

WORLD INSTITUTE ON DISABILITY

(A Not-for-Profit Corporation)

Audited Financial Statements
Year Ended
December 31, 2011

David Volkar Accountancy Corporation

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WORLD INSTITUTE ON DISABILITY

(A Not-for-Profit Corporation)

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INDEPENDENT AUDITOR'S REPORT

Audit Committee and Board of Directors
World Institute on Disability
Berkeley, California

I have audited the accompanying statement of financial position of **World Institute on Disability** (hereinafter "WID"), as of December 31, 2011 and 2010, and the related statements of activities and changes in fund balances, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of WID's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted issued by the American Institute of Certified Public Accountants (AICPA). Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by presentation. I believe that my audit provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WID, as of December 31, 2011 and 2010, and the results of its activities and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 20, 2012 on my consideration of WID's internal control over financial reporting and on my 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 provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

To the Board of Directors
World Institute on Disability

David Volkar
Accountancy Corporation

My 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 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Not-for-Profit Organizations*, 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 my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of functional expenses is required as a part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

David Volkar

David Volkar Accountancy Corporation
June 20, 2012

**WORLD INSTITUTE ON DISABILITY
STATEMENT OF FINANCIAL POSITION
December 31, 2011 and 2010**

	2011			2010
	Unrestricted Funds	Temporary Restricted Funds	Total Funds	Total Funds
ASSETS				
CURRENT ASSETS				
Cash (Note 3)	\$ 630,131	151,036	\$ 781,167	\$ 508,500
Receivables	476,444	-	476,444	407,341
Deposits	7,106	-	7,106	7,106
Prepaid Expenses	15,964	-	15,964	20,122
Artwork (Note 13)	-	-	-	25,000
Total Current Assets	\$ 1,129,645	\$ 151,036	\$ 1,280,681	\$ 968,069
PROPERTY AND EQUIPMENT				
Furniture and Equipment (Note 2)	70,960	-	70,960	70,038
Accumulated Depreciation	(69,897)	-	(69,897)	(67,647)
Net Property & Equipment	1,063	-	1,063	2,391
TOTAL ASSETS	\$ 1,130,708	\$ 151,036	\$ 1,281,744	\$ 970,460
LIABILITIES AND FUND BALANCE				
CURRENT LIABILITIES				
Accounts Payable	\$ 297,118	-	\$ 297,118	\$ 208,255
Employer's Pension Payable	24,834	-	24,834	23,904
Accrued Vacation	34,483	-	34,483	37,112
Deferred Revenue	32,760	-	32,760	44,363
Employee 401K	2,448	-	2,448	2,146
Sales Tax Payable	145	-	145	-
Total Liabilities	\$ 391,788	-	\$ 391,788	\$ 315,780
FUND BALANCE				
Fund Balance - Unrestricted	414,948	-	414,948	277,357
Fund Balance - Temporary Restricted	-	151,036	151,036	246,880
Fund Balance - Board Designated	323,972	-	323,972	130,443
Total Fund Balance	738,920	151,036	889,956	654,680
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,130,708	\$ 151,036	\$ 1,281,744	\$ 970,460

See Accountant's Audit Report and notes to financial statements

**WORLD INSTITUTE ON DISABILITY
STATEMENT OF ACTIVITIES
AND CHANGES IN FUND BALANCES
For the year ended December 31, 2011 and 2010**

