

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

**FINANCIAL REPORT**

**JUNE 30, 2018**

**GEORGIA CARE CONNECTION OFFICE, INC. D/B/A GEORGIA CARES  
 FINANCIAL REPORT  
 JUNE 30, 2018**

**TABLE OF CONTENTS**

**Page**

<b>INDEPENDENT AUDITOR'S REPORT .....</b>	<b>1 and 2</b>
 <b>FINANCIAL STATEMENTS</b>	
Statements of financial position.....	3
Statements of activities.....	4
Statements of functional expenses.....	5 and 6
Statements of cash flows .....	7
Notes to financial statements .....	8 - 10
 <b>SUPPLEMENTAL INFORMATION</b>	
Schedule of expenditures of federal awards .....	11
Notes to schedule of expenditures of federal awards.....	12
 <b>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>.....</b>	
	<b>13 and 14</b>
 <b>INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR        PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED        BY THE UNIFORM GUIDANCE.....</b>	
	<b>15 and 16</b>
Schedule of findings and questioned costs.....	17 and 18
Schedule of prior audit findings and questioned costs .....	19



## INDEPENDENT AUDITOR'S REPORT

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**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, 2018 and 2017, 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.

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## ***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, 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.

## **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 16, 2019, 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 16, 2019

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

## STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Accounts and grants receivable	\$ 347,735	\$ 320,690
Prepaid expenses	<u>1,552</u>	<u>5,186</u>
Total current assets	<u>349,287</u>	<u>325,876</u>
<b>NONCURRENT ASSETS</b>		
Security deposits	<u>5,955</u>	<u>9,393</u>
<b>PROPERTY AND EQUIPMENT</b>		
Furniture and equipment	3,006	3,006
Accumulated depreciation	<u>(2,756)</u>	<u>(2,155)</u>
Total property and equipment, net	<u>250</u>	<u>851</u>
Total assets	<u>\$ 355,492</u>	<u>\$ 336,120</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Bank advances	\$ 29,873	\$ 26,953
Accounts payable and accrued expenses	57,473	66,763
Loan payable	<u>30,000</u>	<u>25,000</u>
Total current liabilities	<u>117,346</u>	<u>118,716</u>
<b>NET ASSETS</b>		
Unrestricted	<u>238,146</u>	<u>217,404</u>
Total liabilities and net assets	<u>\$ 355,492</u>	<u>\$ 336,120</u>

See Notes to Financial Statements.

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

## STATEMENTS OF ACTIVITIES YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<b>UNRESTRICTED REVENUE AND SUPPORT</b>		
Government grants	\$ 1,307,136	\$ 1,139,285
Contributions	81,218	56,151
In-kind contributions	26,335	26,771
Other	9,188	15,963
	<u>1,423,877</u>	<u>1,238,170</u>
<b>EXPENSES</b>		
Program services	1,300,614	1,107,707
Management and general	84,264	75,939
Fundraising	18,257	30,269
	<u>1,403,135</u>	<u>1,213,915</u>
Increase in unrestricted net assets	<u>20,742</u>	<u>24,255</u>
Unrestricted net assets at beginning of year	<u>217,404</u>	<u>193,149</u>
Unrestricted net assets at end of year	<u>\$ 238,146</u>	<u>\$ 217,404</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**

	<u>Program services</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
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
	<u>1,300,614</u>	<u>83,663</u>	<u>18,257</u>	<u>1,402,534</u>
Total expenses before depreciation				
Depreciation	-	601	-	601
	<u>1,300,614</u>	<u>84,264</u>	<u>18,257</u>	<u>1,403,135</u>
Total expenses	\$ <u>1,300,614</u>	\$ <u>84,264</u>	\$ <u>18,257</u>	\$ <u>1,403,135</u>

See Notes to Financial Statements.

