

**GEORGIA CARE CONNECTION OFFICE, INC.
D/B/A GEORGIA CARES**

FINANCIAL REPORT

JUNE 30, 2019

**GEORGIA CARE CONNECTION OFFICE, INC. D/B/A GEORGIA CARES
FINANCIAL REPORT
JUNE 30, 2019**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Georgia Care Connection Office, Inc. d/b/a Georgia Cares
Atlanta, GA

Report on the Financial Statements

We have audited the accompanying financial statements of **Georgia Care Connection Office, Inc. d/b/a Georgia Cares** (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

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 Georgia Care Connection Office, Inc. d/b/a Georgia Cares as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other 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 (CFR) 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 20, 2020, on our consideration of Georgia Care Connection Office, Inc. d/b/a Georgia Cares' 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 Georgia Care Connection Office, Inc. d/b/a Georgia Cares' internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
February 20, 2020

GEORGIA CARE CONNECTION OFFICE, INC. D/B/A GEORGIA CARES

STATEMENTS OF FINANCIAL POSITION JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 116,538	\$ -
Accounts and grants receivable	214,080	347,735
Prepaid expenses	<u>-</u>	<u>1,552</u>
Total current assets	<u>330,618</u>	<u>349,287</u>
NONCURRENT ASSETS		
Security deposits	<u>7,967</u>	<u>5,955</u>
PROPERTY AND EQUIPMENT		
Furniture and equipment	426	3,006
Accumulated depreciation	<u>(426)</u>	<u>(2,756)</u>
Total property and equipment, net	<u>-</u>	<u>250</u>
Total assets	<u>\$ 338,585</u>	<u>\$ 355,492</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Bank advances	\$ -	\$ 29,873
Accounts payable and accrued expenses	55,354	57,473
Loan payable	<u>-</u>	<u>30,000</u>
Total current liabilities	<u>55,354</u>	<u>117,346</u>
NET ASSETS		
Without donor restrictions	<u>283,231</u>	<u>238,146</u>
Total liabilities and net assets	<u>\$ 338,585</u>	<u>\$ 355,492</u>

See Notes to Financial Statements.

GEORGIA CARE CONNECTION OFFICE, INC. D/B/A GEORGIA CARES

STATEMENTS OF ACTIVITIES YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
REVENUE AND SUPPORT WITHOUT DONOR RESTRICTIONS		
Government grants	\$ 1,214,006	\$ 1,307,136
Contributions	104,152	81,218
In-kind contributions	15,785	26,335
Other	16,341	9,188
	<u>1,350,284</u>	<u>1,423,877</u>
EXPENSES		
Program services	1,168,324	1,300,614
Supporting services		
Management and general	112,681	84,264
Fundraising	24,194	18,257
	<u>1,305,199</u>	<u>1,403,135</u>
Increase in net assets without donor restrictions	<u>45,085</u>	<u>20,742</u>
Net assets without donor restrictions at beginning of year	<u>238,146</u>	<u>217,404</u>
Net assets without donor restrictions at end of year	<u>\$ 283,231</u>	<u>\$ 238,146</u>

See Notes to Financial Statements.

GEORGIA CARE CONNECTION OFFICE, INC. D/B/A GEORGIA CARES

**STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019**

	Supporting services			Total
	Program services	Management and general	Fundraising	
Salaries	\$ 624,745	\$ 82,598	\$ 9,243	\$ 716,586
Employee benefits	65,364	9,028	-	74,392
Payroll taxes	52,350	6,918	-	59,268
Professional fees	50,544	-	7,050	57,594
Office expenses	17,418	-	-	17,418
Occupancy	61,280	-	-	61,280
Supplies	17,198	136	2,652	19,986
Travel and meetings	79,582	11,717	1,016	92,315
Insurance	6,471	321	562	7,354
Communication	38,683	1,328	3,670	43,681
Victim services	143,284	-	-	143,284
Other	11,405	385	1	11,791
Total expenses before depreciation	1,168,324	112,431	24,194	1,304,949
Depreciation	-	250	-	250
Total expenses	<u>\$ 1,168,324</u>	<u>\$ 112,681</u>	<u>\$ 24,194</u>	<u>\$ 1,305,199</u>

See Notes to Financial Statements.

