

DISABILITY RIGHTS MISSISSIPPI
JACKSON, MISSISSIPPI

FINANCIAL STATEMENTS, SUPPLEMENTAL
INFORMATION AND INDEPENDENT AUDITOR'S
REPORTS ON INTERNAL CONTROLS AND COMPLIANCE
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

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DISABILITY RIGHTS MISSISSIPPI

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Disability Rights Mississippi
Jackson, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements of Disability Rights Mississippi (a nonprofit organization), which comprise the statements of financial position as of September 30, 2020 and 2019, 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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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 Disability Rights Mississippi as of September 30, 2020 and 2019, 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 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 May 13, 2022, on our consideration of Disability Rights Mississippi'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 Disability Rights Mississippi'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 Disability Rights Mississippi's internal control over financial reporting and compliance.

Ridgeland, Mississippi
May 13, 2022

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DISABILITY RIGHTS MISSISSIPPI
STATEMENTS OF FINANCIAL POSITION
AT SEPTEMBER 30, 2020 AND 2019

ASSETS		2020	2019
		<u> </u>	<u> </u>
CURRENT ASSETS			
Cash	\$	67,976	\$ 19,447
Grants receivable		13,863	80,469
Prepaid expenses		<u>16,707</u>	<u>18,332</u>
		<u>98,546</u>	<u>118,248</u>
FURNITURE AND EQUIPMENT			
Furniture and equipment		352,149	341,659
Less accumulated depreciation		<u>(322,456)</u>	<u>(319,027)</u>
		<u>29,693</u>	<u>22,632</u>
	\$	<u>128,239</u>	<u>\$ 140,880</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued expenses	\$	23,365	\$ 21,242
Salaries payable		37,878	23,280
Accrued leave payable		50,860	50,043
Advance on grant revenue		<u>6,238</u>	<u>36,237</u>
		<u>118,341</u>	<u>130,802</u>
NET ASSETS			
Without donor restrictions		<u>9,898</u>	<u>10,078</u>
		<u>9,898</u>	<u>10,078</u>
	\$	<u>128,239</u>	<u>\$ 140,880</u>

See Notes to Financial Statements.

DISABILITY RIGHTS MISSISSIPPI

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Totals
SUPPORT			
Federal grants	\$ 1,675,184	\$ -	\$ 1,675,184
Donations	4,093	-	4,093
Other	4,565	-	4,565
	<u>1,683,842</u>	<u>-</u>	<u>1,683,842</u>
EXPENSES			
Program services			
Assistive technology	23,619	-	23,619
Beneficiaries of social security	77,978	-	77,978
Developmental disabilities	321,443	-	321,443
Developmental Disabilities Council	488	-	488
Individual rights	99,318	-	99,318
Mental illness	331,010	-	331,010
Representative payee	345,849	-	345,849
Traumatic brain injury	42,513	-	42,513
Voter access	88,519	-	88,519
Womens foundation	3,980	-	3,980
	<u>1,334,717</u>	<u>-</u>	<u>1,334,717</u>
Support Services			
Administrative	347,263	-	347,263
Fundraising	2,042	-	2,042
	<u>349,305</u>	<u>-</u>	<u>349,305</u>
	<u>1,684,022</u>	<u>-</u>	<u>1,684,022</u>
CHANGE IN NET ASSETS	(180)	-	(180)
NET ASSETS AT BEGINNING OF YEAR	<u>10,078</u>	<u>-</u>	<u>10,078</u>
NET ASSETS AT END OF YEAR	<u>\$ 9,898</u>	<u>\$ -</u>	<u>\$ 9,898</u>

See Notes to Financial Statements.

