

FLORIDA DEVELOPMENTAL DISABILITIES COUNCIL, INC.

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**



For the Years Ended September 30, 2007 and 2006

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CARROLL and COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

2640-A Mitcham Drive
Tallahassee, FL 32308-5400

FREDERICK CARROLL III, CPA
ABBY F. DUPREE, CPA
KATHLEEN E. BROTHERS, CPA

LAUREE M. ELLIOTT, CPA
STEPHANIE G. ZOTTOLI, CPA

(850) 877-1099

Fax (850) 878-7000

E-Mail: cpas@ccrcpa.com

Website address: www.ccrpa.com

MEMBERS

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
GEORGIA SOCIETY OF
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Florida Developmental Disabilities Council, Inc.
Tallahassee, Florida

We have audited the accompanying basic financial statements of Florida Developmental Disabilities Council, Inc. (a non-profit organization) (the Council) as of September 30, 2007 and 2006, and for the years then ended, as listed in the table of contents. These basic financial statements are the responsibility of Florida Developmental Disabilities Council, Inc.'s management. Our responsibility is to express an opinion on these basic 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly in all material respects, the financial position of Florida Developmental Disabilities Council, Inc. as of September 30, 2007 and 2006, and the changes in its net deficit and cash flows for the years 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 a report dated March 6, 2008, on our consideration of Florida Developmental Disabilities Council, 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 audits.

To the Board of Directors
Florida Developmental Disabilities Council, Inc.
Page Two

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken 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 (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Management's Discussion and Analysis on pages four through eight is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurements and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Carroll and Company

March 6, 2008

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

FLORIDA DEVELOPMENTAL DISABILITIES COUNCIL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
September 30, 2007

This section of the Florida Developmental Disabilities Council, Inc.'s annual financial report presents management's discussion and analysis of the Council's financial performance during the fiscal year ending September 30, 2007. It should be read in conjunction with the Council's financial statements immediately following this section.

FINANCIAL HIGHLIGHTS

The Council's total assets decreased nineteen percent (19%) compared to the prior year due to a decrease in government grants receivable. As of September 30, 2007, the Council has a net deficit of \$12,715, which is due primarily to the liability for compensated absences. As described in Note K to the financial statements, the Council is required to recognize the expense related to compensated absences in the period in which the time is earned. However, the Council will not be reimbursed for this expense until the time is used.

The Council has received a Federal commitment from the U.S. Department of Health and Human Services, Administration for Children and Families, under the State Developmental Disabilities Councils Grant Program, in the amount of \$3,583,358 for the period from October 1, 2007 through September 30, 2009. The amount reflects a reduction in total funding from the prior year of \$21,234, which is due to an across-the-board reduction in discretionary funding.

PROGRAM HIGHLIGHTS

Highlights of Council activities in 2007:

In the first year of our five year plan, the Council's efforts have had a positive impact in the areas of health care, transition, inclusion, employment, and skill development for students with disabilities.

Community Living and Service Coordination Task Force

Guardianship Training for Attorneys & Families

This project provided three (3) regional training workshops for families, consumers, attorneys and other professionals on guardianship options, special needs trusts, and wills as they relate to people with developmental disabilities. A total of three hundred eighteen (318) people were trained at three workshops held during the course of the project year. Of this number, one hundred seventy-four (174) people were self-advocates and family members, fifty (50) were attorneys, and ninety-four (94) were other professionals. The overall goal of this project was that, once trained, these attorneys would be willing to work with Florida's disabilities population at more reasonable rates in an effort to help families successfully navigate the legal system.

