



# OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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October 13, 2017

Board of Directors  
About Special Kids, Inc.  
7172 Graham Road, Suite 100  
Indianapolis, IN 46250

We have reviewed the audit report prepared by Barnes, Dennig & Co., LTD, for the period January 1, 2016 to December 31, 2016. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of About Special Kids, Inc., as of December 31, 2016, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA  
State Examiner

# **About Special Kids, Inc.**

**Financial Statements  
Years Ended December 31, 2016 and 2015, and  
Independent Auditors' Report**

**ABOUT SPECIAL KIDS, INC**  
**December 31, 2016 and 2015**

**Contents**

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	<b><u>Page(s)</u></b>
Independent Auditors' Report	1 - 2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4 - 5
Statements of Functional Expenses	6 - 7
Statements of Cash Flows	8
Notes to the Financial Statements	9 - 13
Supplementary Information:	
Schedules of Expenditures of Federal Awards	14 - 15
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	16 - 17



## Independent Auditors' Report

To the Board of Directors  
About Special Kids, Inc.  
Indianapolis, Indiana

### Report on the Financial Statements

We have audited the accompanying financial statements of About Special Kids, Inc. (ASK), which comprise the statements of financial position as of December 31, 2016 and 2015, 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 the 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 audits 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 ASK as of December 31, 2016 and 2015, 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**

### *Supplementary Information*

Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of federal expenditures required by the Indiana State Board of Accounts 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 audits 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 July 6, 2017 on our consideration of ASK'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 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 ASK's internal control over financial reporting and compliance.



July 6, 2017  
Indianapolis, Indiana

## ABOUT SPECIAL KIDS, INC

### Statements of Financial Position December 31, 2016 and 2015

	2016	2015
<b>Assets</b>		
Cash	\$ 23,161	\$ 88,597
Grants receivable	36,662	43,975
Accounts receivable	19,607	11,059
Prepaid expenses	2,001	3,587
Investments (Note 10)	57,504	77,926
Property and equipment, net (Note 8)	12,061	18,075
Total assets	<u>\$ 150,996</u>	<u>\$ 243,219</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 2,634	\$ 4,216
Deferred rent (Note 7)	-	3,227
Accrued payroll and related items	14,182	13,774
Total liabilities	<u>16,816</u>	<u>21,217</u>
<b>Net assets</b>		
Unrestricted	119,635	180,643
Temporarily restricted (Note 5)	14,545	41,359
Total net assets	<u>134,180</u>	<u>222,002</u>
Total liabilities and net assets	<u>\$ 150,996</u>	<u>\$ 243,219</u>

See accompanying notes to financial statements.

**ABOUT SPECIAL KIDS, INC**

**Statement of Activities  
Year Ended December 31, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Support and revenue</b>			
Grants	\$ 223,328	\$ 40,000	\$ 263,328
Contract income	144,250	-	144,250
Fundraising income	19,011	-	19,011
Contributions	29,745	-	29,745
Registration fees	1,035	-	1,035
Other	4,109	-	4,109
	<hr/>	<hr/>	<hr/>
Total revenue	421,478	40,000	461,478
Net assets released from restrictions	66,814	(66,814)	-
	<hr/>	<hr/>	<hr/>
Total revenue and support	488,292	(26,814)	461,478
	<hr/>	<hr/>	<hr/>
<b>Expenses</b>			
State MCH	229,533	-	229,533
Training	21,648	-	21,648
Other contracts and grants	211,133	-	211,133
Management and general	41,229	-	41,229
Fundraising expenses	45,757	-	45,757
	<hr/>	<hr/>	<hr/>
Total expenses	549,300	-	549,300
	<hr/>	<hr/>	<hr/>
Change in net assets	(61,008)	(26,814)	(87,822)
Net assets - beginning of year	180,643	41,359	222,002
	<hr/>	<hr/>	<hr/>
Net assets - end of year	\$ 119,635	\$ 14,545	\$ 134,180
	<hr/>	<hr/>	<hr/>

See accompanying notes to financial statements.

## ABOUT SPECIAL KIDS, INC

### Statements of Activities Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Total
<b>Support and revenue</b>			
Grants	\$ 310,413	\$ 25,500	\$ 335,913
Contract income	88,160	-	88,160
Fundraising income	30,235	-	30,235
Contributions	27,014	-	27,014
Registration fees	2,920	-	2,920
Other	3,534	-	3,534
	<hr/>	<hr/>	<hr/>
Total revenue	462,276	25,500	487,776
Net assets released from restrictions	69,532	(69,532)	-
	<hr/>	<hr/>	<hr/>
Total revenue and support	531,808	(44,032)	487,776
	<hr/>	<hr/>	<hr/>
<b>Expenses</b>			
State MCH	309,679	-	309,679
Training	22,484	-	22,484
Other contracts and grants	164,443	-	164,443
Management and general	41,456	-	41,456
Fundraising expenses	31,196	-	31,196
	<hr/>	<hr/>	<hr/>
Total expenses	569,258	-	569,258
	<hr/>	<hr/>	<hr/>
Change in net assets	(37,450)	(44,032)	(81,482)
Net assets - beginning of year	218,093	85,391	303,484
	<hr/>	<hr/>	<hr/>
Net assets - end of year	\$ 180,643	\$ 41,359	\$ 222,002
	<hr/>	<hr/>	<hr/>

See accompanying notes to financial statements.

