

ABLE SOUTH CAROLINA, INC.

ANNUAL FINANCIAL REPORT

**FOR THE YEARS ENDED
SEPTEMBER 30, 2018 AND 2017**

ABLE SOUTH CAROLINA, INC.
ANNUAL FINANCIAL REPORT
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

TABLE OF CONTENTS	PAGE
INDEPENDENT AUDITORS' REPORT	1-2
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4-5
STATEMENTS OF CASH FLOWS	6
STATEMENTS OF FUNCTIONAL EXPENSES	7-8
NOTES TO FINANCIAL STATEMENTS	9-14
SUPPLEMENTARY SCHEDULES	
SCHEDULE 1	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	15
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	16
SCHEDULE 2	
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	17-18
SCHEDULE 3	
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS	19
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	20-21
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	22-23

PARTNERS

C.C. McGregor, CPA
1906–1968

G.D. Skipper, CPA
L.R. Leaphart, Jr, CPA
M.J. Binnicker, CPA
W.C. Stevenson, CPA
B.T. Knight, CPA

W.W. Francis, CPA
D.L. Richardson, CPA

E.C. Inabinet, CPA
S.S. Luoma, CPA
T.M. McCall, CPA
H.D. Brown, Jr, CPA
L.B. Salley, CPA

D.K. Strickland, CPA
J.P. McGuire, CPA
L.H. Kelly, CPA
J.R. Matthews II, CPA
C.D. Hinchee, CPA

G.P. Davis, CPA
H.J. Darver, CPA
H.O. Crider, Jr, CPA

ASSOCIATES

V.K. Laroche, CPA
G.N. Mundy, CPA
M.L. Layman, CPA
P.A. Betette, Jr, CPA
D.M. Herpel, CPA
F.C. Gillam, Jr, CPA

H.S. Mims, CPA
T. Solorzano, CPA
C.W. Bolen, CPA
L.T. Hewitt, CPA
D.C. Scott, CPA

INDEPENDENT AUDITORS' REPORT

Board of Directors
Able South Carolina, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Able South Carolina, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2018 and 2017, and the related statements of activities, cash flows, and functional expenses 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.

Auditor's 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 Able South Carolina, Inc. as of September 30, 2018 and 2017, 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.

COLUMBIA

3830 FOREST DRIVE | PO BOX 135
COLUMBIA, SC 29202
(803) 787-0003 | FAX (803) 787-2299

ORANGEBURG

1190 BOULEVARD STREET
ORANGEBURG, SC 29115
(803) 536-1015 | FAX (803) 536-1020

BARNWELL

340 FULDNER ROAD | PO BOX 1305
BARNWELL, SC 29812
(803) 259-1163 | FAX (803) 259-5469

GREENVILLE

101 N MAIN STREET | SUITE 1510
GREENVILLE, SC 29601
(864) 751-6556 | FAX (864) 751-6557

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 federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2019, on our consideration of Able South Carolina, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of Able South Carolina, Inc.'s 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 Able South Carolina, Inc.'s internal control over financial reporting and compliance.



Columbia, South Carolina
February 21, 2019

ABLE SOUTH CAROLINA, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2018 AND 2017

	2018	2017
Assets		
Cash and Cash Equivalents	\$ 269,075	\$ 173,042
Prepaid Expenses	27,601	21,476
Accounts Receivable	189,863	138,511
Investments	127,674	127,074
Capital Assets, Net of Accumulated Depreciation	30,329	32,082
Total Assets	<u>644,542</u>	<u>492,185</u>
Liabilities and Net Assets		
Accounts Payable	7,337	21,283
Accrued Compensation Expense	74,331	60,373
Total Liabilities	<u>81,668</u>	<u>81,656</u>
Net Assets		
Unrestricted	562,874	410,529
Total Net Assets	<u>562,874</u>	<u>410,529</u>
Total Liabilities and Net Assets	<u>644,542</u>	<u>492,185</u>

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

ABLE SOUTH CAROLINA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	2018		
	Unrestricted	Temporarily Restricted	Totals
Revenues and Other Support			
Contributions	\$ 18,824		\$ 18,824
Federal Grants		\$ 1,145,849	1,145,849
State and Local Grants		875,545	875,545
Program Services Fees	156,837		156,837
Investment Income (Loss)	638		638
Other	11,204		11,204
Total Revenues and Other Support	187,503	2,021,394	2,208,897
Net Assets Released from Restrictions			
Satisfaction of Purpose Restrictions	2,021,394	(2,021,394)	-
Total Revenues, Other Support and Reclassifications	2,208,897	-	2,208,897
Expenses			
Programs	1,850,896		1,850,896
Management and General	205,656		205,656
Total Expenses	2,056,552	-	2,056,552
Change in Net Assets	152,345	-	152,345
Net Assets, Beginning of Year	410,529		410,529
Net Assets, End of Year	562,874	-	562,874