	2011			2010
	Unrestricted Funds	Temporary Restricted Funds	Total Funds	Total Funds
SUPPORT & REVENUE				
Government Contracts	\$ 2,999,626	\$ 129,036	\$ 3,128,662	\$ 1,810,903
Private Grants and Contracts	78,600	-	78,600	-
Foundation and Community Grants	862	-	862	159,999
Corporate Contributions	215,093	-	215,093	234,893
Individual Contributions	26,367	-	26,367	26,852
Fees for Services	45,760	-	45,760	36,567
Sales	14,047	-	14,047	10,905
Investment Income	265	-	265	285
Other Income	3,519	-	3,519	4,023
TOTAL SUPPORT REVENUE	\$ 3,384,139	\$ 129,036	\$ 3,513,175	\$ 2,284,427
EXPENSES:				
Program Services	\$ 2,456,445	\$ 224,880	\$ 2,681,325	\$ 1,912,057
Management & General	493,417	-	493,417	359,254
Fundraising Expenses	111,264	-	111,264	166,629
TOTAL EXPENSES	\$ 3,061,127	\$ 224,880	\$ 3,286,007	\$ 2,437,940
SUPPORT & REVENUE OVER EXPENSES	323,012	(95,844)	227,168	(153,513)
INCOME FROM INVESTMENTS				
Unrealized Gain <Loss> Investment			-	-
NET SUPPORT OVER EXPENSES	\$ 323,012	\$ (95,844)	\$ 227,168	\$ (153,513)
PRIOR PERIOD ADJUSTMENTS				
Tenant Improvements (Note 13)	21,208	-	21,208	-
Sales of Art Work (Note 13)	(13,100)	-	(13,100)	-
TOTAL PRIOR PERIOD ADJUSTMENTS	8,108	-	8,108	-
FUND BALANCE AT BEGINNING OF YEAR	\$ 407,800	246,880	\$ 654,680	\$ 808,193
FUND BALANCE END OF YEAR	\$ 738,920	\$ 151,036	\$ 889,956	\$ 654,680

See Accountant's Audit Report and notes to financial statements

WORLD INSTITUTE ON DISABILITY
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2011 and 2010

	Program Services										
	Employment Policy and Economic Development	Health Access Policy	International Policy and Development	Training Technology Assistance	Program Services Total	Office Support	Management and General	Total Management and General	Fundraising	Total Expenses 2011	Total Expenses 2010
Salaries	\$ 435,007	\$ 29,129	\$ 82,602	\$ 37,524	584,262	\$ 61,110	215,413	276,523	\$ 35,420	896,205	834,104
Payroll taxes	36,292	2,745	6,835	3,258	49,130	5,101	18,147	23,248	2,943	75,321	69,439
Pension	13,153	855	2,512	1,154	17,674	1,858	6,502	8,360	1,076	27,110	24,044
Employee benefits	53,700	2,486	9,973	5,061	71,220	7,856	25,579	33,435	3,165	107,820	114,889
Total personnel expenses	538,152	35,215	101,922	46,997	722,286	75,925	265,641	341,566	42,604	1,106,456	1,042,476
								-			
Consultants and Outside Services	1,454,398		29,451	15,697	1,499,546	28,567	38,075	66,643	18,752	1,584,940	867,118
Subrecipients			290,362		290,362			-	40,000	330,362	181,636
Hosting Conferences and Training	5,279		1,219		6,497		3,765	3,765	88	10,350	10,227
Travel	26,714		17,543	1,653	45,911		5,731	5,731		51,642	74,180
Supplies	2,822	174	483	209	3,688	1,094	3,065	4,160	1,995	9,843	17,069
Telephone and On-line Charges	7,649	142	489	634	8,914	412	3,012	3,424	368	12,706	15,910
Postage	1,120	131	98	41	1,390	68	338	406	93	1,890	3,874
Printing, Copying and Publishing	5,323	929	33	22	6,307	21	695	716	1,537	8,561	22,799
Occupancy	63,045	4,062	12,105	5,957	85,169	7,410	31,210	38,620	5,178	128,968	143,614
Equipment					-		620	620		620	22,154
Equipment Rent, Maint. and Repair	3,344	149	442	195	4,130	745	1,140	1,885	190	6,204	4,831
Insurance	4,902	315	933	415	6,565	572	9,752	10,324	400	17,289	15,541
Staff Training and Development	320				320		3,797	3,797		4,117	2,659
Advertising					-			-	50	50	1,050
Dues and Memberships					-		505	505		505	3,055
Fees, Fines and Service Charge	150		90		240	534	8,419	8,953	10	9,203	6,636
Miscellaneous					-		-	-		-	50
Depreciation					-		2,250	2,250		2,250	3,061
Equipment Purchases					-	-	52	52		52	-
Total 2011 Functional Expenses	\$ 2,113,218	\$ 41,116	\$ 455,171	\$ 71,820	2,681,325	\$ 115,349	\$ 378,068	\$ 493,417	\$ 111,264	\$ 3,286,007	\$ 2,437,940
					-						
Total 2010 Functional Expenses	\$ 1,340,415	\$ 74,582	\$ 306,139	\$ 190,921	1,912,057	\$ 22,684	\$ 336,570		\$ 166,629		\$ 2,415,256

