

**SELF RELIANCE, INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

**SELF RELIANCE, INC.**  
**FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018 AND 2017**

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## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors  
Self Reliance, Inc.  
Tampa, Florida

We have audited the accompanying financial statements of Self Reliance, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2018, and the related statement of activities and changes in net assets, statement of functional expenses, and statement of 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Self Reliance, Inc. as of September 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Prior Period Financial Statements***

The financial statements of Self Reliance, Inc. as of September 30, 2017 were audited by other auditors whose report dated January 24, 2018, expressed an unmodified opinion on those statements.

### ***Other Matters***

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance on page 14 as required by Chapter 10.650, *Rules of the State of Florida Auditor General*, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of federal awards and state matching funds awards on page 21 is presented for purpose 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 January 9, 2019, on our consideration of the Organization'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 the Organization's internal control over financial reporting and compliance.



Certified Public Accountants  
January 9, 2019

**SELF RELIANCE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2018 AND 2017**

	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 129,121	\$ 168,797
Grants and contracts receivable	189,985	84,635
Prepaid expenses	3,442	1,368
<b>Total Current Assets</b>	322,548	254,800
Property and equipment, net of accumulated depreciation	458,721	473,372
<b>Total Assets</b>	<b>\$ 781,269</b>	<b>\$ 728,172</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 8,846	\$ 3,411
Accrued expenses	26,468	25,776
Deferred revenue	11,200	-
Current portion of long-term debt	6,903	6,566
<b>Total Current Liabilities</b>	53,417	35,753
Long-term debt	114,598	119,932
<b>Total Liabilities</b>	168,015	155,685
<b>Net Assets</b>		
Unrestricted, undesignated	276,034	225,613
Unrestricted, invested in property and equipment	337,220	346,874
<b>Total Unrestricted Net Assets</b>	613,254	572,487
Temporarily restricted	-	-
Permanently restricted	-	-
<b>Total Net Assets</b>	613,254	572,487
<b>Total Liabilities and Net Assets</b>	<b>\$ 781,269</b>	<b>\$ 728,172</b>

Read Report of Independent Certified Public Accountants.  
The accompanying notes are an integral part  
of these financial statements.

**SELF RELIANCE, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>CHANGES IN UNRESTRICTED NET ASSETS</b>		
<b>Revenue and Support</b>		
Federal and state grants and contracts	\$ 1,366,101	\$ 823,781
Local grants and contracts	34,410	81,369
Contributions	10,481	10,709
Interpreter services	28,254	1,825
Other income	-	633
Interest income	156	275
	<u>1,439,402</u>	<u>918,592</u>
<b>Expenses</b>		
<i>Program Services</i>		
Independent Living	1,265,901	802,489
	<u>1,265,901</u>	<u>802,489</u>
<i>Support Services</i>		
Administrative	120,734	107,932
Fundraising	12,000	12,000
	<u>132,734</u>	<u>119,932</u>
<b>Total Expenses</b>	<u>1,398,635</u>	<u>922,421</u>
Change in Unrestricted Net Assets	40,767	(3,829)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>572,487</u>	<u>576,316</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 613,254</u>	<u>\$ 572,487</u>

Read Report of Independent Certified Public Accountants.  
The accompanying notes are an integral part  
of these financial statements.

