

TENNESSEE DISABILITY COALITION AND SUBSIDIARY

NASHVILLE, TENNESSEE

CONSOLIDATED FINANCIAL STATEMENTS,  
ADDITIONAL INFORMATION  
AND  
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2012

TENNESSEE DISABILITY COALITION AND SUBSIDIARY

NASHVILLE, TENNESSEE

CONSOLIDATED FINANCIAL STATEMENTS,  
ADDITIONAL INFORMATION

AND  
INDEPENDENT AUDITOR'S REPORTS

JUNE 30, 2012

CONTENTS

	<u>PAGE</u>
<u>INDEPENDENT AUDITOR'S REPORT</u> .....	1- 2
 <u>CONSOLIDATED FINANCIAL STATEMENTS</u>	
Consolidated Statement of Financial Position .....	3
Consolidated Statement of Activities .....	4
Consolidated Statement of Cash Flows.....	5
Consolidated Statement of Functional Expenses .....	6
Notes to Consolidated Financial Statements.....	7 - 14
 <u>ADDITIONAL INFORMATION</u>	
Schedule of Expenditures of Federal Awards.....	15
 <u>OTHER REPORTS</u>	
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 <i>Government Auditing Standards</i> .....	16 - 17
Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program And on Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	18 - 19
Schedule of Findings and Questioned Costs .....	20



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Tennessee Disability Coalition and Subsidiary  
Nashville, Tennessee

We have audited the accompanying consolidated statement of financial position of Tennessee Disability Coalition and Subsidiary (collectively the "Coalition") as of June 30, 2012, and the related consolidated statement of activities, functional expenses, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Coalition's management. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Coalition's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and the significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Tennessee Disability Coalition and Subsidiary as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 2013, on our consideration of the Coalition's internal control over financial reporting and 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 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* and should be considered in assessing the results of our audit.



Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements of the Coalition as a whole. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Y. R. CPA's PLLC*

Nashville, Tennessee  
February 8, 2013



TENNESSEE DISABILITY COALITION AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2012

ASSETS

ASSETS	
Cash	\$ 585,370
Government grants receivable	219,716
Other receivables	24,171
Other current assets	17,308
Mortgages receivable	7,078
Property and equipment, net	<u>1,558,656</u>
TOTAL ASSETS	<u>\$ 2,412,299</u>

LIABILITIES AND NET ASSETS

LIABILITIES	
Accounts payable	\$ 27,626
Accrued expenses	55,391
Note payable	<u>250,000</u>
TOTAL LIABILITIES	333,017
NET ASSETS	
Unrestricted	<u>2,079,282</u>
TOTAL NET ASSETS	<u>2,079,282</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,412,299</u>

See accompanying notes to consolidated financial statements.

TENNESSEE DISABILITY COALITION AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Unrestricted</u>
SUPPORT AND REVENUES	
Public support:	
Government grants	\$ 988,985
Other grants	58,694
Contributions	8,650
Allocation - marriage license fees	668,116
Revenue:	
Interest	1,377
Membership dues	2,930
Rental income	73,909
Miscellaneous	<u>14,371</u>
TOTAL SUPPORT AND REVENUE	<u>1,817,032</u>
EXPENSES	
Program services	
Benefits to Work	240,778
Traumatic Brain Injury	416,489
Family to Family	90,675
Other disability programs	642,462
Supporting services	
Management and general	282,521
Fundraising	<u>66,812</u>
TOTAL EXPENSES	<u>1,739,737</u>
CHANGE IN NET ASSETS	77,295
NET ASSETS - BEGINNING OF YEAR	<u>2,001,987</u>
NET ASSETS - END OF YEAR	<u>\$ 2,079,282</u>

See accompanying notes to consolidated financial statements.

TENNESSEE DISABILITY COALITION AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2012

OPERATING ACTIVITIES

Change in net assets	\$ 77,295
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	48,098
(Increase) decrease in:	
Federal and state government grants receivable	(11,559)
Other receivables	703
Other current assets	3,818
Mortgage receivable	5,333
Increase (decrease) in:	
Accounts payable	16,370
Accrued expenses	19,884

NET ADJUSTMENTS 82,647

NET CASH PROVIDED BY OPERATING ACTIVITIES 159,942

FINANCING ACTIVITIES

Proceeds from note payable	250,000
Principal payments on mortgage payable	<u>(551,707)</u>

NET CASH USED IN FINANCING ACTIVITIES (301,707)

NET DECREASE IN CASH (141,765)

CASH - BEGINNING OF YEAR 727,135

CASH - END OF YEAR \$ 585,370

ADDITIONAL CASH FLOW INFORMATION:

Interest paid	<u>\$ 23,786</u>
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See accompanying notes to consolidated financial statements.



