

FRIENDS OF DISABLED ADULTS AND CHILDREN, TOO! INC.
Stone Mountain, Georgia

**FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION**

Year Ended June 30, 2018

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FRICKE & ASSOCIATES, P.C.

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Independent Auditor's Report

To the Board of Directors
Friends of Disabled Adults and Children, Too! Inc.
Stone Mountain, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of **Friends of Disabled Adults and Children, Too! Inc.** (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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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 **Friends of Disabled Adults and Children, Too! Inc.** as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of contractual assistance (pages 14 and 15), 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 February 12, 2019, on our consideration of **Friends of Disabled Adults and Children, Too! 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 **Friends of Disabled Adults and Children, Too! Inc.**'s internal control over financial reporting and compliance.

Fricke & Associates, P.C.

Peachtree Corners, Georgia
February 12, 2019

FRIENDS OF DISABLED ADULTS AND CHILDREN, TOO! INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2018

ASSETS

Cash and equivalents	\$ 381,592
Accounts receivable	237,422
Property and equipment, net of accumulated depreciation of \$1,672,373	<u>3,258,384</u>
Total assets	<u>\$ 3,877,398</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	<u>\$ 27,056</u>
Total liabilities	27,056

NET ASSETS

Unrestricted	
Invested in land, buildings and equipment	3,258,384
Designated for capital improvements reserve	150,000
Designated for program operations reserve	100,000
Undesignated	196,913
Temporarily restricted	<u>145,045</u>
Total net assets	<u>3,850,342</u>

Total liabilities and net assets	<u>\$ 3,877,398</u>
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The accompanying notes are an integral part of these financial statements.

FRIENDS OF DISABLED ADULTS AND CHILDREN, TOO! INC.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2018

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
Support and revenue:			
Contributions			
Medical equipment and other items	\$ 3,737,499	\$ -	\$ 3,737,499
Business and individuals	307,532	16,000	323,532
Contractual assistance	316,222	130,500	446,722
Foundations and organizations	350,217	87,665	437,882
Thrift store and vehicle sales	350,353	-	350,353
Program service fees	205,641	-	205,641
Investment income	1,367	-	1,367
Other income	<u>2,857</u>	<u>-</u>	<u>2,857</u>
	5,271,688	234,165	5,505,853
Net assets released from restrictions:			
Restrictions satisfied by payments	<u>397,700</u>	<u>(397,700)</u>	<u>-</u>
Total support and revenue	5,669,388	(163,535)	5,505,853
Expenses:			
Program services	5,032,654	-	5,032,654
Management and general	144,781	-	144,781
Fund-raising	<u>170,006</u>	<u>-</u>	<u>170,006</u>
Total expenses	<u>5,347,440</u>	<u>-</u>	<u>5,347,440</u>
Increase (decrease) in net assets	321,948	(163,535)	158,413
Net assets, beginning of year	<u>3,383,349</u>	<u>308,580</u>	<u>3,691,929</u>
Net assets, end of year	<u>\$ 3,705,297</u>	<u>\$ 145,045</u>	<u>\$ 3,850,342</u>

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

FRIENDS OF DISABLED ADULTS AND CHILDREN, TOO! INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2018

		Supporting Services		
	Program Services	Management & General	Fund- Raising	Total
Donations:				
Medical equipment and other items	\$ 3,737,499	\$ -	\$ -	\$ 3,737,499
Salaries and benefits	739,005	110,851	73,900	923,756
Bank fees	2,856	-	8,567	11,422
Insurance	29,099	1,819	5,456	36,374
Marketing and promotions	31,392	-	7,848	39,240
Memberships - professional organizations	6,316	947	632	7,895
Miscellaneous	1,547	-	-	1,547
Office expenses	17,199	1,075	3,225	21,499
Phone and communications	11,371	711	2,132	14,214
Postage	1,838	-	459	2,297
Professional fees	20,792	1,300	3,899	25,990
Repairs and maintenance	20,968	3,145	2,097	26,210
Special events	-	-	24,063	24,063
Thrift store expenses	-	-	21,106	21,106
Parts, materials and tools	234,238	-	-	234,238
Travel and training	11,469	-	-	11,469
Uniforms	843	-	-	843
Utilities and other occupancy	41,798	6,270	4,180	52,247
Vehicle expenses	<u>23,686</u>	<u>3,553</u>	<u>2,369</u>	<u>29,608</u>
Expenses before depreciation and amortization	4,931,916	129,670	159,932	5,221,517
Depreciation	<u>100,738</u>	<u>15,111</u>	<u>10,074</u>	<u>125,923</u>
Total functional expenses	<u>\$ 5,032,654</u>	<u>\$ 144,781</u>	<u>\$ 170,006</u>	<u>\$ 5,347,440</u>