FLORIDA DEVELOPMENTAL DISABILITIES COUNCIL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
September 30, 2007

Community Living and Service Coordination Task Force (continued)

Micro Enterprise Training & Technical Assistance (METTA)

The Council provided over eleven (11) workshops statewide on microenterprise (small business) development for people with developmental disabilities and their families. Approximately two hundred seventy-one (271) consumers, family members, and professionals received general training on microenterprise development through this contract. During the second year, project staff provided technical assistance with implementing their business plans to the first ten (10) entrepreneurs. Five (5) additional individuals with developmental disabilities were selected to participate in the project. These individuals worked on person centered planning, market testing, and developing a business plan. As a result of this project, five (5) individuals were able to actually start their own microenterprises by the conclusion of this contract year.

Education and Child Development Task Force

Florida Low Incidence Personnel Preparation (FLIPP)

The FLIPP project increased and improved the capacity of educators in Florida to effectively implement inclusive practices for Florida students with low incidence disabilities. The project is designed to increase both the number and quality of teachers serving students with disabilities. This project has also resulted in continuing the development of a statewide infrastructure within the state university system to provide the courses needed for State Endorsement in Severe Disabilities to college students and teachers. Imbedded in these courses are strategies to promote inclusion for all students with disabilities. The project offers graduate courses using synchronous distance education technology to connect campuses. Over the course of project term, seventy-nine (79) people received training. This project also prepared teachers to utilize evidence-based practices in their classrooms. It is exciting to note that the project will be continued through a federal grant.

Social Inclusion Project Retrospective Study

The Council's Social Inclusion Project (SIP) Retrospective Study collected and analyzed data from currently funded SIP programs to improve service delivery and improve sustainability, improving the ability of schools to embed the necessary supports so students with developmental disabilities can be fully included in existing social activities. The study was completed to ascertain the effectiveness, impact, and sustainability of the original Social Inclusion Project. The results of this study will be used to redesign the Social Inclusion Project Manual so that additional schools can participate. The goal of this project will be to maximize the number of schools that embrace and promote inclusion for all students with disabilities. An additional study will include an in-depth look at a statistically valid sample of SIP sites and students with a final report.

FLORIDA DEVELOPMENTAL DISABILITIES COUNCIL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
September 30, 2007

Employment Task Force

Supported Competitive Integrated Employment

The Supported Competitive Integrated Employment project provided up-to-date training and technical assistance to six (6) community leadership teams located in Osceola County, Brevard County, Broward County, Bay County, Escambia County, and Palm Beach County. Through the assistance of a collaborative consortium of state and nationally recognized consultants in supported employment, the training and technical assistance provided these six teams with the values and the philosophy of supported employment. The teams also learned effective practices to provide quality supported employment services to individuals and families with disabilities. In terms of capacity building for provision of employment services, technical assistance was provided in the areas of self-employment, writing PASS plans, and coordination of community efforts. In addition, this project provided technical assistance via on-site, email, and hands-on collaboration.

As a result of the SCIETT Project, providers and advocacy groups, particularly in rural areas, are better equipped and trained to provide quality services, best practices, and up-to-date training in the area of supported employment to individuals and families with disabilities.

FYITransition Website

The FYITransition website consists of informational resources on effective practices in transition from school to employment and is structured to be user-friendly for students, family members, and professionals. The website includes voiceover, interactive features, links to stakeholders, success stories, multi-media presentations, mini-courses on career development, discussion board, and user evaluation. This website is utilized as an informational tool to assist individuals and families with disabilities transition from school to work. The website is a valuable tool because it provides resources for successful transition at your fingertips. Based on the feedback from the user evaluations, the FYITransition website is useful, informative, and engaging. The enhancement includes mini-courses written in accessible language with interactive activities and quizzes, scheduled chats, and shared stories. As a result of the FYITransition website, individuals with disabilities and families are more informed as it relates to transition from school to work.

FLORIDA DEVELOPMENTAL DISABILITIES COUNCIL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
September 30, 2007

Health Care/Prevention Task Force

Transition Website – Spanish Translation

A Health Care transition website developed through the University of Florida last year was expanded to include a Spanish translation of all the materials so that it may be accessed by the many individuals in Florida whose primary language is Spanish. The English home page was accessed more than two thousand (2,000) times during the twelve month project period and the Spanish site was accessed almost four hundred (400) times during the seven month operational period. Information about Health Care transition for individuals with developmental disabilities and the availability of the Council's web-based training has been included in more than fifteen (15) state, regional, and national presentations conducted by the principal investigator of the project, Dr. John Reiss.