DISABILITY RIGHTS MISSISSIPPI

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Totals
SUPPORT			
Federal grants	\$ 1,391,436	\$ -	\$ 1,391,436
Donations	6,387	-	6,387
Other	463	-	463
Net assets released from restrictions	21,279	(21,279)	-
	<u>1,419,565</u>	<u>(21,279)</u>	<u>1,398,286</u>
EXPENSES			
Program services			
Assistive technology	51,025	-	51,025
Beneficiaries of social security	45,540	-	45,540
Developmental disabilities	345,136	-	345,136
Developmental Disabilities Council	1,033	-	1,033
Family support	17,880	-	17,880
Individual rights	140,026	-	140,026
Mental illness	214,597	-	214,597
Representative payee	189,601	-	189,601
Traumatic brain injury	41,451	-	41,451
Voter access	46,313	-	46,313
	<u>1,092,602</u>	<u>-</u>	<u>1,092,602</u>
Support Services			
Administrative	303,221	-	303,221
Fundraising	8,974	-	8,974
	<u>312,195</u>	<u>-</u>	<u>312,195</u>
	<u>1,404,797</u>	<u>-</u>	<u>1,404,797</u>
CHANGE IN NET ASSETS	14,768	(21,279)	(6,511)
NET ASSETS (DEFICIT) AT BEGINNING OF YEAR	<u>(4,690)</u>	<u>21,279</u>	<u>16,589</u>
NET ASSETS AT END OF YEAR	<u>\$ 10,078</u>	<u>\$ -</u>	<u>\$ 10,078</u>

See Notes to Financial Statements.

DISABILITY RIGHTS MISSISSIPPI

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Program Services				
	Assitive Technology	Beneficiaries of Social Security	Developmental Disabilities	Developmental Disabilities Council	Individual Rights
Advertisements	\$ 14	\$ 55	\$ 233	\$ -	\$ 63
Bank charges	-	-	-	-	-
Consultants	75	1	2,408	-	1,503
Dues	275	1,031	3,634	-	1,145
Equipment maintenance	109	358	1,457	-	451
Individual assistance	-	-	-	-	-
Insurance	199	651	2,656	-	822
Insurance - group	2,229	7,281	29,679	-	9,187
Law journals, books and training packages	169	498	1,998	-	498
Lodging	29	21	1,515	-	409
Meals	18	4	419	-	80
Mileage	18	248	2,699	45	162
Miscellaneous	550	2,362	8,695	88	2,586
Office supplies and expense	161	524	2,137	-	662
Payroll taxes	1,198	3,912	15,947	-	4,936
Postage	16	63	455	-	91
Production	31	71	284	-	103
Printing	24	87	384	-	119
Professional development	50	709	589	-	299
Professional fees	-	-	-	-	-
Public awareness/outreach	4	5	13	-	5
Rent and utilities	1,398	4,568	18,619	-	5,764
Retirement	499	1,631	6,650	-	2,059
Salaries	16,047	52,413	213,646	-	66,135
Sponsorship	36	84	91	355	73
Staff morale	-	-	-	-	-
Sub-contract support services	140	400	1,692	-	557
Telephone	161	526	2,143	-	663
Travel - advisory council	-	-	-	-	-
Travel - board members	76	217	869	-	305
Travel - in-state	8	10	964	-	230
Travel - out-of-state	33	77	870	-	195
	23,567	77,807	320,746	488	99,102
Depreciation	52	171	697	-	216
	<u>\$ 23,619</u>	<u>\$ 77,978</u>	<u>\$ 321,443</u>	<u>\$ 488</u>	<u>\$ 99,318</u>

See Notes to Financial Statements.