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

FRIENDS OF DISABLED ADULTS AND CHILDREN, TOO! INC.

STATEMENTS OF CASH FLOWS

Year Ended June 30, 2018

Increase (decrease) in cash and equivalents:	
Cash flows from operating activities:	
Increase in net assets	\$ 158,413
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	125,923
(Increase) decrease in:	
Accounts receivable	(179,961)
Increase (decrease) in:	
Accounts payable	<u>13,596</u>
Total adjustments	<u>(40,442)</u>
Net cash provided by operating activities	117,971
Cash flows from investing activities:	
Purchase of property and equipment	<u>(372,388)</u>
Net cash used by investing activities	<u>(372,388)</u>
Decrease in cash and equivalents	(254,417)
Cash and equivalents, beginning of year	<u>636,009</u>
Cash and equivalents, end of year	<u>\$ 381,592</u>

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

FRIENDS OF DISABLED ADULTS AND CHILDREN, TOO! INC.

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2018

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Friends of Disabled Adults and Children, Too! Inc. (the “Organization”) is organized as a nonprofit corporation for the purpose of enhancing the quality of life of people with disabilities through every way possible. Services provided by **Friends of Disabled Adults and Children, Too! Inc.** includes the following:

- Providing mobility impairment equipment, home health care equipment, and home health care supplies;
- Providing wheelchair lifts and adaptive equipment installed in vehicles;
- Providing the construction of residential wheelchair ramps and home modifications; and
- Conducting client education and referral for the benefits of handicapped individuals.

In order to provide adaptive equipment, the Organization receives donations of primarily used medical, computer equipment and parts. The equipment is cleaned and repaired and then is provided to those in need at no cost.

The organization also operates a thrift store as a fund raising activity.

Basis of Accounting

The Organization’s financial statements are presented on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recorded when incurred.

Financial Statement Presentation

The Organization adheres to FASB ASC 958-205-45-4. Under FASB ASC 958-205-45-4 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. In addition, the Organization is required to present a statement of cash flows.

Contributions

The Organization also adheres to FASB ASC 958-10-20. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

FRIENDS OF DISABLED ADULTS AND CHILDREN, TOO! INC.

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2018

**NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES, continued**

Contributions, continued

The Organization values medical equipment and other items contributed to others at the fair market value of the item on the date of contribution. As a guide of the fair market value, the used equipment and other items are valued by the Organization at approximately 33% of the retail price of new items. The value of the item contributed to the Organization is then recorded at the fair market value of the items contributed to others. The Organization's cost of direct labor, parts, and overhead to repair and refurbish the equipment or other items is reported in the various program services expenses. The Organization believes that valuing the equipment donated by them to others more accurately reflects the economic aspects of the programs and purposes of the Organization. The value of medical equipment and other items for the year ended June 30, 2018, as reflected in the Statement of Activities and Statement of Functional Expenses was \$3,737,499.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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.

Income Taxes

The Organization is a nonprofit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no income taxes are reflected in the accompanying financial statements. The Organization does not receive any income from unrelated business activities and is not required to file a federal Exempt Organization Business Income Tax Return (Form 990-T) and therefore has no uncertain tax positions that are material to the financial statements. The Organization's federal income tax returns are subject to examination by federal and state taxing authorities, generally for three years after they are filed. The Organization believes it is no longer subject to tax examinations for years prior to 2014.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with a maturity of three months or less to be cash equivalents.

FRIENDS OF DISABLED ADULTS AND CHILDREN, TOO! INC.