Infant Mental Health

The Infant Mental Health Project produced focus groups, training materials, a tool kit to conduct social marketing campaigns to raise public awareness of the mental health needs of children birth to age five, and the consequences of poor social and emotional development. This tool kit was distributed to a statewide network of infant mental health providers, and the contractor has been contacted by other groups throughout the country seeking the materials as well. This contractor also provided information to legislators advocating for prevention and early intervention services. This led to a House Resolution recognizing May 8, 2007 as "Children's Mental Health Day" in Florida. Through the support of the Council, the Florida Infant Mental Health Association has been able to develop a statewide network of providers that has taken on a life of its own.

Special Projects

Florida Youth Leadership Forum

The Florida Youth Leadership Forum (YLF) is an annual career and leadership training program that is both educational and motivational for the high school students with disabilities who attend. The 2006 YLF was held in Tallahassee. Sixty (60) rising high school juniors and seniors with disabilities participated as delegates at the forum; eighteen (18) returning delegates were advanced to "junior staff" status; and fifteen (15) YLF alumni served as co-facilitators.

The Council has a long history of partnering with The Able Trust on this successful event, which works to reduce the dropout rate of youth with disabilities and improve their participation in employment-related activities. The Youth Leadership Forum brings together young people with disabilities who demonstrate leadership potential and helps prepare them for the future. By serving as delegates from their communities, students with disabilities cultivate leadership, citizenship, and social skills.

FLORIDA DEVELOPMENTAL DISABILITIES COUNCIL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)
September 30, 2007

Special Projects (continued)

Florida Youth Leadership Forum (continued)

The 2006 Florida Youth Leadership Forum offered peers with common challenges and experiences the opportunity to learn from one another. The Forum included educational programs that covered topics such as the history of the disability movement, personal leadership plans, career opportunities, and academic and community resources. Delegates learned leadership by example through meetings with disabled community leaders, business professionals, and government dignitaries. In addition, social and recreational opportunities enabled delegates to network and learn from each other.

Participating students had the opportunity to hear from a number of speakers (the vast majority of whom also have disabilities) who covered topics such as academic and career options, self-advocacy, community resources such as technology and independent living, volunteerism, and personal leadership. They had the opportunity to meet community leaders and attend a Mentors Luncheon to network with adults with disabilities and learn what can be accomplished as career goals. All delegates developed specific action plans for their personal leadership development that can be used when they return to their communities to help them prepare for life after high school.

First Steps

The First Steps publication is one of the Council's most requested and appreciated resources. This project revised the First Steps publication to assist parents cope with emotions resulting from a disability diagnosis and to acquaint them with updated state resources and local services. The disability system can be difficult to navigate and this publication provides a valuable resource to help parents as they begin their journey with their children.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of management's discussion and analysis and the financial statements. The Council's reporting entity consists of only one fund so that the financial statements provide information about the Council's overall financial status. The financial statements include notes that explain some of the information in the financial statements and provide more detailed data.

FLORIDA DEVELOPMENTAL DISABILITIES COUNCIL, INC.
BALANCE SHEETS
September 30, 2007 and 2006

ASSETS

	<u>2007</u>	<u>2006</u>
CURRENT ASSETS		
Cash	\$ 1,225	\$ 6,956
Government grants receivable	<u>318,037</u>	<u>386,076</u>
TOTAL CURRENT ASSETS	<u>319,262</u>	<u>393,032</u>
NON-CURRENT ASSETS		
Capital assets, net	<u>-0-</u>	<u>-0-</u>
TOTAL ASSETS	<u>\$ 319,262</u>	<u>\$ 393,032</u>