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

ABLE SOUTH CAROLINA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	2017		
	Unrestricted	Temporarily Restricted	Totals
Revenues and Other Support			
Contributions	\$ 32,277		\$ 32,277
Federal Grants		\$ 1,005,635	1,005,635
State and Local Grants		516,876	516,876
Program Services Fees	258,905		258,905
Investment Income (Loss)	3,667		3,667
Other	9,887		9,887
Total Revenues and Other Support	304,736	1,522,511	1,827,247
Net Assets Released from Restrictions			
Satisfaction of Purpose Restrictions	1,522,511	(1,522,511)	-
Total Revenues, Other Support and Reclassifications	1,827,247	-	1,827,247
Expenses			
Programs	1,558,032		1,558,032
Management and General	173,112		173,112
Total Expenses	1,731,144	-	1,731,144
Change in Net Assets	96,103	-	96,103
Net Assets, Beginning of Year	314,426		314,426
Net Assets, End of Year	410,529	-	410,529

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

ABLE SOUTH CAROLINA, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	2018	2017
Cash Flows From Operating Activities		
Change in Net Assets	\$ 152,345	\$ 96,103
Depreciation	11,509	9,265
Unrealized (Gain) Loss on Investment	3,981	(412)
Adjustments to Reconcile Change in Net Assets to Cash Provided by Operating Activities:		
(Increase) Decrease in Prepaid Expenses	(6,125)	(17,958)
(Increase) Decrease in Accounts Receivable	(51,352)	(20,937)
Increase (Decrease) in Accounts Payable and Accrued Expenses	(13,946)	21,283
Increase (Decrease) in Accrued Leave	13,958	13,887
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	110,370	101,231
	<hr/>	<hr/>
Cash Flows From Investing Activities		
Net Earnings on Investment	(4,581)	(3,084)
Net Additions to Capital Assets	(9,756)	(12,775)
	<hr/>	<hr/>
Net Cash Used in Investing Activities	(14,337)	(15,859)
	<hr/>	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	96,033	85,372
Cash and Cash Equivalents, Beginning of Year	173,042	87,670
	<hr/>	<hr/>
Cash and Cash Equivalents, End of Year	269,075	173,042
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements

ABLE SOUTH CAROLINA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Programs	Management and General	Totals
Salaries and Wages	\$ 973,299	\$ 108,144	\$ 1,081,443
Payroll Taxes	73,612	8,179	81,791
Other Employee Benefits	121,132	13,459	134,591
Travel and Program Mileage	87,609	9,734	97,343
Supplies	32,598	3,622	36,220
Insurance	18,301	2,034	20,335
Rent	121,678	13,520	135,198
Occupancy	16,784	1,865	18,649
Contract Services	282,866	31,430	314,296
Advertising	14,045	1,561	15,606
Payroll Billing Fees	4,553	506	5,059
Bank Fees	24	3	27
Membership Dues and Subscriptions	4,047	450	4,497
Special Events	43,294	4,810	48,104
Staff Accommodations	4,677	520	5,197
Telecommunications	16,544	1,838	18,382
Postage and Printing	17,696	1,966	19,662
Other	7,779	864	8,643
Depreciation	10,358	1,151	11,509
Total Functional Expenses	1,850,896	205,656	2,056,552

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

ABLE SOUTH CAROLINA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Programs	Management and General	Totals
Salaries and Wages	\$ 828,724	\$ 92,080	\$ 920,804
Payroll Taxes	61,364	6,818	68,182
Other Employee Benefits	94,923	10,547	105,470
Travel and Program Mileage	97,310	10,812	108,122
Supplies	41,867	4,652	46,519
Insurance	33,953	3,772	37,725
Rent	86,376	9,597	95,973
Occupancy	10,728	1,192	11,920
Contract Services	178,517	19,835	198,352
Payroll Billing Fees	3,908	434	4,342
Bank Fees	157	17	174
Membership Dues and Subscriptions	3,469	386	3,855
Telecommunications	17,328	1,925	19,253
Postage and Printing	18,757	2,084	20,841
Other	72,312	8,035	80,347
Depreciation	8,339	926	9,265
Total Functional Expenses	1,558,032	173,112	1,731,144

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

ABLE SOUTH CAROLINA, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Able South Carolina, Inc. (Able SC) is a non-profit organization concerned with advocacy issues for persons with significant disabilities. Effective November 27, 2012, an amendment was filed with the South Carolina Secretary of State in order to change the corporate name from Disability Action Center, Inc. to Able South Carolina, Inc. Able SC operates mainly in Columbia and Greenville, South Carolina and was incorporated on February 4, 1994 in the State of South Carolina.