**ABOUT SPECIAL KIDS, INC**

**Statement of Functional Expenses  
Year Ended December 31, 2016**

	State MCH	Training	Other Contracts and Grants	Total Program Expenses	Management and General	Fundraising Expenses	Total
Personnel and fringe	\$ 176,660	\$ 16,345	\$ 172,717	\$ 365,722	\$ 25,616	\$ 28,896	\$ 420,234
Facilities	16,807	819	15,102	32,728	-	6,734	39,462
Supplies	4,356	349	3,321	8,026	471	2,824	11,321
Travel	2,549	217	1,628	4,394	331	2,427	7,152
Equipment (noncapitalized)	7,148	317	4,668	12,133	981	1,256	14,370
Consultants	15,944	3,147	8,277	27,368	4,890	2,172	34,430
Insurance	6,048	453	5,406	11,907	931	1,444	14,282
Depreciation	-	-	-	-	6,014	-	6,014
Other	21	1	14	36	1,995	4	2,035
<b>Total Functional Expenses</b>	<b>\$ 229,533</b>	<b>\$ 21,648</b>	<b>\$ 211,133</b>	<b>\$ 462,314</b>	<b>\$ 41,229</b>	<b>\$ 45,757</b>	<b>\$ 549,300</b>

See accompanying notes to financial statements.

**ABOUT SPECIAL KIDS, INC**

**Statement of Functional Expenses  
Year Ended December 31, 2015**

	State MCH	Training	Other Contracts and Grants	Total Program Expenses	Management and General	Fundraising Expenses	Total
Personnel and fringe	\$ 235,117	\$ 14,130	\$ 141,258	\$ 390,505	\$ 22,607	\$ 13,556	\$ 426,668
Facilities	20,844	1,443	8,081	30,368	3,307	7,681	41,356
Supplies	5,927	1,076	977	7,980	404	4,698	13,082
Travel	3,777	1,110	1,918	6,805	1,291	522	8,618
Equipment (noncapitalized)	10,496	731	4,063	15,290	1,427	1,557	18,274
Consultants	26,308	3,403	4,163	33,874	1,845	2,034	37,753
Insurance	6,995	577	3,904	11,476	1,997	960	14,433
Depreciation	-	-	-	-	6,860	-	6,860
Other	215	14	79	308	1,718	188	2,214
<b>Total Functional Expenses</b>	<b>\$ 309,679</b>	<b>\$ 22,484</b>	<b>\$ 164,443</b>	<b>\$ 496,606</b>	<b>\$ 41,456</b>	<b>\$ 31,196</b>	<b>\$ 569,258</b>

See accompanying notes to financial statements.

## ABOUT SPECIAL KIDS, INC

### Statements of Cash Flows Years Ended December 31, 2016 and 2015

	2016	2015
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (87,822)	\$ (81,482)
Adjustments to reconcile change in net assets to net cash provided by (used in) operations:		
Depreciation	6,014	6,860
Unrealized (gain) loss on investments	(312)	(740)
Changes in:		
Grants receivable	7,313	40,232
Accounts receivable	(8,548)	6,335
Prepaid expenses	1,586	(3,168)
Accounts payable	(1,582)	1,452
Deferred rent	(3,227)	(2,381)
Accrued payroll and related items	408	1,591
	(86,170)	(31,301)
Net cash provided by (used in) operating activities		
<b>Cash flows from financing activities</b>		
Purchase of investments	(1,266)	-
Sale of investments	22,000	-
	20,734	-
Net cash provided by (used in) financing activities		
	(65,436)	(31,301)
Net increase (decrease) in cash		
<b>Cash - beginning of year</b>	88,597	119,898
<b>Cash - end of year</b>	\$ 23,161	\$ 88,597

See accompanying notes to financial statements.

## ABOUT SPECIAL KIDS, INC

### Notes to Financial Statements

#### NOTE 1 NATURE OF THE ORGANIZATION

About Special Kids, Inc. (ASK) was incorporated as a not-for-profit organization in March 1987 under the laws of the State of Indiana.