Program Services - Continued					Support Services		Total
<u>Mental Illness</u>	<u>Representative Payee</u>	<u>Traumatic Brain Injury</u>	<u>Voter Access</u>	<u>Women's Foundation</u>	<u>Administrative</u>	<u>Fundraising</u>	
\$ 908	\$ 800	\$ 37	\$ 55	\$ -	\$ 9	\$ -	\$ 2,174
-	-	-	-	-	319	-	319
3	528	-	1	-	-	-	4,519
3,200	3,797	372	1,058	-	57	-	14,569
1,481	1,582	197	399	-	1,582	6	7,622
-	-	-	-	2,430	-	-	2,430
2,699	2,882	359	727	-	2,883	11	13,889
30,164	32,212	4,007	8,124	-	32,218	125	155,226
2,231	1,999	328	502	-	77	-	8,300
527	930	71	384	-	-	-	3,886
35	546	1	5	-	-	-	1,108
6,211	2,594	27	1,761	-	1	39	13,805
9,215	9,889	1,262	2,190	-	573	769	38,179
2,172	2,320	289	585	-	2,321	8	11,179
16,208	17,308	2,153	4,365	-	17,312	67	83,406
555	263	30	86	-	2	-	1,561
333	340	47	258	-	-	-	1,467
862	585	58	759	-	39	-	2,917
749	722	79	144	-	5	-	3,346
-	-	-	-	-	26,298	-	26,298
365	13	4	8	-	-	-	417
18,924	20,208	2,514	5,097	-	20,211	78	97,381
6,759	7,218	898	1,820	-	7,219	29	34,782
217,141	231,879	28,846	58,483	-	231,919	901	1,117,410
316	2	171	73	-	-	-	1,201
-	-	-	-	-	1,092	-	1,092
1,671	1,752	226	461	1,550	14	-	8,463
2,178	2,326	289	587	-	2,327	7	11,207
1,039	-	-	-	-	-	-	1,039
910	997	108	250	-	27	-	3,759
1,193	1,178	3	83	-	-	-	3,669
<u>2,252</u>	<u>222</u>	<u>43</u>	<u>63</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,755</u>
330,301	345,092	42,419	88,328	3,980	346,505	2,040	1,680,375
<u>709</u>	<u>757</u>	<u>94</u>	<u>191</u>	<u>-</u>	<u>758</u>	<u>2</u>	<u>3,647</u>
<u>\$ 331,010</u>	<u>\$ 345,849</u>	<u>\$ 42,513</u>	<u>\$ 88,519</u>	<u>\$ 3,980</u>	<u>\$ 347,263</u>	<u>\$ 2,042</u>	<u>\$ 1,684,022</u>

DISABILITY RIGHTS MISSISSIPPI

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Program Services				
	Assitive Technology	Beneficiaries of Social Security	Developmental Disabilities	Developmental Disabilities Council	Family Support
Advertisements	\$ 35	\$ 35	\$ 206	\$ -	\$ 12
Bank charges	-	-	-	-	-
Consultants	-	92	310	-	9
Dues	836	714	4,777	-	272
Equipment maintenance	414	348	2,704	-	141
Insurance	430	362	2,813	-	147
Insurance - group	5,028	4,234	32,850	-	1,714
Law journals, books and training packages	540	465	3,178	-	157
Lodging	41	100	3,168	211	383
Meals	40	5	659	70	1
Mileage	143	304	2,999	274	75
Miscellaneous	-	34	355	125	-
Office supplies and expense	407	442	2,664	-	40
Payroll taxes	2,499	2,104	16,322	-	852
Postage	66	69	464	-	18
Production	60	1,159	1,454	-	1
Printing	38	681	897	-	6
Professional development	35	382	2,408	-	69
Professional fees	-	-	-	-	-
Public awareness/outreach	19	22	180	353	-
Relocation	-	-	-	-	-
Rent and utilities	3,276	2,758	21,404	-	1,116
Retirement	971	817	6,340	-	331
Salaries	34,576	29,116	225,910	-	11,784
Sponsorship	191	186	1,506	-	3
Staff morale	-	-	-	-	-
Sub-contract support services	230	225	1,748	-	93
Telephone	396	333	2,591	-	135
Training - advisory council	-	-	-	-	-
Training - board	-	-	-	-	-
Travel - advisory council	-	-	-	-	-
Travel - board members	-	-	-	-	-
Travel - in-state	187	81	1,669	-	2
Travel - out-of-state	425	352	4,628	-	470
	50,883	45,420	344,204	1,033	17,831
Depreciation	142	120	932	-	49
	<u>\$ 51,025</u>	<u>\$ 45,540</u>	<u>\$ 345,136</u>	<u>\$ 1,033</u>	<u>\$ 17,880</u>

See Notes to Financial Statements.

