

**DISABILITY ADVOCATES OF KENT COUNTY
(A NONPROFIT CORPORATION)**

FINANCIAL STATEMENTS

**FOR THE YEARS ENDED SEPTEMBER 30,
2017 AND 2016**

**DISABILITY ADVOCATES OF KENT COUNTY
FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2017 AND 2016**

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DOLINKA, VANNOORD & COMPANY

A PROFESSIONAL LIMITED LIABILITY PARTNERSHIP

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of Directors
Disability Advocates of Kent County
Grand Rapids, Michigan

We have audited the accompanying financial statements of Disability Advocates of Kent County (a nonprofit organization), which are comprised of the statement of financial position as of September 30, 2017 and 2016, the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits 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

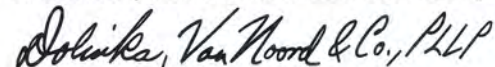
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Disability Advocates of Kent County as of September 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2018, on our consideration of Disability Advocates of Kent County'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, not to provide an opinion on the 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 Disability Advocates of Kent County's internal control over financial reporting and compliance.

Respectfully submitted,

DOLINKA, VANNOORD & COMPANY, P.L.L.P.



Certified Public Accountants
Grand Rapids, Michigan

January 25, 2018

**DISABILITY ADVOCATES OF KENT COUNTY
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2017 AND 2016**

| ASSETS | 2017 | 2016 |
|---|---------------------|---------------------|
| CURRENT ASSETS | | |
| Cash and Cash Equivalents | \$ 621,037 | \$ 591,880 |
| Accounts Receivable: | | |
| Grants Receivable | 142,739 | 337,030 |
| Program Services Receivable | 373,501 | 152,607 |
| Contributions Receivable | 46,200 | 7,500 |
| Prepaid Expenses | 48,125 | 44,071 |
| TOTAL CURRENT ASSETS | \$ 1,231,602 | \$ 1,133,088 |
| LEASE DEPOSIT | 1,889 | 1,889 |
| PROPERTY AND EQUIPMENT - NET | 817 | 4,515 |
| TOTAL ASSETS | \$ 1,234,308 | \$ 1,139,492 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts Payable | \$ 24,934 | \$ 17,253 |
| Accrued Compensation and Withholdings | 85,168 | 82,082 |
| Deferred Revenue | 36,050 | 53,809 |
| TOTAL CURRENT LIABILITIES | \$ 146,152 | \$ 153,144 |
| NET ASSETS | | |
| Unrestricted | \$ 736,209 | \$ 648,813 |
| Temporarily Restricted | 340,642 | 326,230 |
| Permanently Restricted | 11,305 | 11,305 |
| TOTAL NET ASSETS | \$ 1,088,156 | \$ 986,348 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 1,234,308 | \$ 1,139,492 |

The accompanying notes are an integral part of these financial statements.
See independent auditors' report.

DISABILITY ADVOCATES OF KENT COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

| | 2017 | | | | 2016 | | | |
|--|---------------------|------------------------|------------------------|---------------------|---------------------|------------------------|------------------------|---------------------|
| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
| REVENUE AND SUPPORT | | | | | | | | |
| SUPPORT | | | | | | | | |
| U.S. Department of Education, Rehab Act, Title VII | \$ - | \$ - | \$ - | \$ - | \$ 126,418 | \$ - | \$ - | \$ 126,418 |
| U.S. Department of Health and Human Services, Rehab Act, Title VII | 124,810 | - | - | 124,810 | - | - | - | - |
| MI Department of Health and Human Services Disability Guide Services | - | - | - | - | 27,308 | - | - | 27,308 |
| MI Department of Health and Human Services State Core Funding Grant | 342,368 | - | - | 342,368 | 342,368 | - | - | 342,368 |
| MI Department of Licensing and Regulatory Affairs State Access Project Grant | - | - | - | - | 22,154 | - | - | 22,154 |
| Michigan Development Disabilities Council (MDDC) | | | | | | | | |
| Training Community Organizers | - | - | - | - | 72,000 | - | - | 72,000 |
| City of Grand Rapids - CDBG Grant | 23,277 | - | - | 23,277 | 19,771 | - | - | 19,771 |
| Grants - Other | - | 416,500 | - | 416,500 | 35,467 | 113,000 | - | 148,467 |
| Contributions - Other | 165,531 | 45,000 | - | 210,531 | 152,174 | - | - | 152,174 |
| Donated Goods and Services | 74,300 | - | - | 74,300 | 209,916 | - | - | 209,916 |
| Net Assets Released from Restriction | 447,088 | (447,088) | - | - | 450,946 | (450,946) | - | - |
| TOTAL SUPPORT | \$ 1,177,374 | \$ 14,412 | \$ - | \$ 1,191,786 | \$ 1,458,522 | \$ (337,946) | \$ - | \$ 1,120,576 |
| REVENUE | | | | | | | | |
| Program Service Fees | 1,318,876 | - | - | 1,318,876 | 787,006 | - | - | 787,006 |
| Miscellaneous Income | 8,449 | - | - | 8,449 | 11,458 | - | - | 11,458 |
| TOTAL REVENUE AND SUPPORT | \$ 2,504,699 | \$ 14,412 | \$ - | \$ 2,519,111 | \$ 2,256,986 | \$ (337,946) | \$ - | \$ 1,919,040 |
| EXPENSES | | | | | | | | |
| Program | \$ 2,092,712 | \$ - | \$ - | \$ 2,092,712 | \$ 1,966,913 | \$ - | \$ - | \$ 1,966,913 |
| Management and General | 167,991 | - | - | 167,991 | 172,361 | - | - | 172,361 |
| Fundraising | 156,600 | - | - | 156,600 | 133,457 | - | - | 133,457 |
| TOTAL EXPENSES | \$ 2,417,303 | \$ - | \$ - | \$ 2,417,303 | \$ 2,272,731 | \$ - | \$ - | \$ 2,272,731 |
| CHANGES IN NET ASSETS | \$ 87,396 | \$ 14,412 | \$ - | \$ 101,808 | \$ (15,745) | \$ (337,946) | \$ - | \$ (353,691) |
| NET ASSETS - BEGINNING OF YEAR | 648,813 | 326,230 | 11,305 | 986,348 | 664,558 | 664,176 | 11,305 | 1,340,039 |
| NET ASSETS - END OF YEAR | \$ 736,209 | \$ 340,642 | \$ 11,305 | \$ 1,088,156 | \$ 648,813 | \$ 326,230 | \$ 11,305 | \$ 986,348 |