**SELF RELIANCE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Program Services	Support Services			Total Expenses
		Administrative	Fundraising	Total	
Salaries and wages	\$ 338,178	\$ 76,873	\$ -	\$ 76,873	\$ 415,051
Payroll taxes	26,199	6,146	-	6,146	32,345
Employee benefits	56,018	13,140	-	13,140	69,158
Total salaries and related expenses	420,395	96,159	-	96,159	516,554
Assistance to individuals	677,109	-	-	-	677,109
Contract services	16,250	-	-	-	16,250
Professional fees	34,659	6,245	12,000	18,245	52,904
Occupancy costs	29,608	6,945	-	6,945	36,553
Insurance	7,773	1,823	-	1,823	9,596
Travel, transportation and training	5,953	1,396	-	1,396	7,349
Community events	9,477	-	-	-	9,477
Interpreter services	27,703	-	-	-	27,703
Equipment rental and maintenance	4,797	1,125	-	1,125	5,922
Small equipment costs	1,656	389	-	389	2,045
Office supplies and expenses	7,542	1,769	-	1,769	9,311
Public outreach	1,905	-	-	-	1,905
Dues and fees	721	108	-	108	829
Total expenses before interest and depreciation	1,245,548	115,959	12,000	127,959	1,373,507
Interest	5,084	1,193	-	1,193	6,277
Depreciation	15,269	3,582	-	3,582	18,851
Total expenses	<u>\$ 1,265,901</u>	<u>\$ 120,734</u>	<u>\$ 12,000</u>	<u>\$ 132,734</u>	<u>\$ 1,398,635</u>

Read Report of Independent Certified Public Accountants.  
The accompanying notes are an integral part  
of these financial statements.

**SELF RELIANCE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Program Services	Support Services			Total Expenses
		Administrative	Fundraising	Total	
Salaries and wages	\$ 331,477	\$ 58,496	\$ -	\$ 58,496	\$ 389,973
Payroll taxes	28,038	4,862	-	4,862	32,900
Employee benefits	47,952	8,462	-	8,462	56,414
Total salaries and related expenses	407,467	71,820	-	71,820	479,287
Assistance to individuals	257,509	-	-	-	257,509
Contract labor	15,800	-	-	-	15,800
Professional fees	21,894	21,894	12,000	33,894	55,788
Occupancy costs	30,172	5,324	-	5,324	35,496
Insurance	8,496	1,499	-	1,499	9,995
Travel, transportation and training	2,638	466	-	466	3,104
Community events	9,859	-	-	-	9,859
Interpreter services	2,253	-	-	-	2,253
Equipment rental and maintenance	5,375	1,097	-	1,097	6,472
Small equipment costs	4,876	690	-	690	5,566
Office supplies and expenses	9,597	1,694	-	1,694	11,291
Public outreach	3,127	-	-	-	3,127
Dues and fees	478	272	-	272	750
Total expenses before interest and depreciation	779,541	104,756	12,000	116,756	896,297
Interest	5,873	759	-	759	6,632
Depreciation	17,075	2,417	-	2,417	19,492
Total expenses	<u>\$ 802,489</u>	<u>\$ 107,932</u>	<u>\$ 12,000</u>	<u>\$ 119,932</u>	<u>\$ 922,421</u>

Read Report of Independent Certified Public Accountants.  
The accompanying notes are an integral part  
of these financial statements.

**SELF RELIANCE, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

	<b>2018</b>	<b>2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 40,767	\$ (3,829)
<i>Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:</i>		
Depreciation	18,851	19,492
(Increase) decrease in grants and contracts receivable	(105,350)	32,921
(Increase) decrease in prepaid expenses	(2,074)	2,317
Increase (decrease) in accounts payable	5,435	(2,970)
Increase (decrease) in accrued expenses	692	(902)
Increase (decrease) in deferred revenue	11,200	-
	(71,246)	50,858
Total Adjustments		
Net Cash Provided (Used) by Operating Activities	(30,479)	47,029
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(4,200)	(7,026)
Net Cash Provided (Used In) Investing Activities	(4,200)	(7,026)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on long-term debt	(4,997)	(6,301)
Net Cash Provided (Used In) Financing Activities	(4,997)	(6,301)
<b>Net Increase (Decrease) in Cash</b>	(39,676)	33,702
<b>Cash and cash equivalents, beginning of year</b>	168,797	135,095
<b>Cash and cash equivalents, end of year</b>	\$ 129,121	\$ 168,797
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash paid for interest	\$ 6,277	\$ 6,632

Read Report of Independent Certified Public Accountants.  
The accompanying notes are an integral part  
of these financial statements.