Program Services - Continued					Support Services		Total
Individual Rights	Mental Illness	Representative Payee	Traumatic Brain Injury	Voter Access	Administrative	Fundraising	
\$ 59	\$ 65	\$ 397	\$ 12	\$ 141	\$ -	\$ -	\$ 962
-	-	-	-	-	412	-	412
9	83	-	28	-	-	-	531
2,633	2,455	991	570	1,270	-	-	14,518
1,133	1,654	1,540	339	343	2,245	60	10,921
1,179	1,721	1,602	352	356	2,335	63	11,360
13,772	20,103	18,708	4,114	4,163	27,278	732	132,696
61	1,646	602	387	837	-	-	7,873
232	791	375	32	261	-	-	5,594
9	49	45	2	29	-	-	909
438	3,362	1,706	120	1,098	-	-	10,519
14	109	-	-	491	827	1,933	3,888
1,115	1,628	1,515	333	337	2,208	58	10,747
6,844	9,990	9,297	2,044	2,069	13,556	364	65,941
199	302	222	42	127	-	-	1,509
1,211	2,326	583	23	229	52	-	7,098
272	610	406	49	105	294	-	3,358
529	1,466	392	66	186	133	39	5,705
-	-	-	-	-	28,016	-	28,016
28	29	11	19	69	-	-	730
-	-	-	-	-	1,021	-	1,021
8,972	13,096	12,187	2,680	2,712	17,770	476	86,447
2,658	3,881	3,611	794	804	5,267	142	25,616
94,702	138,239	128,647	28,292	28,625	187,584	5,031	912,506
299	524	282	185	435	-	-	3,611
-	-	-	-	-	1,201	-	1,201
736	1,052	878	208	133	-	-	5,303
1,085	1,583	1,474	324	328	2,147	56	10,452
-	1,070	-	-	-	-	-	1,070
-	-	-	-	-	1,070	-	1,070
-	3,662	-	-	-	-	-	3,662
-	-	-	-	-	9,033	-	9,033
270	436	264	67	334	-	-	3,310
1,177	2,095	3,336	252	713	-	-	13,448
139,636	214,027	189,071	41,334	46,195	302,449	8,954	1,401,037
390	570	530	117	118	772	20	3,760
<u>\$ 140,026</u>	<u>\$ 214,597</u>	<u>\$ 189,601</u>	<u>\$ 41,451</u>	<u>\$ 46,313</u>	<u>\$ 303,221</u>	<u>\$ 8,974</u>	<u>\$ 1,404,797</u>

DISABILITY RIGHTS MISSISSIPPI

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (180)	\$ (6,511)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	3,647	3,760
Decrease in assets:		
Grants receivable	66,606	50,962
Prepaid expenses	1,625	7,513
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	2,123	18,911
Advance on grant revenue	(29,999)	(57,071)
Salaries and accrued leave payable	<u>15,415</u>	<u>6,849</u>
Net cash provided by operating activities	<u>59,237</u>	<u>24,413</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	<u>(10,708)</u>	<u>(16,947)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on capital lease	<u>-</u>	<u>(1,646)</u>
NET INCREASE IN CASH	48,529	5,820
CASH, BEGINNING OF YEAR	<u>19,447</u>	<u>13,627</u>
CASH, END OF YEAR	<u>\$ 67,976</u>	<u>\$ 19,447</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest during the year	<u>\$ 381</u>	<u>\$ 1,045</u>

See Notes to Financial Statements.

DISABILITY RIGHTS MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Disability Rights Mississippi is a nonprofit organization operating under the statutes of the State of Mississippi. The Organization provides educational services and legal representation to the handicapped and developmentally disabled.

Method of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Adoption of the Accounting Pronouncement

FASB Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, as amended, supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue. We have reviewed provisions of Topic 606 and no changes were required in the presentation of the Association's financial statements. The Association adopted the ASU effective October 1, 2019. Accordingly, there is no effect on net assets in connection with our implementation of Topic 606.

In June 2018, FASB issues ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. We have reviewed the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements and no changes were required to be made. The Association adopted the ASU effective October 1, 2019. Accordingly, there is no effect on net assets in connection with our implementation of ASU 2018-08.

