements, and have issued our report thereon dated February 25, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered The 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 The Florida Alliance for Assistive Services and Technology, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness The 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 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 schedule of findings and question costs, we identified a certain 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 the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness: 2018-001.

## **Compliance and Other Matters**

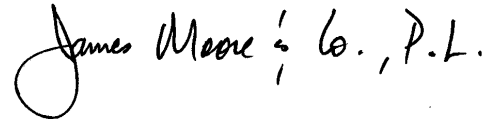
As part of obtaining reasonable assurance about whether The Florida Alliance for Assistive Services and Technology, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

### **Florida Alliance for Assistive Services and Technology, Inc.'s Response to Findings**

Florida Alliance for Assistive Services and Technology, Inc.'s response to the 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 the financial statements and, accordingly, we express no opinion on it.

### **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.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, looped initial "J".

Tallahassee, Florida  
February 25, 2019

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

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

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

We have audited The Florida Alliance for Assistive Services and Technology, Inc.'s compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement*, that could have a direct and material effect on The Florida Alliance for Assistive Services and Technology, Inc.'s major Federal program for the 15 months ended September 30, 2018. The Florida Alliance for Assistive Services and Technology, Inc.'s major Federal program is 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 The Florida Alliance for Assistive Services and Technology, Inc. major Federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) 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 The Florida Alliance for Assistive Services and Technology, Inc. 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 The Florida Alliance for Assistive Services and Technology, Inc.'s compliance.

– 18 –

121 Executive Circle  
Daytona Beach, FL 32114-1180  
Telephone: 386-257-4100

133 East Indiana Avenue  
DeLand, FL 32724-4329  
Telephone: 386-738-3300

5931 NW 1st Place  
Gainesville, FL 32607-2063  
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200  
Tallahassee, FL 32308-4386  
Telephone: 850-386-6184

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

In our opinion, The 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 its major Federal program for the 15 months ended September 30, 2018.

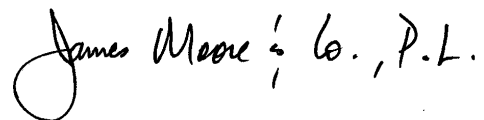
### **Report on Internal Control Over Compliance**

Management of The 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 The 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 The 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 a 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.

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.



Tallahassee, Florida  
February 25, 2019

**FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE 15 MONTHS ENDING SEPTEMBER 30, 2018**

**I. Summary of Auditors' Results:**

*Financial Statements*

Type of audit report issued on the financial statements: *Unmodified*

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?        yes   X   no

*Federal Awards*

Internal control over major Federal programs:

- Material weakness (es) identified?        yes   X   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 2 CFR 200.516(a)?        yes   X   no

Identification of major programs:

<b>Federal Program</b>	<b>Federal CFDA Number</b>
ACL Assistive Technology	93.464

Dollar threshold used to distinguish between Type A and Type B programs: \$           750,000

Auditee qualified as a low risk auditee?        yes   X   no

**FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE 15 MONTHS ENDING SEPTEMBER 30, 2018**  
(Continued)

**II. Financial Statement Findings:**

**Finding 2018-001: Segregation of Duties**

**Criteria:** 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.

**Condition:** The Comptroller maintains the custody and recording functions over cash receipts. In addition, there is no independent review of adjusting journal entries.

**Cause:** Lack of well-defined segregation of duties.

**Effect or Potential Effect:** Possible misappropriation of assets.

**Recommendation:** We recommend separating the custody and recording functions over cash receipts between two employees. We also recommend that the Organization add a review function for adjusting journal entries.

**III. Federal Award Findings and Questioned Costs: None.**

**FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FIFTEEN MONTHS ENDED SEPTEMBER 30, 2018**

**Finding 2017-001: Dual Signatures**

Status: Resolved



**FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.**  
**CORRECTIVE ACTION PLAN**  
**SEPTEMBER 30, 2018**

The Organization has created a new policy of cash receipt segregation of duties to insure proper management and disbursement of organizational funds.

To provide safeguards to this policy, the Organization will begin adding the following steps for checks and disbursement requests meeting the threshold requirements:

The Executive Assistant will receive, open, and log all incoming mail. Then distribute mail to the proper recipient. NHLP cash receipts will be given to the Deputy Director and all other cash receipts will be given to the Comptroller.

The Deputy Director and Comptroller will make copies of the received check and log the receipt in their respected databases.

The checks will then be transferred from the Deputy Director and Comptroller to the Director of Operations to be deposited.

The Direction of Operations will deposit NHLP checks through the electronic deposit system with First Federal Bank. All other checks under \$10,000 will be deposited electronically on the Regions Mobile app by means of an iPad mini specifically assigned to the Director of Operations for this task. If the check is over \$10,000, the Director of Operations will physically take the check to Regions Bank for the deposit. The Director of Operations will log all receipt deposits in their own tracking system.

The Executive Director will oversee this process to ensure the outlined policy measures are followed at all times with no repeat occurrences of the finding presented in the audit.

Adjusted journal entries have been added to the Comptroller list of monthly financial reports to be reviewed by the Executive Director. A folder has been created on the FFAST Team files to properly record these approved journal entries.