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting whereby all revenue is recognized when earned regardless of when received and expenses are recognized when incurred regardless of when paid.

Financial Statement Presentation

Accounting standards generally accepted in the United States require the presentation of information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets - Net assets not subject to donor-imposed restrictions. These net assets, including Board designated, are legally unrestricted.

Temporarily Restricted Net Assets - Net assets subject to grant/donor-imposed restrictions that may or will be met either by actions of Able SC and/or the passage of time.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently. The donors of these assets would permit the use of all or part of the income earned on investments for donor-imposed restrictions. Able SC does not have any such permanently restricted net assets.

Cash and Cash Equivalents

For purposes of the statement of cash flows, Able SC considers all highly liquid debt instruments with a maturity of three (3) months or less to be cash equivalents.

Furniture, Equipment, Vehicles and Leasehold Improvements

Furniture, equipment, vehicles and leasehold improvements are maintained on the basis of original cost if purchased and estimated fair value at the date of acquisition if acquired by donation, less allowances for depreciation. Depreciation is computed using straight-line method over estimated useful lives of three to five years for the respective assets. The cost of maintenance and repairs are charged to operations as incurred. Cost of major additions and improvements are capitalized. Items valued under \$1,000 and a useful life not exceeding one year are expensed in the period purchased. The cost of any assets that are retired or otherwise disposed of and the related allowances for depreciation are eliminated from the respective accounts. Gains or losses resulting from such dispositions are reflected in the statement of activities.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Accounts receivable consist primarily of grant related revenue not collected at year end. They are stated at full value with no allowance for doubtful accounts as management is of the opinion that all accounts are collectible due to past collection experience.

Financial Instruments

The following methods and assumptions were used to determine the fair value of each class of financial instrument.

Cash and Cash Equivalents, Receivables and Payables

Fair values approximate respective carrying values due to the short maturities of those instruments.

Investment in Securities

Fair values of securities are based on quoted market price. See Note 3.

Investments

Investments in equity securities with readily determinable fair values are measured at fair value in the statement of financial position. Investment income or loss (including gains and losses on investments, interest, and dividends) is included in the statement of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements prepared in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

Income Taxes

Able SC was established as an eleemosynary corporation under the laws of the State of South Carolina, and has been granted exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code. Management has evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provision of this guidance.

Able SC is not currently undergoing examination of any previously filed tax returns; however, the returns filed for the most recent 3 years remain available for examination by taxing authorities. Management is not aware of any tax positions in the returns which have less than a 50% chance of being affirmed under examination.

Compensated Absences

Able SC records as a liability the obligations relating to employees' rights to receive vacation compensation for future absences attributable to employees' service as rendered.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Expense Allocation**

The costs of providing various programs and other activities have been presented in accordance with the overall service mission of the Organization and are displayed within their natural classifications and allocated to the programs or services benefited.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence or nature of any donor restrictions. Contributions received are measured at their fair values and are reported as increases in net assets. The Organization reports contributions as restricted support if they are received with donor stipulations that limit the use of the donated asset, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Grants

Grant revenue increases temporarily restricted net assets when conditions for revenue recognition have been met. Able SC recognizes grant revenues under a cost reimbursable method. Satisfaction of purpose restrictions imposed by terms and conditions of the grant award are reported as net assets released from restrictions in temporarily restricted net assets.