LIABILITIES AND NET DEFICIT

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 318,811	\$ 393,526
Liability for compensated absences	22,172	22,918
Deferred revenue	<u>1,345</u>	<u>2,275</u>
TOTAL CURRENT LIABILITIES	342,328	418,719
NET DEFICIT		
Restricted	<u>(23,066)</u>	<u>(25,687)</u>
TOTAL LIABILITIES AND NET DEFICIT	<u>\$ 319,262</u>	<u>\$ 393,032</u>

FLORIDA DEVELOPMENTAL DISABILITIES COUNCIL, INC.
STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET DEFICIT
For the Years Ended September 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
OPERATING REVENUES		
Program specific operating grants:		
ADD grant	\$ 3,786,239	\$ 3,693,949
Other grants	-0-	70,939
Contributions and miscellaneous income	<u>-0-</u>	<u>1,500</u>
TOTAL OPERATING REVENUES	<u>3,786,239</u>	<u>3,766,388</u>
OPERATING EXPENSES		
Contracted services	2,279,179	2,402,095
Compensation and benefits	1,002,891	951,076
Travel	144,524	104,422
Rent	122,721	119,542
Contract and other personnel services	62,779	55,367
Telephone	39,456	27,100
Professional fees	37,887	37,841
Office supplies	22,381	26,541
Dues and subscriptions	16,504	16,627
Computer expenses	15,402	8,148
Education and training	11,370	3,341
Postage and delivery	8,073	6,074
Equipment rental	7,249	7,296
Insurance	6,367	6,725
Advertising	4,635	6,136
Other	<u>2,200</u>	<u>1,029</u>
TOTAL OPERATING EXPENSES	<u>3,783,618</u>	<u>3,779,360</u>
CHANGE IN NET DEFICIT	2,621	(12,972)
TOTAL NET DEFICIT, BEGINNING OF YEAR	<u>(25,687)</u>	<u>(12,715)</u>
TOTAL NET DEFICIT, END OF YEAR	<u>\$ (23,066)</u>	<u>\$ (25,687)</u>

See accompanying notes.

FLORIDA DEVELOPMENTAL DISABILITIES COUNCIL, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from program specific operating grants	\$ 3,853,348	\$ 3,776,227
Other receipts	-0-	1,500
Payments to employees	(996,726)	(942,860)
Payments to subrecipients and vendors	<u>(2,862,353)</u>	<u>(2,853,119)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(5,731)</u>	<u>(18,252)</u>
NET DECREASE IN CASH	(5,731)	(18,252)
CASH AT BEGINNING OF YEAR	<u>6,956</u>	<u>25,208</u>
CASH AT END OF YEAR	<u>\$ 1,225</u>	<u>\$ 6,956</u>
RECONCILIATION OF CHANGE IN NET DEFICIT TO NET CASH USED IN OPERATING ACTIVITIES		
Change in net deficit	\$ 2,621	\$ (12,972)
Adjustments to reconcile change in net deficit to net cash used in operating activities:		
Change in assets and liabilities:		
Government grants receivable	68,039	24,441
Accounts payable and accrued liabilities	(74,715)	(19,618)
Liability for compensated absences	(746)	2,999
Deferred revenue	<u>(930)</u>	<u>(13,102)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (5,731)</u>	<u>\$ (18,252)</u>

See accompanying notes.

FLORIDA DEVELOPMENTAL DISABILITIES COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Nature of the Organization

In 1996, Florida Developmental Disabilities Council, Inc. (the “Council”) was established, by law, as a non-profit 501(c)(3) organization to act as the agent of the State of Florida to receive federal funds in conjunction with the Federal Developmental Disabilities Act of 1994.

The Council was established to help plan individual and family-centered support for people with disabilities in Florida. The Council also guides the development and administration of services for people with developmental disabilities by planning and funding research, innovations, and programs designed to improve the quality of their lives.

To address system-wide issues affecting people with developmental disabilities, the Council engages in state and national advocacy activities in support of legislation, policies, and programs responsive to the needs of people with developmental disabilities.