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2018

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Receivables

Receivables consist of reimbursements due on state, county and other contractual assistance for expenditures made but not reimbursed and from other private sources for client service fees. Receivables are recorded when either the asset or revenue recognition criteria has been met. Receivables recorded on the financial statements do not include any amounts that would necessitate the need for an allowance for uncollectible receivables. *See Note C*

Inventories

Inventories of used medical equipment and other items are maintained by the Organization to carry out its program services. Essentially, all of these items have been donated to the Organization. The value of the inventory of these items is not reflected in the accompanying financial statements since the items have an uncertain value at the time of receipt. Additionally, the Organization does not record a value of clothing and household goods inventory which is sold by the thrift store. A value for these items is determined when the item is contributed to others and reflected as revenue and expense in the financial statements. *See Contributions*

Property and Equipment

Property and equipment are stated at historical cost or fair market value at the date of the gift, if donated. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Depreciation of the building and building improvements are computed over 40 years using the straight-line method and equipment is computed over the estimated useful life of the applicable asset using the straight-line method. *See Note E*

Contributed Services

Members of the Board of Directors and other employees volunteer services to the Organization without compensation. Furthermore, a substantial number of volunteers have donated significant amounts of time in the Organization's program services, fundraising, and operating activities. The value of these contributed services has not been recorded in the financial statements because an objective and measurable basis for determining the value of these services is not available.

FRIENDS OF DISABLED ADULTS AND CHILDREN, TOO! INC.

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2018

NOTE B – COLLATERALIZATION

At June 30, 2018 the Organization’s carrying amount of cash and cash equivalents was \$381,592 and financial institution balances were \$382,082. Bank balances were insured by federal depository insurance (“FDIC”) per financial institution up to \$250,000. At June 30, 2018, \$132,082 of bank balances were uncollateralized.

NOTE C – ACCOUNTS RECEIVABLE

Accounts receivable include amounts earned on state, county and other contractual assistance contracts and client program in which reimbursement has not been received. The Organization’s receivables as of June 30, 2018 are as follows:

Contractual Assistance

DeKalb County Board of Commissioners Durable Medical Equipment Program	\$ 5,327
Georgia Department of Human Services Atlanta Regional Commission Home Modification Program	33,154
Georgia Department of Community Affairs Community Development Block Grant Home Access Program	130,500
Georgia Emergency management Agency Georgia Office of Homeland Security Durable medical Equipment Program	1,200
Georgia Institute of Technology Tools for Life Durable Medical Equipment Program	51,550
Georgia Vocational Rehabilitation Agency Vocational Rehabilitation Program	5,000
Northwest Georgia Area Agency on Aging Durable Medical Equipment Program	<u>2,250</u>
Total contractual assistance	228,981

Other

Contributions	5,500
Client program fees	<u>2,941</u>
Total other	<u>8,441</u>
Total accounts receivable	<u>\$ 237,422</u>

FRIENDS OF DISABLED ADULTS AND CHILDREN, TOO! INC.

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2018

NOTE E – PROPERTY AND EQUIPMENT

The following is a summary of changes in the Organization’s property and equipment for the year ended June 30, 2018:

	Balance <u>June 30, 2017</u>	Additions <u>(Deletions)</u>	<u>Depreciation</u>	Balance <u>June 30, 2018</u>
Land	\$ 425,000	\$ -	\$ -	\$ 425,000
Land improvements	2,000	6,145	-	8,145
Buildings and improvements	3,714,615	5,316	-	3,719,931
Furniture and fixtures	120,700	342,085	-	462,785
Office and computer equipment	43,040	-	-	43,040
Other equipment	37,848	18,842	-	56,690
Vehicles	<u>215,166</u>	<u>-</u>	<u>-</u>	<u>215,166</u>
Total property and equipment	4,558,369	372,388	-	4,930,757
Accumulated depreciation	<u>(1,546,450)</u>	<u>-</u>	<u>(125,923)</u>	<u>(1,672,373)</u>
Property and equipment, net	<u>\$ 3,011,919</u>	<u>\$ 372,388</u>	<u>\$ (125,923)</u>	<u>\$ 3,258,384</u>

NOTE F – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2018 are available for the following purposes:

For special event	\$ 10,000
For building capital improvements and related costs	<u>135,045</u>
Total temporarily restricted net assets	<u>\$ 145,045</u>

NOTE G – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets are released from restrictions by incurring expenses satisfying the restricted purpose, by the occurrences of other events specified by contributors, or by the changes of restrictions specified by the contributors.