WORLD INSTITUTE ON DISABILITY
STATEMENT OF CHANGES IN CASH FLOW
For the year ended December 31, 2011 and 2010

	2011			2010
	Unrestricted Funds	Temporary Restricted Funds	Total Funds	Total Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Support and Revenue				
Over Expenditures	\$ 323,012	(95,844)	\$ 227,168	\$ (153,513)
Depreciation	2,250	-	2,250	3,061
Accounts Receivable	(69,103)	-	(69,103)	73,448
Deposits	-	-	-	(1,106)
Prepaid Expenses	4,158	-	4,158	6,283
Artwork	25,000	-	25,000	-
Accounts Payable	88,863	-	88,863	27,219
Payroll & Sales Taxes	447	-	447	13,854
Accrued Vacation	(2,629)	-	(2,629)	-
Deferred Revenue	(11,603)	-	(11,603)	(106,315)
Employer's Pension Payable	930	-	930	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 361,325	\$ (95,844)	\$ 265,481	\$ (137,069)
CASH FLOWS FROM INVESTING ACTIVITIES				
Net Fixed Assets	\$ (922)	\$ -	\$ (922)	\$ -
Unrealized Gain <Loss> Investment	-	-	-	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	\$ (922)	\$ -	\$ (922)	\$ -
NET INCREASE IN CASH	\$ 360,403	\$ (95,844)	\$ 264,559	\$ (137,069)
PRIOR PERIOD ADJUSTMENTS				
Tenant Improvements (Note 13)	21,208	-	21,208	-
Sales of Art Work (Note 13)	(13,100)	-	(13,100)	-
TOTAL PRIOR PERIOD ADJUSTMENTS	8,108	-	8,108	-
CASH AT BEGINNING OF YEAR	508,500	-	508,500	645,569
CASH AT END OF YEAR	\$ 868,903	\$ (95,844)	\$ 781,167	\$ 508,500

See Accountant's Audit Report and notes to financial statements

**WORLD INSTITUTE ON DISABILITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

NOTE 1 – NATURE OF ACTIVITIES

World Institute on Disability (hereinafter “WID”) is a California not-for-profit public benefit corporation, which was established in May 1983. Its mission is to facilitate independence for all people with disabilities through research, education and training. WID works with people who have disabilities, other disability organizations, policy-makers, corporations and foundations on issues and public policies that impact people with disabilities.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Basis of Presentation

The accompanying financial statements are presented on the basis of unrestricted, temporarily restricted, and permanently restricted net assets.

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of WID and changes therein are classified and reported as follows:

Unrestricted net assets. Net assets subject to donor-imposed stipulations.

Temporarily restricted net assets. Net assets subject to donor-imposed stipulations that may or will be met, either by actions of WID and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets. Net assets subject to donor-imposed stipulations that be maintained permanently by WID. Generally, the donors of these assets permit WID to use all or part of the income earned on any related investments for general or specific purposes. There were no permanently restricted net assets at December 31, 2011.

Revenue Recognition

Contributions are recognized as revenue when received or unconditionally promised. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

**WORLD INSTITUTE ON DISABILITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue Recognition (cont'd)

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Income Taxes

WID is exempt from Federal income taxes under Section 501c(3) of the Internal Revenue Code and from California Franchise taxes under Section 2370(d) of the Revenue and Taxation Code. It is only required to submit annual Federal and State information returns and no provision for Federal and State income taxes is required.

GAAP provides accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by WID in its Federal and State exempt organization tax returns are more likely than not to be sustained upon examination. WID's returns for the year ended December 31, 2008, 2009 and 2010 are subject to examination by Federal and State taxing authorities, generally, for three years after they are filed.

Donated Services

Donated services are recognized as contributions if the services are (a) create or enhance non financial assets or (b) require specialized skills, performed by people with those skills, and would otherwise be purchased by WID.

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 Equivalents

For purposes of the statement of cash flows, WID considers all unrestricted cash and other highly liquid investments, with initial maturities of three months or less, to be cash equivalents.

**WORLD INSTITUTE ON DISABILITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property and Equipment

All acquisitions of property and equipment in excess of \$ 1,000 and all expenditures for repair and maintenance, renewals, and betterments that materially prolong the useful lives of assets capitalized. Property and equipment are stated at cost or, if donated, at the approximate fair market value at the time of date of donation. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment.