DISABILITY RIGHTS MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES -
Continued

Revenue Recognition

The Organization receives cost-reimbursement grants. Under these grants, the Organization is reimbursed for costs incurred to fulfill the terms of the grant up to an amount specified. Revenues for cost-reimbursement grants are recognized when allowable expenditures have been incurred.

Contributions

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for use without donor restrictions unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realized value.

Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Concentration of Credit Risk and Cash Held in Bank

The Organization maintains its cash in a bank deposit account which is insured by the FDIC up to \$250,000. There are no uninsured balances at September 30, 2020 and 2019.

Furniture and Equipment

Furniture and equipment are stated at cost. Depreciation is provided using the straight-line method based on the useful life of three to seven years.

Functional Allocation of Expenses

The cost of providing the various programs has been allocated among the programs benefited.

DISABILITY RIGHTS MISSISSIPPI

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - Continued

Estimates

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

Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Income Taxes

The Organization is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code and generally exempt from Federal and State income taxes pursuant to Section 501(a) of the Code. The Organization has been classified as other than a private foundation and believes it has no uncertain tax positions.

DISABILITY RIGHTS MISSISSIPPI

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

2. DEFERRED GRANT REVENUE

Under the terms of its grant agreements, the Organization is allowed to draw down funds for anticipated needs for upcoming grant expenditures. These funds are classified as deferred grant revenue until the funds are spent for grant purposes. At September 30, 2020 and 2019, deferred grant revenue was \$6,238 and \$36,237, respectively.

3. RETIREMENT PROGRAM

The Organization established a SIMPLE IRA retirement program effective May 1999 and contributes 3% of each employee's salary. The retirement expense for the years ended September 30, 2020 and 2019 was \$34,782 and \$25,616, respectively.

4. FUTURE COMMITMENTS

The Organization maintains administrative office space in Jackson, Mississippi, and office and storage space in Gulfport, Mississippi. In October 2017, the Organization leased new administrative office space beginning December 2017 and expiring November 2022. In November 2018, the Organization signed an addendum to the lease for additional space. The addendum was effective January 1, 2019, and extended the lease term. Under the terms of this addendum, the Organization is required to pay a monthly rent of \$7,270 for January 1, 2019, through November 30, 2020, and \$7,415 for December 1, 2020, through November 30, 2023. An additional addendum dated July 27, 2020 expanded the leased space and increased the rent to \$7,945 for August 1, 2020 through November 30, 2020, and \$8,090 for December 1, 2020 through November 30, 2023. The Gulfport facility is not currently under a lease but is available monthly for a rental payment of \$460.

Under the terms of the leases, future minimum payments are as follows:

<u>Year Ending</u>	
2021	\$ 96,790
2022	97,080
2023	97,080
2024	<u>16,180</u>
	<u>\$ 307,130</u>

Rental expense for the years ended September 30, 2020 and 2019 was \$97,381 and \$86,447, respectively.

DISABILITY RIGHTS MISSISSIPPI

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

5. LINE OF CREDIT

The Organization maintains a line of credit with Regions Bank for \$25,000. The line has a variable rate of interest (the prime rate of the lender plus 3.70%, with a minimum of 6.00%). The line of credit does not expire as long as the account is in good standing. There was no balance owed on the line of credit for the years ended September 30, 2020 and 2019. The line was secured by a right of setoff on the Organization's accounts held by the lender. This line of credit agreement with Regions Bank contained various restrictive covenants that are measured on an annual basis.

6. LIQUIDITY

The following reflects the Organization's financial assets as of September 30, 2020 and 2019, reduced by amounts not available for general use within one year because of contractual or donor-imposed restrictions.

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 67,976	\$ 19,447
Grants receivable	<u>13,863</u>	<u>80,469</u>
Financial assets available	<u>81,839</u>	<u>99,916</u>
Less those unavailable for general expenditures within one year to:		
Subject to expenditure for specified purpose	-	-
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 81,839</u>	<u>\$ 99,916</u>

The Organization does not maintain an operating reserve account to cover the average monthly operating costs, excluding depreciation and other noncash expenses. However, the average monthly costs were approximately \$140,000 and \$117,000 for the year ended September 30, 2020 and 2019, respectively. The Organization had less than one month of financial assets available to meet its average monthly operating costs for the years ended September 30, 2020 and 2019, respectively.