Temporarily restricted net assets released to unrestricted net assets for the year ended June 30, 2018 are as follows:

For building capital improvements and related costs	<u>\$ 397,700</u>
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FRIENDS OF DISABLED ADULTS AND CHILDREN, TOO! INC.

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2018

NOTE H – RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; job related illness or injuries to employees; natural disaster; physical and sexual abuse; discrimination and unemployment and workers' compensation. The Organization has obtained commercial insurance for risk of loss associated with theft of, damage to, and destruction of assets, job related illness or injuries to employees and workers' compensation. The Organization has neither significantly reduced coverage for these risks nor incurred losses (settlements) which exceeded the Organization's insurance coverage in any of the past five years. The Organization has elected to self-insure for all other losses related to torts, errors or omissions, natural disaster, physical and sexual abuse, discrimination and unemployment compensation. The Organization has not experienced any losses related to torts, errors or omissions, natural disaster, physical and sexual abuse and discrimination in the past five years. For the year ended June 30, 2018 the Organization had no unemployment compensation claims. The Organization has purchased commercial crime liability insurance to provide additional insurance coverage against employee theft and ERISA in the amount of \$50,000 each.

NOTE I – ACCUMULATED EMPLOYEES' LEAVE

The Organization's employees earn up to 10 days per year of vacation leave, 15 days for employees with over 10 years of service, and up to six days per year of sick leave. Excess sick leave is charged against vacation leave and unused sick leave may be converted to vacation leave at the discretion of the Executive Director. Any unused vacation or sick leave at December 31 of each calendar year is forfeited. Vacation and sick leave is not cumulative and employees have no claim for compensation upon retirement or termination from employment.

NOTE J – THRIFT STORE

The Organization operates a thrift store that receives donated clothes, books, furniture, appliances, and other household items, which they sell to the general public. Support and revenue is recognized at the time of sale of the donated items. The proceeds are used to support the Organization's operations and program services.

NOTE K – CONTINGENCIES

Grants often require the fulfillment of certain conditions as set forth in the related instrument. Failure to fulfill the conditions could result in the return of funds to the grantors. Although the return of funds is a possibility, management deems the contingency unlikely, since upon accepting the grants the Organization has agreed to comply with the provisions thereof.

NOTE L – DATE OF MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 12, 2019, the date which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

FRIENDS OF DISABLED ADULTS AND CHILDREN, TOO! INC.

SCHEDULE OF CONTRACTUAL ASSISTANCE

Year Ended June 30, 2018

FUNDING AGENCY PROGRAM/GRANT	ENTITY IDENTIFYING NUMBER	AWARDED IN PERIOD	REVENUES IN PERIOD	ACCOUNTS RECEIVABLE JUNE 30, 2017	EXPENDITURES IN PERIOD
STATE AND COUNTY					
DeKalb County Board of Commissioners Human Services Grant Durable Medical Equipment Program CY 2017	N/A	\$ -	\$ 9,169	\$ -	\$ 9,169
CY 2018	N/A	19,142	12,485	5,327	12,485
Fulton County Board of Commissioners Human Services Grant Community Development Block Grant Home Access Program 2018-2019	1107967	205,000	130,500	130,500	130,500
Home Medical Equipment Program CY 2017	N/A	-	32,000	-	32,000
Georgia Department of Community Affairs Home Access Program SFY 2018	N/A	9,995	9,995	-	9,995
Georgia Department of Human Services Atlanta Regional Commission Home Access Program 2017-2018	N/A	123,941	123,941	33,154	123,941
Georgia Emergency Management Agency Georgia Office of Homeland Security Durable Medical Equipment Program SFY 2018	N/A	1,200	1,200	1,200	1,200
Georgia Vocational Rehabilitation Agency Vocational Rehabilitation Program SFY 2018	42700-610-0000032585	30,000	30,000	5,000	30,000
Total State and County		<u>389,278</u>	<u>349,290</u>	<u>175,181</u>	<u>349,290</u>
OTHER					
Georgia Institute of Technology Tools for Life Vocational Rehabilitation Program Durable Medical Equipment Program FFY 2017	T8112-G1	-	10,132	-	10,132
FFY 2018	T8112-G1	80,000	73,350	51,550	73,350
Howard County Office on Aging Durable Medical Equipment Program 2017	N/A	3,000	3,000	-	3,000
Northwest Georgia Area Agency on Aging Durable Medical Equipment Program SFY 2018	N/A	2,250	2,250	2,250	2,250
River Valley Regional Commission Durable Medical Equipment Program 2017-2018	N/A	2,000	2,000	-	2,000