The accompanying notes are an integral part of these financial statements.
See independent auditors' report.

DISABILITY ADVOCATES OF KENT COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

| | 2017 | | | | 2016 | | | |
|-------------------------------------|---------------------|---------------------------|-------------------|---------------------|---------------------|---------------------------|-------------------|---------------------|
| | Program Services | Management and General | Fundraising | Total Expenses | Program Services | Management and General | Fundraising | Total Expenses |
| Salaries | \$ 1,098,031 | \$ 115,979 | \$ 80,470 | \$ 1,294,480 | \$ 1,009,750 | \$ 120,063 | \$ 67,534 | \$ 1,197,347 |
| Payroll Taxes | 90,346 | 9,509 | 6,125 | 105,980 | 82,959 | 9,829 | 5,483 | 98,271 |
| Employee Benefits | 163,851 | 16,685 | 11,996 | 192,532 | 154,345 | 18,079 | 10,524 | 182,948 |
| Retirement Contributions and Fees | 18,578 | 2,125 | 1,384 | 22,087 | 14,964 | 1,774 | 1,040 | 17,778 |
| Consulting and Contractual Services | 92,944 | 1,722 | 1,102 | 95,768 | 61,113 | 1,749 | 1,044 | 63,906 |
| Consumer Pass-Through Equipment | 269,515 | - | - | 269,515 | 163,167 | - | - | 163,167 |
| Office Expense | 25,799 | 2,188 | 2,984 | 30,971 | 24,261 | 2,176 | 2,616 | 29,053 |
| Occupancy | 103,507 | 10,665 | 7,720 | 121,892 | 91,533 | 10,561 | 6,121 | 108,215 |
| Telephone | 15,926 | 1,226 | 854 | 18,006 | 15,586 | 1,554 | 988 | 18,128 |
| Insurance | 6,374 | 764 | 354 | 7,492 | 6,750 | 697 | 397 | 7,844 |
| Travel | 46,368 | 505 | 103 | 46,976 | 41,999 | 627 | 1,047 | 43,673 |
| Conference and Workshop | 18,533 | 665 | 225 | 19,423 | 21,525 | 987 | 2,598 | 25,110 |
| Promotions and Fundraising | 20,483 | - | 30,911 | 51,394 | 26,890 | - | 30,096 | 56,986 |
| Professional Services | 11,517 | 807 | 574 | 12,898 | 8,398 | 873 | 503 | 9,774 |
| Depreciation | 2,935 | 325 | 438 | 3,698 | 3,467 | 341 | 307 | 4,115 |
| Equipment and Maintenance | 16,849 | 2,163 | 1,129 | 20,141 | 7,127 | 458 | 273 | 7,858 |
| Donated Goods and Services | 65,495 | - | 8,805 | 74,300 | 207,947 | - | 1,969 | 209,916 |
| Other Operations | 25,661 | 2,663 | 1,426 | 29,750 | 25,132 | 2,593 | 917 | 28,642 |
| TOTAL EXPENSES | \$ 2,092,712 | \$ 167,991 | \$ 156,600 | \$ 2,417,303 | \$ 1,966,913 | \$ 172,361 | \$ 133,457 | \$ 2,272,731 |
| Percent of Total Expenses | <u>86.57%</u> | <u>6.95%</u> | <u>6.48%</u> | <u>100.00%</u> | <u>86.54%</u> | <u>7.59%</u> | <u>5.87%</u> | <u>100.00%</u> |

The accompanying notes are an integral part of these financial statements.
See independent auditors' report.