TENNESSEE DISABILITY COALITION AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2012

	Program Services						
	Benefits to Work	Traumatic Brain Injury	Family to Family	Other Disability Programs	Management and General	Fundraising	Totals
Salaries and wages	\$ 166,428	\$ 202,386	\$ 47,321	\$ 345,278	\$ 81,045	\$ -	\$ 842,458
Employee benefits and taxes	50,192	66,698	11,352	84,798	19,234	-	232,274
Professional services	151	7,870	12,066	46,209	44,840	66,812	177,948
Supplies	2,435	20,064	5,151	7,828	12,918	-	48,396
Communications	5,727	4,649	2,925	9,597	8,977	-	31,875
Printing	2,635	16,600	793	5,106	2,058	-	27,192
Postage	1,283	602	21	726	1,013	-	3,645
Occupancy	1,067	3,040	317	3,221	39,908	-	47,553
Insurance	2,748	3,341	781	4,453	1,216	-	12,539
Travel and conferences	6,427	84,380	9,157	52,558	3,608	-	156,130
Equipment	3	2,902	-	10	105	-	3,020
Property tax	237	537	70	715	7,585	-	9,144
Interest	616	1,398	183	1,860	19,729	-	23,786
Dues and subscriptions	-	205	-	5,325	294	-	5,824
Licenses and permits	1	3	300	2,096	2,309	-	4,709
Contributions	-	-	-	62,500	-	-	62,500
Family stipends	-	-	-	250	-	-	250
Miscellaneous	28	-	-	2,306	62	-	2,396
Depreciation	800	1,814	238	7,626	37,620	-	48,098
	<u>\$ 240,778</u>	<u>\$ 416,489</u>	<u>\$ 90,675</u>	<u>\$ 642,462</u>	<u>\$ 282,521</u>	<u>\$ 66,812</u>	<u>\$ 1,739,737</u>

See accompanying notes to consolidated financial statements.

TENNESSEE DISABILITY COALITION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2012

NOTE 1 - GENERAL

Tennessee Disability Coalition ("TDC") is a Tennessee nonprofit corporation. The Coalition is an alliance of organizations and individuals who have joined to promote the full and equal participation of men, women, and children with disabilities in all aspects of life. The Coalition works to advocate for public policy that ensures self-determination, independence, empowerment and inclusion for people with disabilities in areas such as accessibility, education, healthcare, housing and voting rights. The Coalition is supported primarily with government grants.

In November 2011, the Coalition formed Family Voices of Tennessee, LLC ("Voices"), a single-member nonprofit limited liability company. Voices will assume the programming decisions for the Coalition's Family Voices program.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements include the accounts of Tennessee Disability Coalition and Family Voices of Tennessee, LLC (collectively the "Coalition"). All significant intercompany accounts and transactions have been eliminated in consolidation.

The accompanying consolidated financial statements present the financial position and change in net assets of the Coalition on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Resources are classified as unrestricted, temporarily restricted or permanently restricted net assets, based on the existence or absence of donor-imposed restrictions, as follows:

- *Unrestricted net assets* are free of donor-imposed restrictions. All revenues, gains and losses that are not temporarily or permanently restricted by donors are included in this classification. All expenditures are reported in the unrestricted class of net assets, since the use of restricted contributions in accordance with the donors' stipulations results in the release of the restriction.
- *Temporarily restricted net assets* are limited as to use by donor-imposed restrictions that expire with the passage of time or that can be satisfied by use for the specific purpose.
- *Permanently restricted net assets* are amounts required by donors to be held in perpetuity, including gifts requiring that the principal be invested and the income or specific portions thereof be used for operations.

The Coalition had no temporarily or permanently restricted net assets as of June 30, 2012.

TENNESSEE DISABILITY COALITION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a restriction is fulfilled (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted and reported in the Statement of Activities as net assets released from restrictions.

The Coalition also receives government grant revenue. Government grant revenue is recognized in the period a liability is incurred for eligible expenditures under the terms of the grant.