See notes to financial statements.

Continued...

FRIENDS OF DISABLED ADULTS AND CHILDREN, TOO! INC.

SCHEDULE OF CONTRACTUAL ASSISTANCE

Year Ended June 30, 2018

<u>FUNDING AGENCY PROGRAM/GRANT</u>	<u>ENTITY IDENTIFYING NUMBER</u>	<u>AWARDED IN PERIOD</u>	<u>REVENUES IN PERIOD</u>	<u>ACCOUNTS RECEIVABLE JUNE 30, 2017</u>	<u>EXPENDITURES IN PERIOD</u>
OTHER, continued					
South Carolina At Program Durable Medical Equipment Program 2018	N/A	450	450	-	450
Southern Georgia Regional Commission AAA Durable Medical Equipment Program SFY 2018	N/A	2,500	2,500	-	2,500
Southwest Georgia Council on Aging Durable Medical Equipment Program 2018	N/A	2,250	2,250	-	2,250
Three Rivers AAA Durable Medical Equipment Program 2017-2018	N/A	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total Other		<u>93,950</u>	<u>97,432</u>	<u>53,800</u>	<u>97,432</u>
Total		<u>\$ 483,228</u>	<u>\$ 446,722</u>	<u>\$ 228,981</u>	<u>\$ 446,722</u>

Notes to Schedule of Contractual Assistance

The Organization did not provide assistance to any subrecipient.
 CY - Calendar Year
 FFY - Federal Fiscal Year
 SFY - State Fiscal Year
 N/A = Not Available

See notes to financial statements.

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

FRICKE & ASSOCIATES, P.C.

Certified Public Accountants

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**Independent Auditor's Report on Internal Control Over Financial
Reporting and on Compliance And Other Matters Based On An Audit Of
Financial Statements Performed
In Accordance With Government Auditing Standards**

To the Board of Directors
Friends of Disabled Adults and Children, Too! Inc.
Stone Mountain, Georgia

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 **Friends of Disabled Adults and Children, Too! Inc.** (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 12, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered **Friends of Disabled Adults and Children, Too! 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 **Friends of Disabled Adults and Children, Too! Inc.**'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Member American Institute of Certified Public Accountants
Georgia Society of Certified Public Accountants



Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Friends of Disabled Adults and Children, Too! 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*.

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.

Fricke & Associates, P.C.

Peachtree Corners, Georgia
February 12, 2019

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

FRIENDS OF DISABLED ADULTS AND CHILDREN, TOO!

SCHEDULE OF PRIOR PERIOD FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2018

I FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

No matters were reported for the year ended June 30, 2017.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FRIENDS OF DISABLED ADULTS AND CHILDREN, TOO!, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2018

I SUMMARY OF AUDITOR'S RESULTS

1. Type of Report Issued on the Financial Statements

The auditor's opinion on **Friends of Disabled Adults and Children, Too!, Inc.**'s financial statements was unmodified.

2. Internal Control over Financial Reporting

Material Weakness(es) Identified?	_____	yes	<u> X </u>	none reported
Significant deficiencies Identified that are not Considered to be Material Weaknesses(es)?	_____	yes	<u> X </u>	none reported

3. Noncompliance Material to the Financial Statements

The audit report of **Friends of Disabled Adults and Children, Too!, Inc.** disclosed no instances of noncompliance that were deemed to be material to the financial statements.

II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

No matters reported.