NOTE 2 INVESTMENTS

Investments consist of the following at September 30:

	2018			
	Carrying Value	Unrealized Gain	Unrealized Loss	Amortization Cost
Mutual Funds	<u>\$127,674</u>	<u>\$</u>	<u>\$3,981</u>	<u>\$131,655</u>
	2017			
	Carrying Value	Unrealized Gain	Unrealized Loss	Amortization Cost
Mutual Funds	<u>\$127,074</u>	<u>\$ 412</u>	<u>\$ -</u>	<u>\$126,662</u>

Investment Income (Loss) consists of the following at September 30:

	2018	2017
Dividends/Interest Income	\$4,619	\$ 3,255
Unrealized Gain (Loss) on Investments	<u>(3,981)</u>	<u>412</u>
	<u>638</u>	<u>3,667</u>

NOTE 3 DISCLOSURES ABOUT FAIR VALUE OF INVESTMENTS

The Organization is subject to the provisions of the authoritative guidance issued by the FASB for fair value measurements. The authoritative guidance establishes a framework that provides a fair value hierarchy to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include: (1) quoted prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in inactive markets; (3) inputs other than quoted prices that are observable for the asset or liability, and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of September 30, 2018 and 2017, and describes the valuation methodologies used for investments measured at fair value:

<u>Investments at Fair Value as of September 30, 2018</u>				
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$127,674	-	-	\$127,674

<u>Investments at Fair Value as of September 30, 2017</u>				
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$127,074	-	-	\$127,074

NOTE 4 FURNITURE, EQUIPMENT, LEASEHOLD IMPROVEMENTS AND VEHICLE

Capital assets at September 30:

	2018	2017
Furniture, Equipment, Leasehold Improvements and Vehicle	\$135,453	\$125,697
Less: Accumulated Depreciation	(105,124)	(93,615)
Totals	30,329	32,082

Depreciation Expense was \$11,509 and \$9,265 for the years ended September 30, 2018 and 2017, respectively.

NOTE 5 OPERATING LEASE COMMITMENTS

Able SC leases office space under operating leases as follows at September 30:

	2018	2017
Rental Expense	\$139,198	\$102,558
Sub-lease Income	<u>(4,000)</u>	<u>(6,585)</u>
Net Rental Expense	<u>135,198</u>	<u>95,973</u>

Able SC sub-leased some of its office space for the periods ending on September 30, 2018 and 2017. Any sub-lease rent collected is shown as an off-set to Able SC's rental expenses.

Headquarter facilities are located at 720 Gracern Road, Columbia, South Carolina. The monthly lease payments are \$6,856 to \$7,568 over the seven year term of the lease.

Able SC leased a facility on 300 Pelham Road, Suite 100A, Greenville, South Carolina. The monthly lease payments were \$2,564 to \$2,694 over the five year term of the lease. The lease was terminated on June 30, 2018.

Able SC leases a facility on 1 Creekview Court, Greenville, South Carolina. The monthly lease payments are \$1,514 to \$1,591 over the three year term of the lease.

Able SC leases a facility on 135 Edinburgh Court, Greenville, South Carolina. The monthly lease payments are \$2,909 to \$4,500 over the seven year term of the lease.

Minimum future rental payments under non-cancelable operating leases as of September 30, 2018, for each of the remaining years and in the aggregate are:

Year Ended September 30	Amount
2019	\$146,287
2020	140,439
2021	142,600
2022	144,815
2023	144,815
Thereafter	<u>144,815</u>
Totals	<u>863,771</u>

NOTE 6 CONCENTRATION OF REVENUE

Approximately 52% and 55% of the Organization's revenues were attributable to federal grants during the years ended September 30, 2018 and 2017, respectively. A significant reduction in the federal grants would have an adverse effect on the operating activities of the Organization.

NOTE 7 CUSTODIAL CREDIT RISK

At September 30, 2018, the organization had bank balances that exceeded the FDIC coverage limits in the amount of \$45,955.

NOTE 8 CONCENTRATION OF MARKET RISK

Able SC invests funds in a professionally managed portfolio that contains two similar mutual funds. Such investments are exposed to various risks, such as fluctuations in market value and credit risk. The investment balances reported in the accompanying financial statements may not be reflective of the portfolio's value during subsequent periods.

NOTE 9 RETIREMENT PLAN

Able SC provides a retirement program for eligible full-time employees who are at least 21-years old. Able SC contributes to the employee's retirement plan when employees become eligible and vested after one year of employment. Employer percentage contributions to the retirement program is reviewed and determined annually by the Board of Directors. For the year ending September 30, 2018 and 2017, the employer percentage contribution was 3% each year. Able SC paid retirement expense of \$18,689 and \$17,925 for the year ending September 30, 2018 and 2017, respectively.

NOTE 10 SUBSEQUENT EVENTS

Able South Carolina, Inc. evaluated the effects subsequent events would have on the financial statements through the date of the auditors' report, which is the date the financial statements were available for issuance.