Basis of Accounting and Financial Statement Presentation

The Council’s financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Council has the option to apply FASB pronouncements issued after that date to its business-type activities, the Council has chosen not to do so.

The Council operates as a special purpose government engaged in business-type activities. The proprietary fund type is applicable to the Council, under the governmental reporting model, and its activities are accounted for as an enterprise fund.

The focus of proprietary fund measurement is on the flow of economic resources including the determination of operating income, changes in net assets, financial position, and cash flows, similar to business enterprises. The Council’s books are maintained on the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred.

FLORIDA DEVELOPMENTAL DISABILITIES COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
September 30, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity

No component units have been identified for the years ended September 30, 2007 and 2006.

Capital Assets

Capital assets purchased or acquired are recorded at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that exceed \$5,000 and significantly extend the useful life of an asset are capitalized. All capital assets are depreciated using the straight-line method over their estimated lives, which range from five to seven years.

Cash Equivalents

The Council considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Income Taxes

The Council is qualified for exemption from state and federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been recorded.

Operating Revenues

Operating revenues include grants and other revenue sources used to fund the annual operating activities of the Council.

Estimates

The preparation of these 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. Actual results could differ from those estimates.

Restricted Net Deficit

The Council receives funding appropriations from the U.S. Department of Health and Human Services restricted for the conditions of the Federal Developmental Disabilities Assistance and Bill of Rights Act.

FLORIDA DEVELOPMENTAL DISABILITIES COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
September 30, 2007

NOTE B – FEDERALLY ADMINISTERED GRANTS

The Council receives substantially all of its revenue from federal awards.

Government grants receivable of \$318,037 and \$386,076 as of September 30, 2007 and 2006, respectively, consist of amounts due to the Council from the Federal Government under contracts.

Grant commitments totaling \$2,627,696 and \$2,851,158 as of September 30, 2007 and 2006, respectively, represent unexpended grant balances from the grants listed in the Schedule of Expenditures of Federal Awards. As of September 30, 2007 and 2006, respectively, \$1,309,608 and \$1,489,262 of the funds were unobligated.

Additionally, the Council has received the following federal commitment:

FUNDING PARTY	COMMITMENT TERM	AMOUNT
U.S. Department of Health and Human Services: Administration for Children and Families State Developmental Disabilities Councils Grant Program	October 1, 2007 to September 30, 2009	\$ 3,583,358

NOTE C – RETIREMENT BENEFITS

The Council maintains a defined contribution retirement plan with contributions in amounts equal to ten percent (10%) of eligible employees' compensation for 2006 and 2005. Retirement plan contributions, net of forfeitures, totaled \$61,548 and \$60,349 for the years ended September 30, 2007 and 2006, respectively.

NOTE D – OPERATING LEASE COMMITMENTS

The Council leases office space and equipment under non-cancelable operating leases expiring in 2008. Future minimum rental payments under these leases total \$34,905.

Rent expense for the years ended September 30, 2007 and 2006 was \$122,721 and \$119,542, respectively.

FLORIDA DEVELOPMENTAL DISABILITIES COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
September 30, 2007

NOTE E – CONTRACT COMMITMENTS

The Council funds projects that meet the objectives of the Florida Developmental Disabilities State Plan. As of September 30, 2007 and 2006, the Council had outstanding contract obligations of \$1,636,477 and \$1,755,422, respectively.

NOTE F – DEPOSITS

As of September 30, 2007 and 2006, the carrying amount of the Council's cash deposits was \$1,225 and \$6,956, respectively, and the bank balance was \$47,825 and \$237,654, respectively. The account is insured by the Federal Deposit Insurance Corporation up to \$100,000. The Council had uninsured and uncollateralized balances of \$-0- and \$137,654 as of September 30, 2007 and 2006, respectively.