Functional Allocation of Expenses

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

NOTE 3 – CONCENTRATION OF CREDIT RISK

WID maintains its cash accounts with a bank. Generally, accounts with the bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$ 250,000. As of December 31, 2011, there was an uninsured balance of \$ 296,539.

WID also invests surplus funds with a financial institution. Securities and cash with this financial institution are insured under the Securities Investor Protection Corporation (SIPC) up to \$ 500,000 per customer. The funds held in this account are below the limit.

NOTE 4 – CONTRACTS AND GRANTS RECEIVABLE

Contracts and grants receivable represent unconditional promises to give to WID by foundations and amounts owed to WID by government agencies for services performed and costs advanced on behalf of the Federal government. No provision for uncollectible amounts has been made as WID deems the possibility that these amounts will not be collected to be remote.

**WORLD INSTITUTE ON DISABILITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2011:

Computers	\$48,020
Furniture, fixtures and equipment	<u>\$22,940</u>
	\$70,960
Less accumulated depreciation	<u>(\$69,897)</u>
Total	\$1,063

NOTE 6 – LINE OF CREDIT

As of December 28, 2010, WID had a \$ 300,000 unsecured line of credit with a local bank to be drawn on as needed, with interest at the prime rate of 2.0% or based on the floor rate of 5.00%. There was no outstanding balance at December 31, 2011.

NOTE 7 – RELATED PARTY TRANSACTIONS/COMMITMENTS

The Ed Roberts Campus is a not-for-profit (501c3) corporation that was formed by seven disability organizations that share a common history in the Independent Living Movement of People with Disabilities. WID is one of the seven partners in The Ed Roberts Campus. The Ed Roberts Campus was formed to plan, develop and construct a universally designed, transit-oriented campus located at the Ashby BART Station in South Berkeley.

As part of the closing agreement, WID and other partner agencies agreed to be individually and collectively liable for the debt on the building. All seven partners agreed to enter into this partnership in order to obtain the financing, as this acceptance of risk was a requirement of the lenders.

There has been an understanding among the partners that The Ed Roberts Campus (hereinafter “ERC”) will be equally owned by each of the seven partner agencies. However, the ownership structure cannot be settled until the year 2017 due to ERC’s decision to obtain New Markets Tax Credits (NMTC) for funding the construction of the campus. The NMTC structure requires ERC to follow a complicated procedure on ownership in order to qualify for the tax credits, and has a 7-year compliance period.

**WORLD INSTITUTE ON DISABILITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

NOTE 7 – RELATED PARTY TRANSACTIONS/COMMITMENTS (cont'd)

In July 2008, WID entered into a lease agreement with The Ed Roberts Campus for office space in the campus. The lease is for 20 years which will expire in September 2030. Rental payments under the lease will go for servicing the debt on the campus. Estimated future minimum rental payment under the lease, as of December 31, 2011, are as follows:

Year Ending December 31,	
2012	\$70,632
2013	\$70,632
2014	\$70,632
2015	\$70,632
2016	\$70,632
Thereafter	<u>\$971,190</u>
	\$1,324,350

NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of December 31, 2011 are summarized as follows:

	Beginning Of Year	Awarded/ Received During the Year	Released From Restrictions	End of Year
Health Access Policy	\$ 25,000	\$ 0	\$ 25,000	\$ 0
Access to Assets	35,851	67,436	35,995	67,292
Access Training	121,501	0	63,528	57,973
CETF-NTIA	0	35,800	35,800	0
CETF-BAA	0	15,800	15,800	0
Websites	8,619	0	7,305	1,313
Proyecto Vision	<u>55,909</u>	<u>10,000</u>	<u>41,452</u>	<u>24,458</u>
Total	\$ <u>246,880</u>	\$ <u>129,036</u>	\$ <u>224,880</u>	\$ <u>151,036</u>

NOTE 9 – BOARD DESIGNATED NET ASSETS

The Board of Directors designated \$ 323,972 of unrestricted net assets for various programs.

**WORLD INSTITUTE ON DISABILITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

NOTE 10 – BENEFIT PLAN

WID implemented a defined contribution pension plan for the benefit of its employee. The plan allows employee contributions and is administered by a life insurance company.