**DISABILITY ADVOCATES OF KENT COUNTY
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016**

| | 2017 | 2016 |
|---|-------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Changes in Net Assets | \$ 101,808 | \$ (353,691) |
| Adjustments : | | |
| Depreciation | 3,698 | 4,115 |
| Changes in Assets and Liabilities: | | |
| (Increase) Decrease in: | | |
| Grants Receivable | 194,291 | 308,204 |
| Program Services Receivable | (220,894) | (57,349) |
| Contributions Receivable | (38,700) | 250 |
| Prepaid Expenses | (4,054) | 6,666 |
| Increase (Decrease) in: | | |
| Accounts Payable | 7,681 | 1,544 |
| Accrued Compensation and Withholdings | 3,086 | 3,133 |
| Deferred Revenue | (17,759) | 20,564 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | \$ 29,157 | \$ (66,564) |
| CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR | 591,880 | 658,444 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | \$ 621,037 | \$ 591,880 |

NON CASH TRANSACTIONS

The Organization received \$74,300 and \$209,916 of donated goods and services for the years ended September 30, 2017 and 2016, respectively.

The accompanying notes are an integral part of these financial statements.
See independent auditors' report.

DISABILITY ADVOCATES OF KENT COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 AND 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Nature of Activities

Disability Advocates of Kent County (the “Organization”) is incorporated as a non-profit organization to advocate for people with disabilities, provide innovative educational, rehabilitative, and referral services which will empower consumers in the Western Michigan area to achieve an independent life and promote the development of a truly barrier-free society.

Basis of Accounting

The accompanying statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to these classes of net assets: unrestricted, temporarily restricted and permanently restricted. Contributions and non-reimbursement grants are recorded as unrestricted, temporarily restricted or permanently restricted depending on the existence and nature of any donor or grantor restrictions.

Descriptions of the net asset classes are as follows:

Unrestricted Net Assets – Represent funds available for support of current Organization operations and fulfillment of its mission.

Temporarily Restricted Net Assets – Represent funds whose use is limited by donor-imposed stipulations that expire either by passage of time or fulfillment of the stipulations. The funds are reported as temporarily restricted revenues upon receipt and are transferred to unrestricted net assets when the time or purpose restrictions have been met, even if restrictions are met in the same period as the contribution is made.

Permanently Restricted Net Assets – Represent funds subject to donor-imposed stipulations requiring that the principal be permanently invested.

Cash and Cash Equivalents

Cash and cash equivalents include deposits in financial institutions held in a checking account, savings account, or certificate of deposit. The Organization maintains its cash investments with several financial institutions. Although the balances exceed the federally insured limits at certain times during the year, they are, in the opinion of management, subject to minimal risk.

Accounts Receivable

Accounts receivable includes amounts due from government and foundation grants, program services, and contributions and are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through the provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables. Balances that are still outstanding after management has used reasonable collection efforts are written off. The Organization has not established an allowance as of September 30, 2017 and 2016 because all accounts are considered to be fully collectible.

DISABILITY ADVOCATES OF KENT COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 AND 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES – Continued

Property and Equipment

Assets are stated at cost if purchased or at market value on date of gift if donated. The Organization capitalizes assets acquired with a cost over \$2,500. Depreciation is provided over the estimated useful lives of the assets by the straight-line method using the following useful lives.

| | |
|---------------------------------|-------------|
| Furniture and Equipment | 5 years |
| Computer Equipment and Software | 3 – 5 years |

Deferred Revenue

Deferred revenue consists of revenue received prior to September 30, 2017 and 2016, respectively, for events and services provided by the Organization in the following fiscal year.

Grants, Contributions and Program Service Revenue

Reimbursement grants are recorded as revenue when the expense to be reimbursed has been incurred. Contributions and non-reimbursement grants are recorded as revenue when an unconditional promise to give has been received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Program services fees are recognized as revenue in the year earned.

Functional Allocation of Expenses

The costs to provide the various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Certain costs have been allocated among the programs and supporting services benefited.

Concentration of Revenue

The Organization received 72% of its support for the years ended September 30, 2017 and 2016 from various grants and service contracts awarded by Federal, Michigan, and local agencies that are subject to renewal on an annual basis.

Income Taxes

The Organization qualifies as tax exempt under Section 501(c)(3) of the Internal Revenue Code and is exempt from similar state and local taxes. Accordingly, no provision has been made for income taxes in the accompanying financial statements.