DISABILITY RIGHTS MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

7. RECLASSIFICATIONS

Certain prior year amounts have been reclassified to conform to current year presentation.

8. SUBSEQUENT EVENTS

In accordance with the FASB Accounting Standards Codification Topic 855, *Subsequent Events*, we have evaluated subsequent events through May 13, 2022, which is the date these financial statements were issued. All subsequent events requiring recognition as of May 13, 2022, have been incorporated into these financial statements.

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SUPPLEMENTAL INFORMATION

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DISABILITY RIGHTS MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

<u>Federal Agency / Program Title</u>	<u>Assistance Listing Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services Protection & Advocacy Program Under the Development Disabilities Assistance and Bill of Rights Act	93.630	\$ 405,945
Protection & Advocacy for Individuals with Mental Illness	93.138	415,198
Assistive Technology - State Grants for Protection & Advocacy Related to Assistive Technology	93.843	30,912
Voting Access for Individuals with Disabilities	93.618	112,168
Traumatic Brain Injury Protection and Advocacy	93.873	<u>53,260</u>
		1,017,483
U.S. Department of Education Program of Protection and Advocacy of Individual Rights	84.240A	125,914
Social Security Administration Protection and Advocacy for Beneficiaries of Social Security Grant Program	96.009	<u>531,654</u>
Total Expenditures of Federal Awards		<u>\$ 1,675,051</u>

See Notes to Financial Statements.

DISABILITY RIGHTS MISSISSIPPI

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED SEPTEMBER 30, 2020

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Organization under programs of the federal government for the year ended September 30, 2020. The Schedule is presented on the accrual basis of accounting. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the financial statements of the federal program. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

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.

3. INDIRECT COST RATE

Disability Rights Mississippi has opted to not use the de minimis indirect cost rate of 10%, as provided for under Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final 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
Disability Rights Mississippi
Jackson, Mississippi

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 Disability Rights Mississippi (a nonprofit organization), which comprise the statement of financial position as of September 30, 2020, 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 May 13, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Disability Rights Mississippi's internal control over financial reporting (internal control) as a basis for designing 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 Disability Rights Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization'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 Disability Rights Mississippi's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements. 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.

Ridgeland, Mississippi
May 13, 2022

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
Disability Rights Mississippi
Jackson, Mississippi

Report on Compliance for Each Major Federal Program

We have audited Disability Rights Mississippi'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 Disability Rights Mississippi's major federal programs for the year ended September 30, 2020. Disability Rights Mississippi'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 Disability Rights Mississippi'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 Disability Rights Mississippi'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 Disability Rights Mississippi's compliance.

Opinion on Each Major Federal Program

In our opinion, Disability Rights Mississippi 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, 2020.

Report on Internal Control Over Compliance

Management of Disability Rights Mississippi 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 Disability Rights Mississippi'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 Disability Rights Mississippi's internal control over compliance.

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

Ridgeland, Mississippi
May 13, 2022

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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DISABILITY RIGHTS MISSISSIPPI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Section 1: Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified
Internal control over financial reporting:
Material weakness(es) identified? ___ yes X no
Significant deficiency(s) identified that are
not considered to be material weakness(es)? ___ yes X no
Noncompliance material to financial
statements noted? ___ yes X no

Federal Awards

Type of auditor's report issued on compliance
for major programs: Unmodified
Internal control over major programs:
Material weakness(es) identified? ___ yes X no
Significant deficiency(s) identified that are
not considered to be material weakness(es)? ___ yes X none reported
Any audit findings disclosed that are required
to be reported in accordance with 2 CFR
section 200.516(a)? ___ yes X no

Identification of major programs:

CFDA Numbers

Name of Federal Program / Cluster

93.138

Protection & Advocacy for Individuals with
Mental Illness

96.009

Protection and Advocacy for Beneficiaries
of Social Security Grant Program

Dollar threshold used to distinguish between
type A and type B programs:

\$ 750,000

Auditee qualified as a low risk auditee?

___ yes X no