ASK is an organization where parents, professionals, and volunteers work together to support families of children with special needs by providing information, peer support, and education through the following grants and contracts:

The Indiana Parent Education Project (State MCH)

- Services include dissemination of information regarding health care financing, community resources, and education through peer support and education to families of children with special health care needs throughout Indiana. Grant funding received from State MCH totaled \$223,328 and \$310,413 for 2016 and 2015, respectively.

Managed Care Organizations

- ASK has contractual agreements with managed care organizations (MCOs) serving the state of Indiana. MCOs refer families to ASK through a formalized referral system. ASK, in turn, contacts families who have children with special needs who have been referred to ASK and assists them in meeting their needs. ASK provides case notes to MCO staff members to ensure communication and comprehensive care. Contract income received from MCOs totaled \$80,000 for 2016 and 2015.

#### NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting – ASK maintains its accounting records on the accrual basis. Grant proceeds are recorded as revenue as eligible expenditures are made and claims are submitted for reimbursement.

Accounts and grants receivable – Receivables are charged to bad debt expense when they are determined to be uncollectible based upon periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require the allowance method to be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Property and equipment – Equipment is valued at cost for items purchased and at fair market value at date of gift for items donated. Depreciation is recognized over the estimated useful lives of three to ten years using the straight-line method. Expenditures are capitalized when the useful life exceeds one year and the expenditure is greater than \$1,000.

Support and revenues – ASK reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, ASK reports the support as unrestricted.

Donated services – No amounts have been reflected in the financial statements for donated services. ASK pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist ASK with specific assistance programs and various committee assignments.

## ABOUT SPECIAL KIDS, INC

### Notes to Financial Statements (Continued)

#### NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Federal and state income taxes – ASK has been granted an exemption from income taxes as a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code. Management believes that ASK has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities.

Functional expenses – Expenses are allocated directly or indirectly to program and management services. Expenses that can be identified with a specific program or management service are allocated directly according to their natural classification. All remaining indirect costs are allocated using both statistical and non-statistical allocation.

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

Reclassified amounts – Certain prior year amounts have been reclassified to conform to the current year presentation. Such reclassifications has no effect on the change in net assets for either year.

#### NOTE 3 GRANTS RECEIVABLE

ASK receives its grant support through monthly claims filed with the respective funding agency, not to exceed a limit specified in the funding agreement. Since the financial statements of ASK are prepared on the accrual basis, all earned portions of the grants not yet received as of December 31, 2016 and 2015, have been recorded as grants receivable.

#### NOTE 4 CONCENTRATION OF CREDIT RISK

ASK maintains a portion of its cash in a bank account which, at times, may exceed federally insured limits. At December 31, 2016 and 2015, there was no such excess. ASK has not experienced any losses in such accounts and management believes that it is not exposed to any significant credit risk on cash.

#### NOTE 5 TEMPORARILY RESTRICTED NET ASSETS

As of December 31, 2016 and 2015, temporarily restricted net assets consist of the following:

	2016	2015
AWS Foundation	\$ 4,545	\$ -
Nicholas Noyas Foundation	10,000	-
Lilly Endowment	-	22,526
Johnson County	-	2,333
Anthem	-	10,000
Blue River Foundation	-	500
Gordon Homes	-	1,000
CICF Legacy Foundation	-	5,000
	<u>\$ 14,545</u>	<u>\$ 41,359</u>

The temporarily restricted net assets are for program services.

## ABOUT SPECIAL KIDS, INC

### Notes to Financial Statements (Continued)

#### NOTE 6 LEASES

ASK entered into a long term lease agreement and relocated to new office space on August 1, 2012. The new lease expires on July 31, 2017. Rental payments increase annually with monthly payments ranging from \$2,765 to \$3,246 (see Note 7, below). Total rental payments were \$39,462 in 2016 and \$41,356 in 2015.

Future minimum lease payments at December 31:

Year	Amount
2017	\$ 25,683
2018	-
2019	-
2020	-
2021	-
	<u>\$ 25,683</u>

#### NOTE 7 DEFERRED RENT

The lease agreement for the new office space (See Note 6, above) calls for no rental payments for the first three months of the lease. The amount of unpaid rent totaled \$0 and \$3,227 and ASK has recorded such amount as deferred rent at December 31, 2016 and 2015, respectively. The variance with generally accepted accounting principles which requires rent expense be recognized evenly over the term of the lease is deemed insignificant.

#### NOTE 8 PROPERTY AND EQUIPMENT

ASK's property and equipment at December 31, consists of the following:

	2016	2015
Computer equipment	\$ 31,390	\$ 58,709
Furniture and equipment	39,515	39,515
	70,905	98,224
Accumulated depreciation	(58,844)	(80,149)
	<u>\$ 12,061</u>	<u>\$ 18,075</u>

#### NOTE 9 HEALTH INSURANCE REIMBURSEMENT

ASK has a health care and expenses reimbursement policy. Regular full-time employees are eligible to receive reimbursement for health care related expenses up to a maximum of \$300 per month. ASK's total health insurance reimbursement was \$21,600 and \$20,615 for 2016 and 2015, respectively.