Cash

Cash consists principally of checking accounts.

Grants and Other Receivables

Grants and other receivables are stated at unpaid balances. When necessary, the Coalition provides for losses on grants and other receivables when management determines the receivable will not be collected. Management believes that all grants and other receivables are fully collectible at June 30, 2012 and that no allowance is necessary.

Mortgages Receivable

In prior years, the Coalition received grant funds totaling \$90,355 to make non-interest bearing second mortgage loans for homes sold to qualified buyers under the Department of Housing and Urban Development (HUD) HOPE for Homeownership of Single Family Homes (HOPE III) home ownership program. Principal payments received from these mortgages are restricted for other HUD projects. As of June 30, 2012, principal payments collected of \$83,277 were available for other HUD projects and outstanding mortgages receivable under the program were \$7,078.



TENNESSEE DISABILITY COALITION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are reported at cost at the date of purchase, or at estimated fair value at the date of gift to the Coalition. The Coalition's policy is to capitalize purchases with a cost of \$5,000 or more and an estimated useful life greater than one year. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets as follows: three to five years for furniture and equipment and ten to thirty-nine years for building and improvements.

Program and Supporting Services

The following program and supporting services allocations are included in the accompanying consolidated financial statements:

Program services

Benefits to Work - an initiative that focuses on the dissemination of information to individuals with disabilities of the resources and incentives that are available to them in the workplace so that they may make informed decisions about their transition.

Traumatic Brain Injury - consists of activities which provide education and training to relevant individuals who work with children with pediatric brain injuries.

Family to Family - consists of activities to assist families of children with disabilities or special health care needs to make correct decisions in the care and well-being of their children.

Other Disability Programs - consists of multiple programs which educate and train individuals about people with disabilities, support individuals for transition back into the community after becoming disabled and mentors individuals who are associated with individuals who have disabilities.

Supporting services

Management and general - includes the functions necessary to ensure an adequate working environment and costs not identifiable with a single program. Includes costs associated with providing coordination and articulation of the Coalition's program strategy, business management, general record-keeping, budgeting and related purposes.

Fundraising - includes costs of activities directed toward appeals for financial support. Other activities include the cost of solicitations and creation and distribution of fundraising materials.

TENNESSEE DISABILITY COALITION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allocation of Functional Expenses

Expenses that can be directly attributed to a particular function are charged to that function. Certain costs have been allocated among more than one program or activity based on objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by management.

Income Taxes

The Coalition qualifies as a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, income taxes are not provided.

Management performs an evaluation of all income tax positions taken or expected to be taken in the course of preparing the Coalition's income tax returns to determine whether the income tax positions meet a "more likely than not" standard of being sustained under examination by the applicable taxing authorities. Management has performed its evaluation of all income tax positions taken on all open income tax returns and has determined that there were no positions taken that do not meet the "more likely than not" standard. Accordingly, there are no provisions for income taxes, penalties or interest receivable or payable relating to uncertain income tax positions in the accompanying consolidated financial statements.

The Coalition files a U.S. Federal Form 990 for organizations exempt from income tax. Tax returns for years prior to fiscal year 2009 are no longer open to examination.

Use of Estimates in the Preparation of Consolidated Financial Statements

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Events Occurring After Reporting Date

The Coalition has evaluated events and transactions that occurred between June 30, 2012 and February 8, 2013, the date the consolidated financial statements were available to be issued, for possible recognition or disclosure in the consolidated financial statements.

TENNESSEE DISABILITY COALITION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

NOTE 3 - GOVERNMENT GRANTS RECEIVABLE

Government grants receivable includes grants due from federal and state agencies and consists of the following at June 30, 2012:

Social Security Administration - Benefits to Work grant	\$ 45,546
U. S. Department of Health and Human Services - Health Care Needs grant	41,070
U. S. Department of Health and Human Services - State Implementation Grant for Improving Services for Children and Youth with ASD	19,838
Tennessee Department of Health - Traumatic Brain Injury grant	64,480
Tennessee Department of Health - Newborn Hearing Consultation grant	26,574
U.S. Election Assistance Commission - Clemson University Research Alliance for Accessible Voting grant	<u>22,208</u>
	<u>\$ 219,716</u>

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2012:

Buildings and improvements	\$ 1,463,544
Land	250,000
Furniture and equipment	<u>62,795</u>
	1,776,339
Less: accumulated depreciation	<u>(217,683)</u>
Total	<u>\$ 1,558,656</u>



TENNESSEE DISABILITY COALITION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

NOTE 5 - NOTE PAYABLE

During 2012, the Coalition entered into a note payable agreement for \$250,000 with a bank to refinance the remaining balance on the existing mortgage payable the Coalition had on their office building. Interest is charged at a fixed rate of 2.65% and is payable monthly. The note matures December 2013 and is collateralized by a deposit account held at the same bank which had a balance of \$251,153 as of June 30, 2012. This account is included in cash on the statement of financial position.