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

**STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2017**

	<u>Program services</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 496,341	\$ 58,013	\$ 8,204	\$ 562,558
Employee benefits	39,284	4,889	120	44,293
Payroll taxes	43,749	6,023	-	49,772
Professional fees	77,414	1,205	2,475	81,094
Office expenses	27,186	455	-	27,641
Occupancy	63,919	-	-	63,919
Supplies	9,312	927	18,390	28,629
Travel and meetings	43,754	814	61	44,629
Insurance	7,599	92	210	7,901
Communication	55,329	130	688	56,147
Victim services	234,794	-	-	234,794
Other	9,026	2,789	121	11,936
	<u>1,107,707</u>	<u>75,337</u>	<u>30,269</u>	<u>1,213,313</u>
Total expenses before depreciation				
Depreciation	-	602	-	602
	<u>1,107,707</u>	<u>75,939</u>	<u>30,269</u>	<u>1,213,915</u>
Total expenses	\$	\$	\$	\$

**See Notes to Financial Statements.**



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

**STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in unrestricted net assets	\$ 20,742	\$ 24,255
Adjustments to reconcile increase in unrestricted net assets to net cash used in operating activities:		
Depreciation	601	602
Increase in accounts and grants receivable	(27,045)	(167,346)
Decrease in prepaid expenses	3,634	839
(Increase) decrease in security deposits	3,438	(4,955)
Increase (decrease) in accounts payable and accrued expenses	<u>(9,290)</u>	<u>3,812</u>
Net cash used in operating activities	<u>(7,920)</u>	<u>(142,793)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank advances	2,920	26,953
Proceeds from loan payable	<u>5,000</u>	<u>25,000</u>
Net cash provided by financing activities	<u>7,920</u>	<u>51,953</u>
Net decrease in cash	-	(90,840)
Cash		
Beginning of year	<u>-</u>	<u>90,840</u>
End of year	<u>\$ -</u>	<u>\$ -</u>

**See Notes to Financial Statements.**

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

## NOTES TO FINANCIAL STATEMENTS

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### 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's *Financial Statements of Not-for-Profit Organizations*. The Organization is required to report 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. In addition, the Organization is required to present a statement of cash flows. The Organization had no temporarily or permanently restricted net assets at June 30, 2018 and 2017.

The guidance for *Accounting for Contributions Received and Contributions Made* requires that unconditional promises to give be recorded as receivables and revenues and to distinguish between contributions received for each net asset category. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. Temporarily restricted net assets received and spent in the same fiscal year are classified as unrestricted net assets. When a temporary restriction expires, the related temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

#### **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, 2018 and 2017.

#### **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, 2018 and 2017 to be fully collectible.

## NOTES TO FINANCIAL STATEMENTS

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### 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, 2018 and 2017 was \$601 and \$602, 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.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2. LEASES

The Organization was entered into lease agreements for office space that ended in May 2017. Effective June 2017, the Organization entered into agreements for new office space that continue through December 2021. Rent expense on these leases for the years ended June 30, 2018 and 2017 was \$54,503 and \$63,919, respectively.

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

2019	\$	62,181
2020		64,049
2021		65,971
2022		33,473
	<u>\$</u>	<u>225,674</u>

### NOTE 3. MAJOR SOURCES OF REVENUE

The Organization is economically dependent upon grants from federal and state sources for funding of program and operational expenses. For each of the years ended June 30, 2018 and 2017, approximately 92% 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.

### NOTE 4. LOAN PAYABLE

In June 2017, the Organization entered into a verbal unsecured loan agreement with a board member for \$25,000 to assist with cash flow. The loan payable is due on demand and does not accrue interest. The balance of the loan payable was \$25,000 at June 30, 2017 and it was repaid in full in July 2017.

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 5. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through February 16, 2019, 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, 2018**

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	<u>Pass-through Grant Number</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Health and Human Services</b>			
Pass-through:			
Georgia Criminal Justice Coordinating Council Temporary Assistance for Needy Families (TANF Cluster)	U18-8-001	93.558	\$ 716,667
<b>U.S. Department of Justice</b>			
Pass-through:			
Georgia Criminal Justice Coordinating Council Victim of Crime Act	C16-8-067	16.575	582,522
			<hr/>
			<u>\$ 1,299,189</u>

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2018**

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**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, 2018. 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***

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**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, 2018, 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 16, 2019.

**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.

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## 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 16, 2019





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

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**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, 2018. 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, 2018.

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## 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 16, 2019

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

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**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:**

Victim of Crime Act	<b>16.575</b>	
Dollar threshold used to distinguish between type A and type B programs	<b>\$ 750,000</b>	
	<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, 2018**

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**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, 2017**

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**SECTION II – FINANCIAL STATEMENT FINDINGS:**

None

**SECTION III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:**

None