**SELF RELIANCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018 AND 2017**

**NOTE A- DESCRIPTION OF ORGANIZATION**

Self Reliance, Inc. (“the Organization”) is a nonprofit entity incorporated on December 19, 1978 under the laws of the State of Florida to provide services to children and adults with disabilities in Hillsborough County, Florida. Mandated by the federal government as one of sixteen Centers for Independent Living in the State of Florida, the Organization provides five core services to individuals with disabilities:

- Advocacy
- Peer Support and mentoring
- Independent living skills training
- Information and referral
- Transition services

The mission of the Organization is to promote independence by empowering people with disabilities and improving the communities in which we live.

The Organization receives its revenues primarily from federal and state contracts and grants.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations, including restricted contributions whose restrictions are met in the same reporting period.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investment for general or specific purposes.

The Organization had no permanently restricted net assets or temporarily restricted net assets at September 30, 2018 or 2017.

**Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Read Report of Independent Certified Public Accountants.

**SELF RELIANCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018 AND 2017**

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Cash and Cash Equivalents**

The Organization considers currency on hand, demand deposits and money market funds as cash.

**Grants and Contracts Receivable**

Grants and contracts receivable result from services which have been provided pursuant to the Organization's grants and contracts, but for which reimbursement has not yet been received at September 30, 2018 and 2017. No allowance was set up for federal and state grants as any amounts determined unallowable by the grantor are deducted from revenue upon notification of the disallowance. No material amounts were subsequently disallowed with respect to the amounts recorded at September 30, 2018 and 2017.

**Property and Equipment**

Acquisitions of property and equipment are capitalized, recorded at historical cost, and depreciated using the straight-line method over the estimated useful lives ranging from 5 to 39 years. Acquisitions of property and equipment with a cost in excess of \$1,000 are capitalized. Maintenance and repairs are charged to operations when incurred. When property and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in earnings.

**Federal and State Grants and Contracts**

Revenues from federal and state grants and contracts are recorded based upon terms of the grantor allotment which generally provide that revenues are earned when the allowable costs of the specific grant provisions have been incurred. Revenues are subject to audit by the grantor and, if the examination results in a disallowance of any expenditure, repayment could be required. As of September 30, 2018 and 2017, federal and state grants and contracts were 95% and 90%, respectively, of total revenue, with approximately 46% and 43% of the funding from one agency.

**Functional Allocation of Expenses**

The costs of providing the various programs have been summarized on a functional basis in the statement of functional expenses. Expenses that are associated with a specific program are charged directly to that program. Administrative expenses are allocated to the various programs and supporting services based on each program's total labor cost.

**Income Tax Status**

Income taxes are not provided for in the financial statements since the Organization is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code and similar state provisions. The Organization is treated as a public supported organization, and not as a private foundation. Management is not aware of any activities that would jeopardize the Organization's tax-exempt status.

The Organization accounts for uncertain tax positions, if any, in accordance with ASC Section 740. In accordance with these professional standards, the Organization recognizes tax positions only to the extent that Management believes it is "more likely than not" that its tax positions will be sustained upon IRS examination. Management believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements for the year ended September 30, 2018 and 2017.

Read Report of Independent Certified Public Accountants.

**SELF RELIANCE, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018 AND 2017**

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Income Tax Status, (continued)**

The Organization believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at September 30, 2018 and 2017.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for fiscal years ending prior to September 30, 2015.

**Fair Value of Financial Instruments**

Professional standards require disclosure of an estimate of fair value of certain financial instruments. The Organization's significant financial instruments are cash, grants and contracts receivable and other short-term liabilities. For these financial instruments, carrying values approximate fair value.

**Concentration of Credit Risk**

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash, money market funds, and certificates of deposit. The Organization places its deposits with creditworthy, high quality financial institutions. The Organization has not experienced any losses from its deposits. The Organization's deposits held with financial institutions did not exceed federally insured limits of \$250,000 as of September 30, 2018 and 2017.

**Reclassification**

Certain 2017 amounts have been reclassified to conform to the 2018 presentation.