## ABOUT SPECIAL KIDS, INC

### Notes to Financial Statements (Continued)

#### NOTE 10 INVESTMENTS

ASK's investments are as follows:

	2016		2015	
	Market	Cost	Market	Cost
Securities - Mutual Funds	\$ 57,504	\$ 58,096	\$ 77,926	\$ 75,190

The cumulative unrealized gain (loss) at December 31, 2016 and 2015, totaled \$592 and \$2,736, respectively. For the year ended December 31, 2016 and 2015, ASK incurred unrealized gain (loss) of \$312 and \$740 on its investments, respectively. ASK sold funds of \$22,000 for 2016.

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. Other investments are valued at the lower of cost or fair value. Investment return includes dividend, interest, and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments. Donated investments are recorded at fair market value at the time of donation.

#### NOTE 11 FAIR VALUE MEASUREMENTS

In accordance with Accounting Standards Codification (ASC) 820, ASK measures its assets and liabilities valued on a recurring basis at fair value using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires that entities maximize the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. The three levels of inputs used are as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities
- Level 2 - Quoted prices for similar assets or liabilities in active markets
- Level 3 - Unobservable inputs for the asset or liability based on the best available information

The investments of ASK are level 1 inputs. The fair value of ASK's investments is based on the closing prices as of the balance sheet date as shown in the table below. No other assets or liabilities are measured on a recurring basis.

All methods of assessing fair value result in a general approximation of value and such value may never be realized.

#### ASSETS AT FAIR VALUE - 2016

	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Bonds	\$ 57,504	\$ -	\$ -	\$ 57,504
Total assets at fair value	\$ 57,504	\$ -	\$ -	\$ 57,504

## ABOUT SPECIAL KIDS, INC

### Notes to Financial Statements (Continued)

#### NOTE 11 FAIR VALUE MEASUREMENTS - Continued

##### ASSETS AT FAIR VALUE - 2015

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds:				
Bonds	\$ 77,926	\$ -	\$ -	\$ 77,926
Total assets at fair value	<u>\$ 77,926</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,926</u>

#### NOTE 12 SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 6, 2017, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

**SUPPLEMENTARY INFORMATION**

**ABOUT SPECIAL KIDS, INC**

**Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2016**

Federal Grantor/ Pass-through Grantor/ Program Title/ Grant Name	Grant Term	Federal CFDA Number	Federal Grant Number	State Grant Number	Total Grant Amount	Grant Reimbursements Receivable (Payable) at Beginning of Year	Receipts	Expenditures	Grant Reimbursements Receivable (Payable) at End of Year
Department of Health and Human Services									
Pass Through Programs From:									
Indiana State Department of Health - Maternal and Child Health Services Block Grant to State	10/01/15 - 09/30/17	93.994	14486	N/A	<u>\$ 475,534</u>	<u>\$ 43,975</u>	<u>\$ 230,641</u>	<u>\$ 223,328</u>	<u>\$ 36,662</u>

**ABOUT SPECIAL KIDS, INC**

**Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2015**

Federal Grantor/ Pass-through Grantor/ Program Title/ Grant Name	Grant Term	Federal CFDA Number	Federal Grant Number	State Grant Number	Total Grant Amount	Grant Reimbursements Receivable (Payable) at Beginning of Year	Receipts	Expenditures	Grant Reimbursements Receivable (Payable) at End of Year
Department of Health and Human Services									
Pass Through Programs From:									
Indiana State Department of Health - Maternal and									
Child Health Services Block Grant to State	10/01/14 - 09/30/15	93.994	A70-4-069722	N/A	\$ 331,000	\$ 84,207	\$ 330,658	\$ 246,451	\$ -
	10/01/15 - 09/30/16	93.994	14486	N/A	237,767	-	19,987	63,962	43,975
					<u>\$ 568,767</u>	<u>\$ 84,207</u>	<u>\$ 350,645</u>	<u>\$ 310,413</u>	<u>\$ 43,975</u>



**Independent Auditors' Report on Internal Control over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

To the Board of Directors  
About Special Kids, Inc.  
Indianapolis, Indiana

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 About Special Kids, Inc., which comprise the statement of financial position as of December 31, 2016, 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 July 6, 2017.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered About Special Kids, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of About Special Kids, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of About Special Kids, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 combination of deficiencies, in internal control that is less severe than material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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 weakness may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether About Special Kids, Inc.'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 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*.

**Independent Auditors' Report on Internal Control over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*  
(Continued)**

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

*Barnes, Dunning & Co., Ltd.*

July 6, 2017  
Indianapolis, Indiana