ABLE SOUTH CAROLINA, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Award Number	Total Expenditures
U. S. Department of Health and Human Services			
Administrative for Community Living			
Direct Funding:			
ACL Centers for Independent Living	93.432	1703SCILCL-00	542,862
Total CFDA No. 93.432			542,862
Developmental Disabilities Projects of National Significance South Carolina Employment First Initiative	93.631	90DNEM0001-02-00	264,521
Developmental Disabilities Projects of National Significance South Carolina Employment First Initiative	93.631	90DNEM0001-03-00	18,939
Total CFDA No. 93.631			283,460
Pass-through SC Developmental Disabilities Council:			
Developmental Disabilities Basic Support and Advocacy Grants State Grant:			
Equip	93.630	07-21-0028	53,144
Equip	93.630	08-21-0028	5,247
R.I.S.E	93.630	07-21-0029	28,685
SC Supported Decision Making Project	93.630	07-21-0013	17,534
SC Supported Decision Making Project	93.630	08-21-0013	1,401
Youth Leadership Forum	93.630	07-21-0044	20,064
Youth Leadership Forum	93.630	08-21-0044	33,314
Total CFDA No. 93.630			159,389
Pass-through University of South Carolina:			
Disabilities Prevention	93.184	5NU27DD000011-02-00	19,053
Disabilities Prevention	93.184	5NU27DD000011-03-00	13,316
Disabilities Prevention	93.184	6NU27DD001157-05-01	1,212
Total CFDA No. 93.184			33,581
Total U. S. Department of Health and Human Services			1,019,292
U. S. Department of Justice			
Office on Violence Against Women			
Direct Funding:			
Education, Training, and Enhanced Services to End Violence Against Women with Disabilities	16.529	2017-FW-AX-K001	126,557
Total CFDA No. 16.529			126,557
Total U. S. Department of Justice			126,557
Total Federal Assistance Expended			1,145,849

See Notes to Schedule of Expenditures of Federal Awards

ABLE SOUTH CAROLINA, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

Note 1 Summary of Significant Accounting Policies

(a) Reporting Entity

The schedule of expenditures of federal awards (SEFA) includes the activity of all federal award programs administered by Able South Carolina, Inc.

(b) Basis of Presentation

The SEFA presents total federal awards expended for each individual federal program in accordance with the *Uniform Guidance*. Federal award program titles are reported as presented in the Catalog of Federal Domestic Assistance (CFDA). Some amounts presented in the SEFA may differ from amounts presented in, or used in, the preparation of the financial statements.

(c) Basis of Accounting

The expenditures for each of the federal financial assistance programs are presented in the SEFA on the same basis of accounting as Able South Carolina, Inc.'s financial statements. The financial statements of Able South Carolina, Inc. are prepared using the accrual basis of accounting.

Note 2 Relationship to Federal Financial Reports

The regulations and guidelines governing the preparation of federal financial reports vary by federal agency and among programs administered by the same agency. Accordingly, the amounts reported in the federal financial reports do not necessarily agree with the amounts reported in the accompanying SEFA which is prepared on the basis explained in Note 1.

ABLE SOUTH CAROLINA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

PART I SUMMARY OF AUDITORS' RESULTS**Financial Statements**

Type of Auditors' Report Issued: Unmodified

Internal Control Over Financial Reporting:

Material Weaknesses Identified? _____ Yes X No

Significant Deficiencies Identified that are not considered to be material weaknesses? _____ Yes X None Reported

Noncompliance Material to Financial Statements Noted? _____ Yes X No

Federal Awards

Internal Control Over Major Programs:

Material Weaknesses Identified? _____ Yes X No

Significant Deficiencies identified that are not considered to be material weaknesses? _____ Yes X None Reported

Type of Auditors' Report Issued on compliance for major programs:

Unmodified

Audit findings that are required to be reported in accordance with Uniform Guidance Criteria

_____ Yes X No

Identification of Major Federal Programs**CFDA Numbers**

93.432

Name of Federal Program or Cluster

Centers for Independent Living

Dollar threshold used to distinguish Between Type A and Type B Programs: \$750,000

Auditee qualified as low-risk auditee? _____ Yes X No

ABLE SOUTH CAROLINA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

PART II: FINANCIAL STATEMENT FINDINGS

None Reported

PART III: FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None Reported

ABLE SOUTH CAROLINA, INC.
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Summary of Prior Year Findings