GEORGIA CARE CONNECTION OFFICE, INC. D/B/A GEORGIA CARES

**STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2018**

	Supporting services			Total
	Program services	Management and general	Fundraising	
Salaries	\$ 612,870	\$ 66,050	\$ 8,363	\$ 687,283
Employee benefits	53,010	6,680	-	59,690
Payroll taxes	50,453	4,873	-	55,326
Professional fees	53,856	-	4,843	58,699
Office expenses	18,614	21	-	18,635
Occupancy	54,503	-	-	54,503
Supplies	18,607	2,446	4,088	25,141
Travel and meetings	82,418	251	77	82,746
Insurance	7,206	-	-	7,206
Communication	51,750	406	694	52,850
Victim services	285,637	-	-	285,637
Other	11,690	2,936	192	14,818
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses before depreciation	1,300,614	83,663	18,257	1,402,534
Depreciation	-	601	-	601
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	\$ 1,300,614	\$ 84,264	\$ 18,257	\$ 1,403,135
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See Notes to Financial Statements.

GEORGIA CARE CONNECTION OFFICE, INC. D/B/A GEORGIA CARES

**STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets without donor restrictions	\$ 45,085	\$ 20,742
Adjustments to reconcile increase in net assets without donor restrictions to net cash provided by (used in) operating activities:		
Depreciation	250	601
Decrease (increase) in accounts and grants receivable	133,655	(27,045)
Decrease in prepaid expenses	1,552	3,634
(Increase) decrease in security deposits	(2,012)	3,438
(Decrease) in accounts payable and accrued expenses	<u>(2,119)</u>	<u>(9,290)</u>
Net cash provided by (used in) operating activities	<u>176,411</u>	<u>(7,920)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (payments on) bank advances	(29,873)	2,920
Proceeds from (payments on) loan payable	<u>(30,000)</u>	<u>5,000</u>
Net cash (used in) provided by financing activities	<u>(59,873)</u>	<u>7,920</u>
Net increase in cash	116,538	-
Cash		
Beginning of year	<u>-</u>	<u>-</u>
End of year	<u>\$ 116,538</u>	<u>\$ -</u>

See Notes to Financial Statements.

GEORGIA CARE CONNECTION OFFICE, INC. D/B/A GEORGIA CARES

NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Georgia Care Connection Office, Inc. d/b/a Georgia Cares (the “Organization”) was created as an initiative of the Governor's Office for Children and Families in 2009. The Organization is a state coordinating agency connecting services and support for child victims of sex trafficking and exploitation. In 2013, the Organization became a 501(c)(3) entity in hopes of growing the capacity to serve victims through public-private partnerships.

Basis of accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of presentation

The Organization presents its financial statements in accordance with the Financial Accounting Standards Board (FASB)’s *Financial Statements for Not-For-Profit Organizations*. Under this guidance, the Organization is required to report information regarding its financial position and activities according to two categories of net assets: net assets with donor restrictions and net assets without donor restrictions.

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor or grantor restrictions. It is the policy of the board of directors to review their financial standing from time to time and to designate sums of net assets without donor restrictions for specific efforts.

Net Assets With Donor Restrictions – Net assets subject to donor or grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Organization had no net assets with donor restrictions at June 30, 2019 and 2018.

Use of estimates

The preparation of 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 could differ from those estimates.

Cash and cash equivalents

The Organization considers all highly liquid investments with an initial maturity of three months or less when purchased to be cash equivalents. The Organization had no cash equivalents at June 30, 2019 and 2018.