**NOTE C- PROPERTY AND EQUIPMENT**

Property and equipment, at costs, at September 30,:

	<u>2018</u>	<u>2017</u>
Land	\$ 156,198	\$ 156,198
Building	320,195	320,195
Building improvements	158,690	154,490
Furniture and equipment	6,816	6,816
Computer equipment and software	40,000	40,000
Total Property and Equipment	<u>681,899</u>	<u>677,699</u>
Less: Accumulated Depreciation	<u>(223,178)</u>	<u>(204,327)</u>
Net Property and Equipment	<u>\$ 458,721</u>	<u>\$ 473,372</u>

Read Report of Independent Certified Public Accountants.

**SELF RELIANCE, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018 AND 2017**

**NOTE D – LONG-TERM DEBT**

The Organization's obligations under long-term debt consist of the following at September 30, 2018:

Note payable to bank, \$1,078 total monthly payments including interest of 4.95%, due September 2023, secured by real estate	\$ 121,501
Less current maturities	<u>( 6,903)</u>
	<u>\$ 114,598</u>

For the years ending December 31:

2019	\$ 6,903
2020	7,354
2021	7,732
2022	8,129
2023	<u>91,383</u>
Total	<u>\$ 121,501</u>

**NOTE E – LEASES**

The Organization leases certain office equipment under various non-cancellable operating leases that expire through 2022. The following is a schedule by year of future minimum lease payments required under such operating leases which have initial or remaining non-cancelable lease terms as of September 30, 2018:

September 30,

2019	\$ 7,496
2020	6,283
2021	5,416
2022	4,465

Rent expense incurred for such equipment totaled \$7,061 in fiscal year 2018 and \$6,473 in fiscal year 2017.

**NOTE F – RETIREMENT PLAN**

The Organization has a 401(k) tax-deferred retirement plan that is available to qualifying employees. Employees over the age of twenty-one who have been employed over ninety days are eligible to participate. Annually, the Board of Directors approves the amount of the matching contribution which is based on available funding. Employees vest 100% in the employer match after 1,000 hours of service. Employer contributions made to the plan were \$9,467 and \$0 for the years ended September 30, 2018 and 2017.

Read Report of Independent Certified Public Accountants.

**SELF RELIANCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018 AND 2017**

**NOTE G- COMMITMENTS AND CONTINGENCIES**

The Organization receives reimbursement funds from government agencies that are subject to special compliance audits by the agency and other third party agencies that provide these reimbursements. The results of these audits may result in disallowed expense amounts. Disallowed amounts, if any, would constitute a contingent liability to the Organization. Accordingly, such liabilities are not reflected in the financial statements. The Organization does not believe there are any contingent liabilities as of the year ended September 30, 2018.

**NOTE I - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through January 9, 2019, the date the financial statements were available to be issued.

Read Report of Independent Certified Public Accountants.

**SUPPLEMENTARY INFORMATION  
AND  
OTHER REPORTS**

**SELF RELIANCE, INC.**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

<b>State Agency/ Pass-through Grantor/ State Project</b>	<b>State CSFA</b>	<b>Contract or Pass-through Number</b>	<b>Total Expenditures</b>
State of Florida Department of Elder Affairs Passed through from Senior Connection Center Local Services Programs	65.009	M-18/20-SRI	\$ 630,772
State of Florida Housing Finance Corporation Passed through from County of Hillsborough, Florida State Housing Initiatives Partnership Program (SHIP)	93.432	N/A	<u>123,345</u>
Total Expenditures of Federal Awards and State Matching Funds Awards			<u>\$ 754,117</u>

Read Report of Independent Certified Public Accountants.  
See accompanying notes to Schedule of Expenditures of State Financial Assistance.

**SELF RELIANCE, INC.  
NOTES TO SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE  
SEPTEMBER 30, 2018**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state grant activity of Self Reliance, Inc. (the Organization) under programs of the State of Florida for the year ended September 30, 2018. The information in this schedule is presented in accordance with the audit requirements of Chapter 10.650, *Rules of the State of Florida Auditor General*. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**NOTE 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 *Department of Financial Services' State Projects Compliance Supplement*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 – SUBRECIPIENTS**

The Organization provided no state financial assistance to subrecipients for the year ended September 30, 2018.