NOTE G – RISK MANAGEMENT

The Council is exposed to various risks of loss including general liability, property and casualty, group health and life, auto and physical damage, and workers' compensation. Conventional commercial insurance coverage has been purchased from various independent carriers to insure against such risks and minimize the Council's financial exposure to such risks. The Council is not involved in any risk pools with other governmental entities.

NOTE H – CAPITAL ASSETS

Capital asset activity for the years ended September 30, 2007 and 2006 was as follows:

	Balance 9/30/05	Additions	Retirements	Balance 9/30/06	Additions	Retirements	Balance 9/30/07
<i>Depreciable assets:</i>							
Furniture	\$ 30,750	\$ -0-	\$ -0-	\$ 30,750	\$ -0-	\$ (5,500)	\$ 25,250
Equipment	26,083	-0-	-0-	26,083	-0-	(2,237)	23,846
Computers and software	27,660	-0-	(1,670)	25,990	-0-	-0-	25,990
Total	84,493	-0-	(1,670)	82,823	-0-	(7,737)	75,086
<i>Less: Accumulated depreciation</i>							
Furniture	(30,750)	-0-	-0-	(30,750)	-0-	5,500	(25,250)
Equipment	(26,083)	-0-	-0-	(26,083)	-0-	2,237	(23,846)
Computers and software	(27,660)	-0-	1,670	(25,990)	-0-	-0-	(25,990)
Total	(84,493)	-0-	1,670	(82,823)	-0-	7,737	(75,086)
Capital Assets, Net	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

FLORIDA DEVELOPMENTAL DISABILITIES COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
September 30, 2007

NOTE I – SPECIAL OLYMPICS PASS-THROUGH

Section 320.08058 (7) Florida Statutes established the Council as agent for the collection of revenue from the Special Olympics license plates. All revenues collected are submitted to the Special Olympics Committee, Inc. (a non-profit organization). During fiscal years 2007 and 2006, \$80,497 and \$83,095, respectively, was collected on behalf of the Special Olympics and was submitted to the Committee. There are no revenues or expenses included in the financial statements for these funds.

NOTE J – DEFICIT IN NET ASSETS

As of September 30, 2007 and 2006, the Council has a deficit in net assets of \$23,066 and \$25,687, respectively. The deficit is due primarily to the provision for compensated absences recorded. In accordance with accounting principles generally accepted in the United States of America, the Council is required to record the expense for compensated absences in the period in which paid time off is earned by employees. However, reimbursement for this expense is not allowed under the Council's contract until the time it is used. The liability for compensated absences totaled \$22,172 and \$22,918 as of September 30, 2007 and 2006, respectively.

SUPPLEMENTARY INFORMATION

FLORIDA DEVELOPMENTAL DISABILITIES COUNCIL, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2007

FEDERAL GRANTOR / PASS-THROUGH GRANTOR / PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	DISBURSEMENTS / EXPENDITURES
U.S. Department of Health and Human Services, Administration for Children and Families: Direct program: State Developmental Disabilities Councils Grant Program	93.630	G-0401-FLBS10 G-0501-FLBS10 G-0601-FLBS10 G-0701-FLBS10	\$ 61,461 1,139,984 556,078 2,028,716
TOTAL			\$ 3,786,239

FLORIDA DEVELOPMENTAL DISABILITIES COUNCIL, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2007

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of Expenditures of Federal Awards includes the federal grant activity of Florida Developmental Disabilities Council, 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B – SUBRECIPIENTS

Florida Developmental Disabilities Council, Inc. provided federal awards to subrecipients as follows:

PROGRAM TITLE	FEDERAL CFDA NUMBER	AMOUNT PROVIDED
State Developmental Disabilities Councils Grant Program	93.630	\$ 2,279,179