Accounts and grants receivable

Accounts and grants receivable represent amounts due for program services and from grantors. On an ongoing basis, the Organization considers a need for an allowance based on management's evaluation of potential uncollectible amounts. Management considers the receivables recorded at June 30, 2019 and 2018 to be fully collectible.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and equipment

Property and equipment are recorded at historical cost or at fair market value at the date of gift, if donated. Depreciation is recognized based on the straight-line method over estimated useful lives ranging from 3 to 5 years. The Organization capitalizes all expenditures for property and equipment in excess of \$5,000. Maintenance, repairs, and minor renewals are expensed in the year incurred. Depreciation expense for the years ended June 30, 2019 and 2018 was \$250 and \$601, respectively.

Contributions

Contributions, including unconditional promises to give, are recognized in revenue in the period the promise is made. Conditional promises to give are not recognized until the conditions on which they depend are substantially met.

Contributed and discounted services are recorded by the Organization when these services create or enhance financial assets or require specialized skills, and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

The Organization receives donated services from a variety of unpaid volunteers who assist the Organization in providing services. A substantial number of volunteers donated significant amounts of their time to the Organization's program services. No amounts have been reflected in the statement of activities for these services because the criteria for recognition of such volunteer efforts have not been satisfied.

Income taxes

The Organization qualifies as a charitable organization as defined by Internal Revenue Code Section 501(c)(3), and accordingly is exempt from federal income taxes.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the Organization to report information regarding its exposure to various tax positions taken by the Organization. Management believes that the Organization has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Management is not aware of any circumstances or transactions that would jeopardize its tax exempt status.

All tax exempt entities are subject to review and audit by federal, state and other applicable agencies. Such agencies may review the taxability of unrelated business income, or the qualification of the tax-exempt entity under the Internal Revenue Code and applicable state statutes. There currently are no audits of the Organization's returns in progress.

Functional allocation of expenses

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

Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and related expenses, which are allocated on the basis of estimates of time and effort, and occupancy and related expenses, which are allocated on the basis of estimates of facility usage.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting pronouncements

In August 2016, FASB issued ASU No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). ASU 2016-14 (1) reduces the number of net asset classes presented from three to two, (2) requires the presentation of expenses by functional and natural classification in one location, and (3) requires quantitative and qualitative disclosures about liquidity and availability of financial assets. The Organization adopted ASU 2016-14 in 2019, and the accompanying information from the 2018 financial statements has been adjusted to conform to the new presentation and disclosure requirements. This adjustment did not have an effect on total net assets or the change in net assets for 2018.

NOTE 2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Financial assets:	
Cash	\$ 116,538
Accounts and grants receivable	<u>214,080</u>
Financial assets available for general expenditure	<u><u>\$ 330,618</u></u>

The Organization manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures to meet liabilities and other obligations as they become due.

NOTE 3. LEASES

Effective June 2017, the Organization entered into agreements for office space that continue through December 2021. Rent expense on these leases for the years ended June 30, 2019 and 2018 was \$61,280 and \$54,503, respectively.

Minimum lease payments over the remaining lease terms are as follows for the years ending June 30,

2020	\$ 64,049
2021	65,971
2022	33,473
	<u><u>\$ 163,493</u></u>

NOTE 4. MAJOR SOURCES OF REVENUE

The Organization is economically dependent upon grants from federal and state sources for funding of program and operational expenses. For the years ended June 30, 2019 and 2018, approximately 90% and 92%, respectively, of the Organization's total support and revenue was received under federal and state grants. The Organization is subject to possible examinations by the federal and state agencies to determine compliance with terms, conditions, laws, and regulations governing the grants given to the Organization.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. LOAN PAYABLE

In June 2018, the Organization entered into a verbal unsecured loan agreement with a board member for \$30,000 to assist with cash flow. The loan payable is due on demand and does not accrue interest. The balance of the loan payable was \$30,000 at June 30, 2018 and it was repaid in full in July 2018.

NOTE 6. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through February 20, 2020, the date that the financial statements were available to be issued.