NOTE 6 - CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Coalition to concentrations of credit risk includes government grant receivables, government grant revenues and revenues from the allocation of marriage fees. Government grants received consisted of 58% of total support and the allocation of marriage license fees revenue consisted of 37% of total support. A reduction in the level of funding from these sources would have a significant impact on the Coalition's activities.

The Coalition maintains cash at reputable financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to statutory limits. The Coalition's cash balance may, at time, exceed statutory limits. The Coalition has not experienced any losses in such accounts and management considers this to be a normal business risk. At June 30, 2012, the Agency's depositor accounts exceeded FDIC insurance limits by approximately \$1,000.

NOTE 7 - RETIREMENT PLAN

The Coalition maintains a 403(b) retirement plan for its employees. Contributions to the plan are based on the employees' gross salaries and employees can make elective contributions to the plan. The costs of this employee benefit plan are charged to expense and totaled \$19,386 for the year ended June 30, 2012.

TENNESSEE DISABILITY COALITION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

NOTE 8 - LEASES

The Coalition leases property and equipment under short-term operating leases. Rental expense was \$11,820 for the year ended June 30, 2012.

The Coalition shares office services and leases a significant portion of its Nashville, Tennessee office building to five nonprofit organizations that are members of the Coalition, which share common disability-related causes with the Coalition.

Each of these organizations also has a board member on the Coalition's board. The rents paid to the Coalition during the year ended June 30, 2012 are as follows:

Autism Society of Middle Tennessee	\$ 16,500
Brain Injury Association of TN	8,370
Center for Independent Living of Middle Tennessee	23,184
STEP - Support and Training of Exceptional Parents	6,426
Tennessee Mental Health Consumer's Association	<u>15,204</u>
	<u>\$ 69,684</u>

Future minimum rental payments due to the Coalition under non-cancelable leases are as follows for years ending June 30:

2013	\$ 56,664
2014	<u>28,914</u>
	<u>\$ 85,578</u>

The carrying value of its land and office building at June 30, 2012 was \$1,269,721.

TENNESSEE DISABILITY COALITION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

NOTE 9 - PRIOR PERIOD ADJUSTMENT

A prior period adjustment has been made to the Coalition's net assets as of July 1, 2011, to properly report a grant received under the HUD HOPE III home ownership program as unrestricted net assets, previously recorded as temporarily restricted net assets.

A schedule summarizing the restatement follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Net assets - July 1, 2011, as previously reported	\$ 1,911,632	\$ 90,355	\$ 2,001,987
Properly report HUD HOPE III grant	<u>90,355</u>	<u>(90,355)</u>	<u>-</u>
Net assets - July 1, 2011, as restated	<u>\$ 2,001,987</u>	<u>\$ -</u>	<u>\$ 2,001,987</u>