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS 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**

Board of Directors of  
Self Reliance, Inc.  
Tampa, Florida

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 Self Reliance, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 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 January 9, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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.

*Becker + Associates, PA*

Certified Public Accountants  
January 9, 2019



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.650, RULES OF  
THE STATE OF FLORIDA AUDITOR GENERAL**

Board of Directors  
Self Reliance, Inc.  
Tampa, Florida

***Report on Compliance for Each Major State Project***

We have audited Self Reliance, Inc.'s (the Organization) compliance with the types of compliance requirements described in the Department of Financial Services' *State Project's Compliance Supplement* that could have a direct and material effect on each of the Organization's major state projects for the year ended September 30, 2018. The Organization's major state projects are identified in the summary of auditor's 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 major state projects.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Organization's major state projects 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, Chapter 10.650, *Rules of the State of Florida Auditor General*. Those standards and Chapter 10.650, *Rules of the State of Florida Auditor General* 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 state project occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major state project. However, our audit does not provide a legal determination of the Organization's compliance.

***Opinion on Each Major Federal Program and State Project***

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2018.

## Report on Internal Control Over Compliance

Management of the Organization 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 Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state project and to test and report on internal control over compliance in accordance with Chapter 10.650, *Rules of the State of Florida Auditor General*, 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 Organization'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 state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project 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 state project 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 Chapter 10.650, *Rules of the State of Florida Auditor General*. Accordingly, this report is not suitable for any other purpose.

*Reeder + Associates, PA*

Certified Public Accountants  
January 9, 2019

**SELF RELIANCE, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED SEPTEMBER 30, 2018**

**(A) SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Self Reliance, Inc. (the Organization) were prepared in accordance with accounting principles generally accepted in the U.S.
2. There were no significant deficiencies disclosed during the audit of the financial statements and no material weaknesses were reported.
3. No instances of noncompliance material to the financial statements of the Organization were disclosed during the audit of the financial statements.
4. There were no significant deficiencies disclosed during the audit of the major state projects and no material weaknesses were reported.
5. The auditor's report on compliance for the major state projects for the Organization expresses an unmodified opinion.
6. There were no audit findings relative to the major state projects of the Organization.
7. The programs/projects tested as major projects included:

CFSA 65.009 Local Services Programs	\$ 654,848
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8. The threshold for distinguishing Type A and Type B projects was \$237,240 for state projects.

**(B) FINDINGS – FINANCIAL STATEMENT AUDIT**

None

**(C) FINDINGS AND QUESTIONED COSTS – MAJOR STATE PROJECTS**

None

**(D) OTHER ISSUES**

No Corrective Action Plan is required because there were no findings required to be reported under the Florida Single Audit Act.

A Summary Schedule of Prior Audit Findings is not required because there were no prior audit findings related to state projects.

No management letter is required because there were no findings required to be reported in the management letter.

**SELF RELIANCE, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE MATCHING FUNDS AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

<b>Federal Agency/ Pass-through Grantor/ State Match</b>	<b>Federal CFDA #</b>	<b>Agency or Pass-through Number</b>	<b>Federal Expenditures</b>	<b>State of Florida Match Expenditures</b>	<b>Total Expenditures</b>
U.S. Department of Education					
Passed through from the State of Florida, Department of Vocational Rehabilitation					
Independent Living State Grants	84.169	14-131	\$ 270,255	\$ 80,726	\$ 350,981
U.S. Department of Health and Human Services					
Direct Program					
ACL Centers for Independent Living	93.432	1708FLILCL-00	<u>217,282</u>	<u>-</u>	<u>217,282</u>
Total Expenditures of Federal Awards and State Matching Funds Awards			<u>\$ 487,537</u>	<u>\$ 80,726</u>	<u>\$ 568,263</u>

Read Report of Independent Certified Public Accountants.