GEORGIA CARE CONNECTION OFFICE, INC. D/B/A GEORGIA CARES

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019**

	<u>Pass-through Grant Number</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services			
Pass-through:			
Georgia Criminal Justice Coordinating Council Temporary Assistance for Needy Families (TANF Cluster)	U19-8-001	93.558	\$ 715,430
U.S. Department of Justice			
Pass-through:			
Georgia Criminal Justice Coordinating Council Victim of Crime Act	C17-8-187	16.575	484,855
			<hr/>
			\$ 1,200,285
			<hr/> <hr/>

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019**

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of Georgia Care Connection Office, Inc. d/b/a Georgia Cares under programs of the federal government for the year ended June 30, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this 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 Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3. INDIRECT COST RATE

Georgia Care Connection Office, Inc. d/b/a Georgia Cares has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



**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
Georgia Care Connection Office, Inc. d/b/a Georgia Cares
Atlanta, GA**

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 Georgia Care Connection Office, Inc. d/b/a Georgia Cares (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 20, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Georgia Care Connection Office, Inc. d/b/a Georgia Cares' 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 Georgia Care Connection Office, Inc. d/b/a Georgia Cares' 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 Georgia Care Connection Office, Inc. d/b/a Georgia Cares' 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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
February 20, 2020



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

To the Board of Directors
Georgia Care Connection Office, Inc. d/b/a Georgia Cares
Atlanta, GA

Report on Compliance for Each Major Federal Program

We have audited Georgia Care Connection Office, Inc. d/b/a Georgia Cares' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Georgia Care Connection Office, Inc. d/b/a Georgia Cares' major federal programs for the year ended June 30, 2019. Georgia Care Connection Office, Inc. d/b/a Georgia Cares' 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Georgia Care Connection Office, Inc. d/b/a Georgia Cares' 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 Georgia Care Connection Office, Inc. d/b/a Georgia Cares' 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 Georgia Care Connection Office, Inc. d/b/a Georgia Cares' compliance.

Opinion on Each Major Federal Program

In our opinion, Georgia Care Connection Office, Inc. d/b/a Georgia Cares 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 June 30, 2019.

Report on Internal Control Over Compliance

Management of Georgia Care Connection Office, Inc. d/b/a Georgia Cares 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 Georgia Care Connection Office, Inc. d/b/a Georgia Cares' 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 Georgia Care Connection Office, Inc. d/b/a Georgia Cares' 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. *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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
February 20, 2020

GEORGIA CARE CONNECTION OFFICE, INC. D/B/A GEORGIA CARES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

SECTION I - SUMMARY OF AUDITOR'S RESULTS:

Financial Statements:

Type of auditor's report issued	<u>Unmodified</u>	
	<u>Yes</u>	<u>No</u>
Internal control over financial reporting:		
Material weaknesses identified?	_____	<u>X</u>
Significant deficiencies identified not considered to be material weaknesses?	_____	<u>None Reported</u>
Noncompliance material to the financial statements noted?	_____	<u>X</u>

Federal Awards:

Internal controls over major programs:		
Material weaknesses identified?	_____	<u>X</u>
Significant deficiencies identified not considered to be material weaknesses?	_____	<u>None Reported</u>
Type of auditor's report issued on compliance for major programs	<u>Unmodified</u>	
Audit findings required to be reported in accordance with 2 CFR section 200.516(a)?	_____	<u>X</u>

Identification of Major Programs:

Temporary Assistance for Needy Families (TANF Cluster)	93.558	
Dollar threshold used to distinguish between type A and type B programs	\$ 750,000	
	<u>Yes</u>	<u>No</u>
Auditee qualified as low-risk auditee?	<u>X</u>	_____
Financial statement findings?	_____	<u>X</u>
Findings and questioned costs for Federal awards?	_____	<u>X</u>

GEORGIA CARE CONNECTION OFFICE, INC. D/B/A GEORGIA CARES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

SECTION II – FINANCIAL STATEMENT FINDINGS:

None

SECTION III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

None

**GEORGIA CARE CONNECTION OFFICE, INC. D/B/A GEORGIA CARES
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

SECTION II – FINANCIAL STATEMENT FINDINGS:

None

SECTION III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

None