With few exceptions, periods ending September 30, 2014 and thereafter are subject to U.S. income tax examinations by tax authorities.

Accounting Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

DISABILITY ADVOCATES OF KENT COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 AND 2016

NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at September 30:

| | 2017 | 2016 |
|---|-------------------|---------------------|
| Furniture and Equipment | \$ 6,267 | \$ 6,267 |
| Computer Equipment and Software | 27,804 | 27,804 |
| Total Cost | \$ 34,071 | \$ 34,071 |
| Less: Accumulated Depreciation | (33,254) | (29,556) |
| TOTAL PROPERTY AND EQUIPMENT - NET | \$ 817 | \$ 4,515 |

NOTE 3 – LINE OF CREDIT

The Organization has a \$40,000 revolving line of credit available with interest at prime plus 2%. This line is secured by a general assignment of all the assets of the Organization. At September 30, 2017 and 2016, there were no borrowings against the line of credit.

NOTE 4 – RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

| | 2017 | 2016 |
|--|-----------------------|-----------------------|
| Advocacy Programs | \$ 125,249 | \$ - |
| OT Services Program | 155,555 | 49,374 |
| Community Relations and Education and Family Supports | - | 266,856 |
| Other Operations | 59,838 | 10,000 |
| TOTAL | \$ 340,642 | \$ 326,230 |

Permanently restricted net assets totaled \$11,305 at September 30, 2017 and 2016, the income from which is available to provide staff training scholarships.

NOTE 5 – RETIREMENT PLAN

The Organization has adopted a 401(k) plan for all eligible employees. The Organization's retirement plan provides for a contribution match equal to 50% of the employee's withholding amount up to a maximum of 2% of the employee's salary. The Organization contributed \$18,622 and \$14,958 to the plan on behalf of the employees during the years ended September 30, 2017 and 2016, respectively.

DISABILITY ADVOCATES OF KENT COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017 AND 2016

NOTE 6 – LEASES

The Organization leases its facilities under an operating lease agreement which began on October 1, 2015 and expires on September 30, 2020. In February 2017, the Organization leased additional space in the building which increased the monthly rent payment. The Organization has the option to terminate the lease if they give 12 months prior notice to the lessor. The Organization is responsible for occupancy related costs. Total rent expense for the years ended September 30, 2017 and 2016 was \$101,732 and \$90,000, respectively.

Future minimum lease payments under the above lease as of September 30, 2017 are as follows:

| <u>Year Ended</u> | <u>Amount</u> |
|--------------------|---------------|
| September 30, 2018 | \$ 108,855 |
| September 30, 2019 | 110,112 |
| September 30, 2020 | 110,112 |

The Organization leased a laser printer under an operating lease agreement beginning in October 25, 2016. The lease requires monthly payments of \$475 and expires in at the end of October, 2020. Lease expense was \$5,698 and \$-0- for the years ended September 30, 2017 and 2016, respectively.

Future minimum lease payments under the above lease as of September 30, 2017 are as follows:

| <u>Year Ended</u> | <u>Amount</u> |
|--------------------|---------------|
| September 30, 2018 | \$ 5,700 |
| September 30, 2019 | 5,700 |
| September 30, 2020 | 5,700 |
| September 30, 2021 | 475 |

NOTE 7 – DONATED GOODS AND SERVICES

The Organization recognizes donated services that create or enhance nonfinancial assets or require specialized skills and would typically be purchased had they not been provided by donation. These contributions assist the programs and supportive services of the Organization and are recorded at their fair value as contributions and expenses in the statement of activities. The total value of donated services provided was \$62,228 and \$203,639 for the years ended September 30, 2017 and 2016, respectively.

No amounts have been reflected in the statement of activities for donated services that do not require specialized skills. During the years ended September 30, 2017 and 2016, approximately 406 and 1,396 hours, respectively, were donated to the Organization for administrative functions.

The Organization also receives gifts in kind, such as medical equipment and supplies, which are recorded as revenue and program expense at the item's fair market value at the time the donations are received. The value of the gifts in kind received were \$12,072 and \$6,277 for the years ended September 30, 2017 and 2016, respectively.

NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated subsequent transactions and events occurring after the statement of financial position date and through January 25, 2018, the date these financial statements were available to be issued, and has determined that no items require additional disclosure.



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

Board of Directors
Disability Advocates of Kent County
Grand Rapids, Michigan

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 Disability Advocates of Kent County (a nonprofit organization), which are comprised of the statement of financial position as of September 30, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated January 25, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Disability Advocates of Kent County'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 Disability Advocates of Kent County'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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Disability Advocates of Kent County'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.

Respectfully submitted,

DOLINKA, VANNOORD & COMPANY, PLLP



Certified Public Accountants
Grand Rapids, Michigan

January 25, 2018