

**FLORIDA ALLIANCE FOR ASSISTIVE SERVICES
AND TECHNOLOGY, INC.**

FINANCIAL STATEMENTS

**JUNE 30, 2010 WITH SUMMARIZED INFORMATION
AS OF JUNE 30, 2009**

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Florida Alliance for Assistive Services and Technology, Inc.

We have audited the accompanying statement of financial position of Florida Alliance for Assistive Services and Technology, Inc. as of June 30, 2010, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of Florida Alliance for Assistive Services and Technology, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from Florida Alliance for Assistive Services and Technology, Inc.'s June 30, 2009 financial statements and, in our report dated October 23, 2009, we expressed an unqualified opinion on those financial statements.

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 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida Alliance for Assistive Services and Technology, Inc. as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2010, on our consideration of Florida Alliance for Assistive Services and Technology, Inc.'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 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 our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Florida Alliance for Assistive Services and Technology, Inc. taken as a whole. The accompanying schedule of expenses of Federal awards and state financial assistance 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 Non-Profit Organizations*, and Chapter 10.650, Rules of the State of Florida, Office of the Auditor General and is not a required part of the basic 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.

James Moore & Co., P.L.

Tallahassee, Florida
December 2, 2010

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2010 AND 2009

<u>ASSETS</u>	<u>2010</u>	<u>2009</u>
Current assets		
Cash and cash equivalents	\$ 944,907	\$ 1,096,893
Certificate of deposit	-	50,930
Investments	47,152	42,822
Grants and contract receivables	508,745	550,717
Prepaid expenses	20,881	3,768
Total current assets	<u>1,521,685</u>	<u>1,745,130</u>
Restricted assets		
Cash and cash equivalents	1,224,741	492,062
Certificates of deposit	311,363	415,263
Investments	1,514,912	2,194,806
Total restricted assets	<u>3,051,016</u>	<u>3,102,131</u>
Furniture and equipment, net	66,529	64,954
Total Assets	<u>\$ 4,639,230</u>	<u>\$ 4,912,215</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 200,665	\$ 157,685
Deferred revenue	383,755	675,398
Total current liabilities	<u>584,420</u>	<u>833,083</u>
Net assets		
Unrestricted	1,003,794	977,001
Temporarily restricted	3,051,016	3,102,131
Total net assets	<u>4,054,810</u>	<u>4,079,132</u>
Total Liabilities and Net Assets	<u>\$ 4,639,230</u>	<u>\$ 4,912,215</u>

The accompanying notes to financial statements
are an integral part of these statements.

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010 WITH SUMMARIZED INFORMATION
FOR THE YEAR ENDED JUNE 30, 2009

	2010		2009	
	Unrestricted	Temporarily Restricted	Total	Total
Support and revenue				
Contributions	12,332	\$ -	\$ 12,332	\$ 12,303
Grants and contracts	2,491,633	-	2,491,633	1,864,725
Investment income	482	47,056	47,538	58,972
Unrealized gain (loss) on investments	16,520	43,760	60,280	(25,329)
Other income	2,280	275	2,555	945
Net assets released from restrictions	142,206	(142,206)	-	-
Total support and revenue	<u>2,665,453</u>	<u>(51,115)</u>	<u>2,614,338</u>	<u>1,911,616</u>
Expenses				
Program services				
Assistive Technology Programs	2,477,269	-	2,477,269	1,806,747
Loan Programs	142,605	-	142,605	107,440
Total program services	<u>2,619,874</u>	<u>-</u>	<u>2,619,874</u>	<u>1,914,187</u>
Support services				
Administrative	18,786	-	18,786	34,900
Total expenses	<u>2,638,660</u>	<u>-</u>	<u>2,638,660</u>	<u>1,949,087</u>
Increase (decrease) in net assets	<u>26,793</u>	<u>(51,115)</u>	<u>(24,322)</u>	<u>(37,471)</u>
Net assets, beginning of year	977,001	3,102,131	4,079,132	4,116,603
Net assets, end of year	<u>\$ 1,003,794</u>	<u>\$ 3,051,016</u>	<u>\$ 4,054,810</u>	<u>\$ 4,079,132</u>

The accompanying notes to financial statements
are an integral part of these statements.