**REPORTS REQUIRED UNDER
GOVERNMENT AUDITING STANDARDS
AND U.S. OFFICE OF MANAGEMENT
AND BUDGET CIRCULAR A-133**

CARROLL and COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

2640-A Mitcham Drive
Tallahassee, FL 32308-5400

FREDERICK CARROLL III, CPA
ABBY F. DUPREE, CPA
KATHLEEN E. BROTHERS, CPA

LAUREE M. ELLIOTT, CPA
STEPHANIE G. ZOTTOLI, CPA

(850) 877-1099
Fax (850) 878-7000
E-Mail: cpas@ccrcpa.com
Website address: www.ccrca.com

MEMBERS
AMERICAN INSTITUTE OF
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
Florida Developmental Disabilities Council, Inc.
Tallahassee, Florida

We have audited the financial statements of Florida Developmental Disabilities Council, Inc. (a non-profit organization) as of and for the year ended September 30, 2007, and have issued our report thereon dated March 6, 2008. 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 Developmental Disabilities Council, 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 Developmental Disabilities Council, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Florida Developmental Disabilities Council, Inc.'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 the entity'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 the entity's financial statements 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 a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

To the Board of Directors
Florida Developmental Disabilities Council, Inc.
Page Two

Our 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. 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 Developmental Disabilities Council, 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*.

We noted certain other matters that we reported to management of Florida Developmental Disabilities Council, Inc. in a separate letter dated March 6, 2008.

This report is intended solely for the information and use of the Board of Directors, management, and others within the organization and 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.

Carroll and Company

March 6, 2008

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CERTIFIED PUBLIC ACCOUNTANTS

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Tallahassee, FL 32308-5400

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

To the Board of Directors
Florida Developmental Disabilities Council, Inc.
Tallahassee, Florida

Compliance

We have audited the compliance of Florida Developmental Disabilities Council, Inc. (a non-profit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended September 30, 2007. Florida Developmental Disabilities Council, Inc.'s major federal program is 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 its major federal program is the responsibility of Florida Developmental Disabilities Council, Inc.'s management. Our responsibility is to express an opinion on Florida Developmental Disabilities Council, 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Florida Developmental Disabilities Council, 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 Developmental Disabilities Council, Inc.'s compliance with those requirements.

To the Board of Directors
Florida Developmental Disabilities Council, Inc.
Page Two

In our opinion, Florida Developmental Disabilities Council, Inc. complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended September 30, 2007.

Internal Control Over Compliance

The management of Florida Developmental Disabilities Council, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Florida Developmental Disabilities Council, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Developmental Disabilities Council, Inc.'s 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.

Our consideration of the 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We noted certain other matters that we reported to management of Florida Developmental Disabilities Council, Inc. in a separate letter dated March 6, 2008.

To the Board of Directors
Florida Developmental Disabilities Council, Inc.
Page Three

This report is intended solely for the information and use of the Board of Directors, management, and others within the organization and 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.

Caull and Company

March 6, 2008

FLORIDA DEVELOPMENTAL DISABILITIES COUNCIL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2007

A. Summary of Auditor's Results

1. The auditor's report expresses an unqualified opinion on the financial statements of Florida Developmental Disabilities Council, Inc.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Florida Developmental Disabilities Council, Inc. were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award program are reported in the Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133.
5. The auditor's report on compliance for the major federal award program for Florida Developmental Disabilities Council, Inc. expresses an unqualified opinion.
6. Audit findings relative to the major federal award program for Florida Developmental Disabilities Council, Inc. are reported in Part C of this schedule.
7. The program tested as a major program included the following:

PROGRAM	CFDA No.
U. S. Department of Health and Human Services – Administration for Children and Families, State Developmental Disabilities Councils Grant Program	93.630

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Florida Developmental Disabilities Council, Inc. qualified as a low-risk auditee.

FLORIDA DEVELOPMENTAL DISABILITIES COUNCIL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended September 30, 2007

B. Findings – Financial Statements

None.

C. Findings and Questioned Costs – Major Federal Award Programs

None.

D. Other Issues

1. No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to federal programs.
2. No Corrective Action Plan is required because there were no findings required to be reported under the Federal Single Audit Act.