ADDITIONAL INFORMATION

TENNESSEE DISABILITY COALITION AND SUBSIDIARY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2012

Grant Description	Notes	Federal CFDA#	Grant Number	(Accrued) Deferred 7/1/2011	7/1/11 - 6/30/12		(Accrued) Deferred 6/30/2012
					Receipts	Expenditures	
<u>SOCIAL SECURITY ADMINISTRATION</u>							
Benefits to Work		96.008	14-W-50081-4-05	\$ (73,488)	\$ 265,352	\$ 237,410	\$ (45,546)
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>							
DIRECT:							
Affordable Care Act - Family to Family Health Information Centers							
Affordable Care Act - Family to Family Health Information Centers		93.504	H84MC00004-09-00	(3,555)	62,526	88,042	(29,071)
Affordable Care Act - Family to Family Health Information Centers		93.504	H84MC00004-09-01	-	-	11,999	(11,999)
Total CFDA 93.504				(3,555)	62,526	100,041	(41,070)
Maternal and Child Health Federal Consolidated Programs							
Maternal and Child Health Federal Consolidated Programs- Family Voices-Health Care Needs		93.110	H84MC00004-08-02	(29,767)	29,767	-	-
Maternal and Child Health Federal Consolidated Programs- Autism Planning		93.110	H6MMC22711-01-00	-	4,672	24,510	(19,838)
Total Maternal and Child Health Federal Consolidated Programs				(29,767)	34,439	24,510	(19,838)
<u>PASSED THROUGH VANDERBILT UNIVERSITY MEDICAL CENTER</u>							
Rural Leadership Ed for NDRP and Families Based in Middle Tennessee		93.110	VUMC6918	(9,990)	31,546	21,556	-
Total CFDA 93.110				(39,757)	65,985	46,066	(19,838)
<u>PASSED THROUGH TENNESSEE DEPARTMENT OF HEALTH</u>							
Traumatic Brain Injury State Demonstration Grant Program							
Traumatic Brain Injury State Demonstration Grant Program	*	93.234	GR-11-34674	(72,566)	437,088	364,522	-
Traumatic Brain Injury State Demonstration Grant Program	*	93.234	GR-12-37840	-	34,216	98,696	(64,480)
Total CFDA 93.234				(72,566)	471,304	463,218	(64,480)
Universal Newborn Hearing Screening							
Universal Newborn Hearing Screening		93.251	GR-11-33698-00	(9,832)	9,832	-	-
Universal Newborn Hearing Screening		93.251	GR-12-35519-00	-	58,273	84,847	(26,574)
Total CFDA 93.251				(9,832)	68,105	84,847	(26,574)
<u>U.S. ELECTION ASSISTANCE COMMISSION</u>							
<u>PASSED THROUGH CLEMSON UNIVERSITY</u>							
2010 Voting Technology and Accessibility Research-Accessible Voting Technology Initiative		90.403	1557-224-2008497	-	35,195	57,403	(22,208)
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ (199,198)	\$ 968,467	\$ 988,985	\$ (219,716)

\*Denotes a major program under OMB Circular A-133.

Basis of Presentation

This Schedule of Expenditures of Federal Awards includes the federal grant activity of Tennessee Disability Coalition, and Subsidiary and is presented in accordance with accounting principles generally accepted in the United States of America, which is the same basis of accounting as the basic consolidated financial statements. This schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

OTHER REPORTS



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  
Tennessee Disability Coalition and Subsidiary  
Nashville, Tennessee

We have audited the financial statements of Tennessee Disability Coalition and Subsidiary (a nonprofit organization) (the "Coalition") as of and for the year ended June 30, 2012, and have issued our report thereon dated February 8, 2013. 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.

Internal Control over Financial Reporting

Management of the Coalition is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Coalition's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Coalition's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Coalition's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation or 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis.

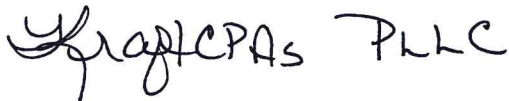
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.



### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Coalition's consolidated financial statements are free of 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*.

This report is intended solely for the information and use of management, the board of directors, others within the entity, and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Y. R. CPAs PLLC

Nashville, Tennessee  
February 8, 2013

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL  
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors  
Tennessee Disability Coalition and Subsidiary  
Nashville, Tennessee

Compliance

We have audited the compliance of Tennessee Disability Coalition and Subsidiary's (the "Coalition") compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Coalition's major federal programs for the year ended June 30, 2012. The Coalition's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Coalition's management. Our responsibility is to express an opinion on the Coalition's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Coalition'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. Our audit does not provide a legal determination on the Coalition's compliance with those requirements.

In our opinion, the Coalition complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2012.



## Internal Control over Compliance

Management of the Coalition is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Coalition's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Coalition's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the board of directors, others within the entity, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

 CPAs PLLC

Nashville, Tennessee  
February 8, 2013



TENNESSEE DISABILITY COALITION AND SUBSIDIARY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2012

**Section I - Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(s) identified that are not considered to be material weakness(es)? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(s) identified that are not considered to be material weakness(es)? ☐ Yes ☒ None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? ☐ Yes ☒ No

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
93.234	Traumatic Brain Injury State Demonstration Grant Program

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? ☒ Yes ☐ No