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2010 WITH SUMMARIZED INFORMATION
FOR THE YEAR ENDED JUNE 30, 2009

	2010			2009		
	Program					
	Assistive Technology Programs	Loan Programs	Administrative	Total	Total	Total
Subcontractors and materials	\$ 1,393,070	\$ 15,506	\$ 495	\$ 1,409,071	\$ 808,734	
Loan payouts	-	54,607	-	54,607	18,555	
Salaries and benefits	687,099	56,366	2,484	745,949	808,035	
Rent	71,678	4,180	1,044	76,902	65,235	
Telephone and utilities	16,588	1,192	297	18,077	23,031	
Insurance	7,295	625	156	8,076	5,285	
Supplies	25,023	786	265	26,074	23,750	
Repairs and maintenance	14,712	516	137	15,365	5,786	
Travel and meetings	85,015	1,600	332	86,947	53,489	
Professional fees	120,166	862	143	121,171	67,872	
Office	18,273	981	121	19,375	20,147	
Depreciation	3,362	-	13,278	16,640	7,331	
Publications and subscriptions	34,988	5,384	34	40,406	41,837	
Total	<u>\$ 2,477,269</u>	<u>\$ 142,605</u>	<u>\$ 18,786</u>	<u>\$ 2,638,660</u>	<u>\$ 1,949,087</u>	

The accompanying notes to financial statements
are an integral part of these statements.

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009
Increase (Decrease) in Cash and Cash Equivalents

	2010	2009
Cash flows from operating activities		
Cash received from grantors and contractors	\$ 2,294,301	\$ 2,471,570
Cash paid to employees, vendors, and sub-recipients	(2,596,153)	(1,957,666)
Investment income received	47,538	58,972
Other income received	2,555	945
Net cash provided by (used in) operating activities	(251,759)	573,821
Cash flows from investing activities		
Purchases of furniture and equipment	(18,216)	(60,545)
Purchases of certificates of deposit	(100,716)	(254,181)
Sales of certificates of deposit	255,546	355,264
Purchases of investments	(1,239,019)	(1,580,000)
Sales of investments	1,934,857	783,423
Net cash provided by (used in) investing activities	832,452	(756,039)
Net increase (decrease) in cash and cash equivalents	580,693	(182,218)
Cash and cash equivalents, beginning of year	1,588,955	1,771,173
Cash and cash equivalents, end of year	\$ 2,169,648	\$ 1,588,955
Reconciliation of decrease in net assets to net cash provided by (used in) operating activities		
Decrease in net assets	\$ (24,322)	\$ (37,471)
Adjustments to reconcile decrease in net assets to net cash provided by (used in) operating activities:		
Depreciation	16,640	7,331
Decrease in grants and contracts receivable	41,972	118,146
Increase (decrease) in accounts payable and accrued expenses	42,980	(28,423)
(Increase) decrease in prepaid expenses	(17,113)	5,210
Increase (decrease) in deferred revenue	(291,643)	483,699
Unrealized loss (gain) on investments	(20,273)	25,329
Total adjustments	(227,437)	611,292
Net cash provided by (used in) operating activities	\$ (251,759)	\$ 573,821

The accompanying notes to financial statements
are an integral part of these statements.

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

(1) **Summary of Significant Accounting Policies:**

The following is a summary of the more significant accounting policies and practices of Florida Alliance for Assistive Services and Technology, Inc. (the "Organization") which affect significant elements of the accompanying financial statements:

(a) **Organization and Purpose**—The Organization is a not-for-profit organization which assists Florida's disabled population in enhancing their lives by promoting the awareness of, access to and advocacy for assistive technology through various program services.