Under the plan, a predetermined contribution is made to the account of each employee based on monthly compensation levels and accrued for their benefit. There are no service or age requirements for participation in the plan. Contributions are fully vested after three years of service. During the year ended December 31, 2011, WID contributed \$ 24,834, an amount equal to three percent of covered employees' compensation.

NOTE 11 – CONTINGENCIES

WID receives a portion of its support from Federal, State and City of Oakland governments. A significant reduction in the level of this support, if this were to occur, may have an effect on WID's program and activities.

Grant awards require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. WID deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of WID to the provisions of the grants. WID's management is of the opinion that they have complied with the terms of all grants.

NOTE 12 – LEASE COMMITMENTS

As of December 31, 2011, WID has a non-cancelable operating lease agreement for the photocopier. The lease expires June 30, 2012. Future minimum rental payments under the lease as of December 31, 2011 are as follows:

Year Ending December 31, 2012	<u>\$1,879</u>
Total future minimum payments	\$1,879

**WORLD INSTITUTE ON DISABILITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

NOTE 13 – PRIOR PERIOD ADJUSTMENTS

Tenant Improvements. WID is a partner of The Ed Roberts Campus (hereinafter “ERC”) as mentioned previously in these footnotes. When moving to the ERC facility, all 7 partners were instructed to provide interior office design. Some of those costs were covered by a grant provided to ERC. Somehow, WID and several other partners incurred more costs to construct the tenant improvements than what was actually allocated to them by the grant given to ERC. Therefore, \$ 21,208 was expensed and accrued to accounts payable in 2010 as that was the amount determined to be WID’s portion. As of 2010 year end and subsequent issuance of the audit report, that was the amount owed to ERC for tenant improvements. Subsequent to the 2010 audit report being issued, WID and ERC mutually agreed to waive the additional tenant improvement costs and WID would no longer be responsible for paying them. Therefore, the transaction is reversed from the prior year end of 2010, and treated as a prior period adjustment.

Sale of Artwork. In August 2008, AT&T donated to WID an Elmer Bischoff piece of artwork that was appraised at, and recorded as, \$ 25,000 based on a reputable appraisal. The artwork painting was retained in storage as WID had no practical use for it. It was decided in 2011 that WID would sell the painting. Thus in June 2011, WID sold the artwork painting for \$ 11,900 due to the decline in the general economy. Thus, the loss is recorded as a prior period adjustment.

NOTE 14 – EVALUATION OF SUBSEQUENT EVENTS

The management of WID reviewed the results of operations for the period of time from its year end December 31, 2011 through June 2, 2012, the date the financial statements were available to be issued and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

WORLD INSTITUTE ON DISABILITY
SCHEDULE OF EXPENDITURES OF FEDERAL CONTRACTS
For the year ended December 31, 2011

	Federal CFDA Number	Pass-Through Entity Identifying Number	2011 Program Expenditures
<u>U.S. Department of Education</u>			
Pass through program from:			
--State of California, Department of Rehabilitation - American Recovery & Reinvestment Act (ARRA) - Veterans Navigator Project	84.390A	28101A	\$ 956,257
--Syracuse University - Asset Accumulation and Economic	84.133A-B	144384	32,456
Total U.S. Department of Education			<hr/> \$ 988,713
<u>U.S. Agency for International Development</u>			
Pass through programs:			
--World Learning - Georgian Wheelchair Production Network	98.012	GPO-8-00-04-0021-00	\$ 489,041
Total U.S. Agency for International Development			<hr/> \$ 489,041
<u>Social Security Administration</u>			
Pass through programs:			
--Virginia Commonwealth University - Training and Technical Assistance for the Work Incentive Planning and Assistance Program	96.002	SS00-10-6005	\$ 64,562
--Virginia Commonwealth University - VCU-WIPA-NTC Training and Technical Assistance for the Work Incentive Planning and Assistance Program	96.002	SS00-10-6005	2,080
Total Social Security Administration			<hr/> \$ 66,642

WORLD INSTITUTE ON DISABILITY
SCHEDULE OF EXPENDITURES OF FEDERAL CONTRACTS
For the year ended December 31, 2011