None

PARTNERS

C.C. McGregor, CPA
1906–1968

G.D. Skipper, CPA
L.R. Leaphart, Jr, CPA
M.J. Binnicker, CPA
W.C. Stevenson, CPA
B.T. Knight, CPA

W.W. Frandis, CPA
D.L. Richardson, CPA

E.C. Inabinet, CPA
S.S. Luoma, CPA
T.M. McCall, CPA
H.D. Brown, Jr, CPA
L.B. Salley, CPA

D.K. Strickland, CPA
J.P. McGuire, CPA
L.H. Kelly, CPA
J.R. Matthews II, CPA
C.D. Hindchee, CPA

G.P. Davis, CPA
H.J. Darver, CPA
H.O. Crider, Jr, CPA

ASSOCIATES

V.K. Laroche, CPA
G.N. Mundy, CPA
M.L. Layman, CPA
P.A. Betette, Jr, CPA
D.M. Herpel, CPA
F.C. Gillam, Jr, CPA

H.S. Mims, CPA
T. Solorzano, CPA
C.W. Bolen, CPA
L.T. Hewitt, CPA
D.C. Scott, CPA

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

Board of Directors
Able South Carolina, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Able South Carolina, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2018, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 21, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Able South Carolina, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Able South Carolina, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Able South Carolina, Inc.'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 Able South Carolina, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

COLUMBIA

3830 FOREST DRIVE | PO BOX 135
COLUMBIA, SC 29202
(803) 787-0003 | FAX (803) 787-2299

ORANGEBURG

1190 BOULEVARD STREET
ORANGEBURG, SC 29115
(803) 536-1015 | FAX (803) 536-1020

BARNWELL

340 FULDNER ROAD | PO BOX 1305
BARNWELL, SC 29812
(803) 259-1163 | FAX (803) 259-5469

GREENVILLE

101 N MAIN STREET | SUITE 1510
GREENVILLE, SC 29601
(864) 751-6556 | FAX (864) 751-6557

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "M. C. Dugan & Company, LLP".

Columbia, South Carolina
February 21, 2019

PARTNERS

C.C. McGregor, CPA
1906–1968

G.D. Skipper, CPA
L.R. Leaphart, Jr, CPA
M.J. Binnicker, CPA
W.C. Stevenson, CPA
B.T. Knight, CPA

W.W. Francis, CPA
D.L. Richardson, CPA

E.C. Inabinet, CPA
S.S. Luoma, CPA
T.M. McCall, CPA
H.D. Brown, Jr, CPA
L.B. Salley, CPA

D.K. Strickland, CPA
J.P. McGuire, CPA
L.H. Kelly, CPA
J.R. Matthews II, CPA
C.D. Hindchee, CPA

G.P. Davis, CPA
H.J. Darver, CPA
H.O. Crider, Jr, CPA

ASSOCIATES

V.K. Laroche, CPA
G.N. Mundy, CPA
M.L. Layman, CPA
P.A. Betette, Jr, CPA
D.M. Herpel, CPA
F.C. Gillam, Jr, CPA

H.S. Mims, CPA
T. Solorzano, CPA
C.W. Bolen, CPA
L.T. Hewitt, CPA
D.C. Scott, CPA

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Able South Carolina, Inc.

Report on Compliance for Each Major Federal Program

We have audited Able South Carolina, Inc.'s compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Able South Carolina, Inc.'s major federal programs for the year ended September 30, 2018. Able South Carolina, Inc.'s major federal programs 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Able South Carolina, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Able South Carolina, Inc.'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 federal program. However, our audit does not provide a legal determination of Able South Carolina, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Able South Carolina, Inc. 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 federal programs for the year ended September 30, 2018.

COLUMBIA

3830 FOREST DRIVE | PO BOX 135
COLUMBIA, SC 29202
(803) 787-0003 | FAX (803) 787-2299

ORANGEBURG

1190 BOULEVARD STREET
ORANGEBURG, SC 29115
(803) 536-1015 | FAX (803) 536-1020

BARNWELL

340 FULDNER ROAD | PO BOX 1305
BARNWELL, SC 29812
(803) 259-1163 | FAX (803) 259-5469

GREENVILLE

101 N MAIN STREET | SUITE 1510
GREENVILLE, SC 29601
(864) 751-6556 | FAX (864) 751-6557

Report on Internal Control over Compliance

Management of Able South Carolina, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Able South Carolina, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Able South Carolina, Inc.'s internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

McGrath & Company, LLP

Columbia, South Carolina
February 21, 2019