(b) **Furniture and Equipment**—Furniture and equipment acquired by the Organization are considered to be owned by the Organization. However, funding sources may maintain an equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. The State of Florida has a reversionary interest in those assets purchased with its funds which have a cost of \$1,000 or more and an estimated useful life of at least one year. The Federal government may maintain an equitable interest in the property purchased with grant monies as well as the right to determine the use of any assets purchased with its funds which have a cost of \$5,000 or more and an estimated useful life of at least one year. Furniture and equipment with a value greater than \$500 and an estimated useful life of at least one year are recorded at cost when purchased or at estimated fair market value when contributed. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from three to ten years.

(c) **Income Taxes**—The Organization is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and therefore, no provision for income taxes has been made in the accompanying financial statements. Florida Alliance for Assistive Services and Technology, Inc. files income tax returns in the U.S. federal jurisdiction. They are no longer subject to income tax examinations by taxing authorities for years before 2003.

Florida Alliance for Assistive Services and Technology, Inc. has reviewed and evaluated the relevant technical merits of each of their tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements.

(d) **Cash and Cash Equivalents**—For the purpose of reporting cash flows, cash and cash equivalents include cash on hand, amounts in demand deposits held with banks, and short-term investments with original maturities of 90 days or less.

(e) **Use of 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.

(f) **Basis of Accounting**—The financial statements have been prepared on the accrual basis of accounting, and accordingly, reflect significant receivables, payables and other liabilities.

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

(1) **Summary of Significant Accounting Policies:** (Continued)

(g) **Basis of Presentation**—The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

(h) **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 benefited.

(i) **Advertising**—The Organization expenses advertising as incurred.

(j) **Investments**—Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets as a component of investment return.

(k) **Contributions**—All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the entity reports the support as unrestricted.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Contributed property and equipment is recorded at fair value at the date of donation. In the absence of donor-imposed stipulations regarding how long the contributed assets must be used, the entity has adopted a policy of not implying a time restriction on contributions of such assets. Consequently, all contributions of property and equipment, and of the assets contributed to acquire property and equipment, are recorded as an restricted support or contributions.

(l) **Grants and Contract Receivables**—Grants and Contract Receivables are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with grantors and contractors having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

(m) **Accrued Leave**—The Organization compensates its employees for unused vacation leave upon termination of employment up to 240 hours. The amount of the change in accrued leave for all employees from one year to the next is reported as an expense during the current year.

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

(1) **Summary of Significant Accounting Policies:** (Continued)

(n) **Revenues**—The Organization receives substantially all of its grant and contract revenue from Federal, State and local agencies. The Organization recognizes contract revenue (up to the contract ceiling) from its contracts over a period which represents the service period for certain contracts, or to the extent of expenses. Revenue recognition depends on the contract.

Any of the funding sources may, at its discretion, request reimbursement for expenses or return of funds, or both, as a result of non-compliance with the terms of the grants/contracts.

(o) **Deferred Revenue**—The Organization records grant/contract receipts as a deferred revenue until it is expended for the purpose of the grant/contract, at which time it is recognized as revenue. The balance in deferred revenue represents amounts received under cost reimbursable contracts that will be expended in the next fiscal year in accordance with the grant/contract period.

(2) **Significant Funding Sources:**

The Organization receives a substantial amount of its funding from the U.S. Department of Education passed through State of Florida Department of Education, Division of Vocational Rehabilitation, and State of Florida Department of Health. A significant reduction in the level of this funding, if this were to occur, could have an adverse effect on the Organization's programs and activities.

(3) **Concentrations of Credit Risk:**

The more significant concentrations of credit risk are as follows:

(a) **Demand and Time Deposits**—The Organization maintains demand deposits with several financial institutions. The Organization has no policy requiring collateral or other security to support its demand deposits in excess of FDIC coverage.

(b) **Grants and Contract Receivable**—The Organization's receivables are for amounts due under contracts with the State of Florida and Federal government agencies. The Organization has no policy requiring collateral or other security to support its receivables.