	Federal CFDA Number	Pass-Through Entity Identifying Number	2011 Program Expenditures
<u>U.S. Department of Health and Human Services</u>			
Pass through programs:			
--San Diego State Univ. Research Foundation	93.768	E0008332	\$ 437,399
- CA Health Incentives Improvements Project			
- Development work on CA Disability Benefits 101 website			
--State of Minnesota, Dept of Human Services	93.768	A3000008918 SBB	215,219
- Development work on MN Disability Benefits 101 website			
--Disability Network Michigan	96.001	1QACMS300124/03	18,747
- Development work on MI Disability Benefits 101 website			
--Michigan Disability Rights Coalition	96.001	N/A	6,249
- Development work on MI Disability Benefits 101 website			
--Arizona Health Care Cost Containment System	93.768	YH11-0014	603,981
- Development work on AZ Disability Benefits 101 website			
--State of New Jersey, Department of Human Services	93.768	1QACMS030434	57,370
- Development work on NJ Disability Benefits 101 website			
Total U.S. Department of Health & Human Services			\$ 1,338,964
<u>U.S. Department of Labor</u>			
Direct:			
--Office of Disability Employment Policy Add Us In Project	17.720	OD-22554-11-75-4-6	\$ 26,286
Total U.S. Department of Labor			\$ 26,286
<u>U.S. Department of State</u>			
Pass through programs:			
--International Research & Exchanges Board	19.345	S-LMAQM-11-CA-601	\$ 7,669
- Advocate for Morocco Program			
Total U.S. Department of State			\$ 7,669
TOTAL EXPENDITURES OF FEDERAL CONTRACTS			\$ 2,917,316

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

Board of Directors of
World Institute on Disability

I have audited the financial statements of World Institute on Disability (hereinafter “WID”) (a not-for-profit corporation) and have issued my report thereon dated June 20, 2012. I conducted my 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.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered WID’s internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing an opinion on the effectiveness of WID’s internal control over financial reporting.

A *control deficiency* 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects WID’s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of WID’s financial statements that is more than inconsequential will not be prevented or detected by WID’s internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by WID’s internal control.

To the Board of Directors
World Institute on Disability

David Volkar
Accountancy Corporation

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether WID's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which it could have a direct and material effect on the determination of final statements amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards*.

I noted certain matters that I reported to management of WID in a separate letter dated June 20, 2012.

This report is intended solely for the information of the audit committee, management, and federal awarding agencies and pass-through entities. This is not intended to be, and should not be, used by anyone other than those specified parties

David Volkar

David Volkar Accountancy Corporation
Pleasant Hill, California
June 20, 2012

David Volkar

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors of
World Institute on Disability

Compliance and Other Matters

I have audited the compliance of World Institute on Disability (hereinafter “WID”) with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that are applicable to of its major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of WID’s management. My responsibility is to express an opinion on WID’s compliance based on my audit.

I conducted my 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 OMB Circular A-133, *Audits of States, Local Governments, and Not-for-Profit Organizations*. Those standards and OMB Circular A-133 require that I 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 WID’s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of WID’s compliance with those requirements.

In my opinion, WID complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2011. The results of my auditing procedures did not disclose instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133.

Internal Control Over Compliance

The management of WID is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered WID's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purposes of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiency in internal control over compliance that I consider to be material weaknesses as defined above. WID's response to the findings identified in my audit are described in the accompanying schedule of findings and questioned costs. I did not audit WID's response and, accordingly, I express no opinion on it.

This report is intended solely for the information of the audit committee, management, and federal awarding agencies and pass-through entities. It is not intended to be, and should not be, used by anyone other than these specified parties.

David Volkar

David Volkar Accountancy Corporation
Pleasant Hill, CA
June 20, 2012

**WORLD INSTITUTE ON DISABILITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiencies identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weaknesses identified? No
- Significant deficiencies identified? None reported

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? No

Identification of major programs:

CFDA Number
93.768

Name of Federal Program or Cluster
California Health Incentives Improvement Project and
Development of Disability Benefits 101 website

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

Auditee qualified as low-risk auditee: Yes

**WORLD INSTITUTE ON DISABILITY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

SECTION II – FINANCIAL STATEMENTS FINDINGS

Finding

No matters were reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding

No matters were reported.

STATUS OF PRIOR YEAR FINDINGS

Status

No findings were reported in the prior year.