(4) **Temporarily Restricted Net Assets and Restricted Cash and Investments:**

Temporarily restricted net assets relate to funds received to guarantee loans provided to Floridians with disabilities for the purchase of assistive technology in accordance with the Alternative Financing Program and the Access to Telework Loan Program. For purposes of administering these programs, the Organization entered into loan funding agreements with two national banks. The terms of those agreements require the Organization to pledge cash or investments as collateral equal to all or a portion of the loan amounts guaranteed under the program. At June 30, 2010 and 2009, the Organization has guaranteed loans under the funding agreements totaling \$452,752 and \$365,234 respectively, and has recorded \$3,051,016 and \$3,102,131 respectively as restricted cash, certificates of deposit, and investments related to those loans.

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

(5) **Investments:**

The Organization's investments at June 30, 2010 consist of marketable securities recorded at fair market value as summarized below:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Fixed income securities and bonds	\$ 1,516,855	\$ 1,562,064	\$ 45,209

The Organization's investments at June 30, 2009 consisted of marketable securities recorded at fair market value as summarized below:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Fixed income securities and bonds	\$ 2,262,867	\$ 2,237,628	\$ (25,239)

The following schedule summarizes the investment return in the Statement of Activities for the year ended June 30, 2010:

Interest and dividend income	<u>\$ 47,538</u>
Net gains (losses)	<u>\$ 60,280</u>

The following schedule summarizes the investment return in the Statement of Activities for the year ended June 30, 2009:

Interest and dividend income	<u>\$ 58,972</u>
Net gains (losses)	<u>\$ (25,329)</u>

Investments in marketable securities with readily determinable fair values are reported at fair values in the Statement of Financial Position. The investments are valued using level 1 inputs and are based on unadjusted quoted market prices within active markets. Unrealized gains and losses are included in net assets.

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

(6) **Pension Plan:**

The Organization has a Simplified Employee Pension Plan (the "Plan"). Under the Plan the Organization may provide discretionary contributions to the individual retirement account or individual retirement annuity of all full time employees who have completed one year of employment. Employer contributions to the Plan during the fiscal year ended June 30, 2010 and 2009 were \$31,063 and \$23,802, respectively.

(7) **Furniture and Equipment:**

The following is a summary of furniture and equipment at June 30:

	<u>2010</u>	<u>2009</u>
Furniture and Equipment	\$ 189,413	\$ 171,198
Less: Accumulated depreciation	<u>122,884</u>	<u>106,244</u>
Total	<u>\$ 66,529</u>	<u>\$ 64,954</u>

(8) **Subsequent Events:**

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through December 2, 2010, the date which the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
SCHEDULE OF EXPENSES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor/Pass Through Grantor/ State Grantor/ Program Title	Federal CFDA Number	State CFSA Number	Contract Number	Expenses
FEDERAL AWARDS				
U.S. Department of Education				
Pass Through Florida Department of Education, Division of Vocational Rehabilitation				
Assistive Technology	84.224	-	09-101	\$ 358,856
Assistive Technology	84.224	-	H224C010001	115,865
Assistive Technology	84.224	-	10-144	468,577
				<u>943,298</u>
Rehabilitation Services Demonstration and Training Programs	84.235	-	VH265	31,054
Total Federal Awards				<u>\$ 974,352</u>
STATE FINANCIAL ASSISTANCE				
State of Florida, Department of Health				
Brain and Spinal Cord Injury Project	-	64.040	COT01	\$ 1,209,941
Total Federal Awards and State Financial Assistance				<u>\$ 2,184,293</u>

See accompanying notes to Schedule of Expenses of Federal Awards
and State Financial Assistance.

**FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
NOTES TO SCHEDULE OF EXPENSES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2010**

Note 1. Basis of Presentation

The accompanying Schedule of Expenses of Federal Awards and State Financial Assistance includes the Federal award and State assistance activity of Florida Alliance for Assistive Services and Technology, Inc., and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133 Audits of States, Local Governments and Non-Profit Organizations and Chapter 10.650, Rules of the State of Florida Office of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2. Sub-recipients

Of the expenses presented in the accompanying Schedule of Expenses of Federal Awards and State Financial Assistance, Florida Alliance for Assistive Services and Technology, Inc. provided Federal and State awards to sub-recipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Sub-recipients</u>
Assistive Technology	84.224	\$ 684,039
<u>Program Title</u>	<u>State CSFA Number</u>	<u>Amount Provided to Sub-recipients</u>
Brain and Spinal Cord Injury Project	64.040	\$ 153,297

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,
Florida Alliance for Assistive Services and Technology, Inc.:

We have audited the financial statements of Florida Alliance for Assistive Services and Technology, Inc. as of and for the year ended June 30, 2010, and have issued our report thereon dated December 2, 2010. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Florida Alliance for Assistive Services and Technology, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Florida Alliance for Assistive Services and Technology, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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 over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Florida Alliance for Assistive Services and Technology, 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.

This report is intended solely for the information and use of management, the Board of Directors, State awarding agencies, Federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

James Moore & Co., P.L.

Tallahassee, Florida
December 2, 2010

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR
A-133 AND CHAPTER 10.650, RULES OF THE STATE OF FLORIDA OFFICE OF THE
AUDITOR GENERAL**

To the Board of Directors,
Florida Alliance for Assistive Services and Technology, Inc.:

Compliance

We have audited the compliance of Florida Alliance for Assistive Services and Technology, Inc. with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement, and the requirements described in the State of Florida, State Projects Compliance Supplement, that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2010. Florida Alliance for Assistive Services and Technology, Inc.'s major federal programs and state projects 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 and state projects is the responsibility of Florida Alliance for Assistive Services and Technology, Inc.'s management. Our responsibility is to express an opinion on Florida Alliance for Assistive Services and Technology, Inc.'s compliance based on our audit.

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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the requirements described in the Chapter 10.650, Rules of the State of Florida Office of the Auditor General. Those standards, OMB Circular A-133, and Chapter 10.650, Rules of the State of Florida Office of the Auditor General, 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 and state project identified in the accompanying schedule of findings and questioned costs occurred. An audit includes examining, on a test basis, evidence about Florida Alliance for Assistive Services and Technology, Inc.'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. Our audit does not provide a legal determination of Florida Alliance for Assistive Services and Technology, Inc.'s compliance with those requirements.

In our opinion, Florida Alliance for Assistive Services and Technology, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs and major state projects identified in the accompanying schedule of findings and questioned costs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of Florida Alliance for Assistive Services and Technology, Inc. is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. In planning and performing our audit, we considered Florida Alliance for Assistive Services and Technology, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program or state projects in order to determine the auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the requirements described in the Chapter 10.650, Rules of the State of Florida Office of the Auditor General, 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 Florida Alliance for Assistive Services and Technology, Inc.'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.

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 that might be deficiencies, significant deficiencies or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as define above.

This report is intended solely for the information and use of management, the Board of Directors, State awarding agencies, Federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

James Moore & Co., P.L.C.

Tallahassee, Florida
December 2, 2010

FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
FEDERAL AWARD PROGRAMS AND STATE PROJECTS
JUNE 30, 2010
(Continued)

I. Summary of Auditors' Results: (Continued)

B. Identification of major programs: (Continued)

<u>State Project</u>	<u>State CSFA Number</u>
Brain and Spinal Cord Injury Project	64.040
Dollar threshold used to distinguish between type A and type B program:	\$300,000

II. Findings relating to the general purpose financial statements which are required to be reported in accordance with *Government Auditing Standards*:

None.

III. Findings and Questioned Costs – Related to Federal Awards:

None.

IV. Findings and Questioned Costs – Related to State Projects:

None.

V. Independent Auditor's Management Letter Required by Chapter 10.650, Rules of the State of Florida Office of the Auditor General

Nothing to report.

**FLORIDA ALLIANCE FOR ASSISTIVE SERVICES AND TECHNOLOGY, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2010**

Major Federal Programs

No prior year audit findings.

Major State Projects

No prior year audit findings.