

**EARLY LEARNING COALITION OF
PINELLAS COUNTY, INC.**

Financial Statements

**Reports as Required by the Comptroller General of the United States,
OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General
For the Years Ended June 30, 2009 and 2008**

EARLY LEARNING COALITION OF PINELLAS COUNTY, INC.

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Report of Independent Certified Public Accountants

Board of Directors
Early Learning Coalition of Pinellas County, Inc.

We have audited the accompanying statements of financial position of the Early Learning Coalition of Pinellas County, Inc. (the Coalition) as of June 30, 2009 and 2008 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Coalition's management. Our responsibility is to express an opinion on these 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 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 management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 the Coalition at June 30, 2009 and 2008, and the changes in its net assets and its 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 November 12, 2009 on our consideration of the Coalition's internal control over financial reporting and 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.

Our audits were made for the purpose of forming an opinion on the financial statements of the Coalition taken as a whole. The accompanying schedule of expenditures of federal awards, state financial assistance and local awards is presented for the 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 Auditor General, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects, in relation to the financial statements taken as a whole.

Ch. Bekaert & Holland, L.L.P.

Tampa, Florida
November 12, 2009

EARLY LEARNING COALITION OF PINELLAS COUNTY, INC.

Statements of Financial Position

Assets	June 30,	
	2009	2008
Cash	\$ 249,922	\$ 66,560
Grants receivable	4,033,088	3,845,792
Prepaid expenses	-	3,698
Equipment and computers, net of accumulated depreciation of \$94,525 and \$80,747 for 2009 and 2008, respectively	28,851	29,935
Total assets	<u>\$ 4,311,861</u>	<u>\$ 3,945,985</u>
 Liabilities and Net Assets		
Accounts payable	\$ 3,853,858	\$ 3,465,583
Accrued liabilities	100,812	76,751
Deferred revenue	4,378	40,390
Interest payable	-	5,622
Total liabilities	3,959,048	3,588,346
Net assets - unrestricted	352,813	357,639
Total liabilities and net assets	<u>\$ 4,311,861</u>	<u>\$ 3,945,985</u>

See accompanying notes to financial statements.

EARLY LEARNING COALITION OF PINELLAS COUNTY, INC.

Statements of Activities

	Years Ended June 30,	
	2009	2008
Revenues:		
Grants	\$ 49,053,658	\$ 48,071,833
Other income	105,894	43,818
	<hr/>	<hr/>
Total revenues	49,159,552	48,115,651
	<hr/>	<hr/>
Expenses:		
Program services:		
School Readiness	33,041,886	32,943,178
Voluntary PreKindergarten	15,049,381	14,277,179
Other program expenses	212,620	167,249
Total program services	<hr/>	<hr/>
	48,303,887	47,387,606
	<hr/>	<hr/>
General and administrative:		
Salaries and fringe benefits	467,201	449,092
Professional fees	194,550	90,904
Rent	63,588	32,245
Office supplies	12,820	27,151
Travel and conferences	18,995	36,597
Telephone	19,354	14,377
Printing and postage	16,824	6,360
Advertising	1,520	2,555
Insurance	7,823	6,705
Utilities	7,266	5,290
Small equipment and repairs	28,057	3,585
Depreciation	13,778	16,548
Other expenses	8,715	11,981
Total general and administrative	<hr/>	<hr/>
	860,491	703,390
	<hr/>	<hr/>
Total expenses	49,164,378	48,090,996
	<hr/>	<hr/>
(Decrease) increase in net assets	(4,826)	24,655
Net assets at beginning of year	<hr/>	<hr/>
	357,639	332,984
	<hr/>	<hr/>
Net assets at end of year	\$ 352,813	\$ 357,639
	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to financial statements.

EARLY LEARNING COALITION OF PINELLAS COUNTY, INC.

Statements of Cash Flows

	Years Ended June 30,	
	2009	2008
Cash flows from operating activities		
Change in net assets	\$ (4,826)	\$ 24,655
Adjustments to reconcile (decrease) increase in net assets to net cash flows from operating activities:		
Depreciation	13,778	16,548
(Increase) decrease in:		
Accounts receivable	(187,296)	(218,351)
Prepaid expenses	3,698	(1,079)
Increase (decrease) in:		
Accounts payable	388,275	(69,223)
Interest payable	(5,622)	(14,910)
Due to grantor	-	(233,950)
Deferred revenue	(36,012)	40,390
Accrued liabilities	24,061	11,685
Net cash flows from operating activities	<u>196,056</u>	<u>(444,235)</u>
Cash flows from investing activities:		
Purchases of equipment	<u>(12,694)</u>	<u>(10,846)</u>
Net cash flows from investing activities	<u>(12,694)</u>	<u>(10,846)</u>
Net increase (decrease) in cash	183,362	(455,081)
Cash at beginning of year	<u>66,560</u>	<u>521,641</u>
Cash at end of year	<u><u>\$ 249,922</u></u>	<u><u>\$ 66,560</u></u>

See accompanying notes to financial statements.

EARLY LEARNING COALITION OF PINELLAS COUNTY, INC.

Notes to Financial Statements Years Ended June 30, 2009 and 2008

Note 1 – Nature of Activities and Summary of Significant Accounting Policies

Nature of Operations - The Early Learning Coalition of Pinellas County, Inc. (the Coalition) is a Florida not for profit corporation which began operations July 1, 2001. It is responsible for the development, implementation and administrative oversight of publicly funded school readiness programs and voluntary pre-kindergarten programs in Pinellas County. The Coalition's mission is to facilitate an efficient, comprehensive, high quality system of school readiness services, to include early care and educational, social, cognitive, and physical development of all children through collaboration with the community, early care providers and families.

The Coalition contracts with Pinellas County Schools to provide the Florida First Start program. Florida First Start is a home visitation program designed to give children, at risk of school failure, the best possible start in life and to support parents in their role as their children's first teachers.

The Coalition contracts with Coordinated Child Care of Pinellas, Inc., a private, not-for-profit corporation, to assist eligible children and families access to subsidized school readiness/child care services and voluntary pre kindergarten services.

The Coalition contracts with the Pinellas County Health Department for hearing and vision screening programs for all children who participate in the School Readiness program.

Basis of Presentation - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues and expenses, are classified based on the existence or absence of donor imposed restrictions. The Coalition received no funds with donor imposed restrictions; therefore net assets of the Coalition and changes therein are classified and reported as unrestricted net assets.

Equipment and Computers - Equipment and computers are carried at cost if purchased, or at estimated market value of receipt if acquired by gift. The Coalition capitalizes expenditures in excess of \$750 and an estimated useful life greater than one year are capitalized. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets. Property acquired with governmental funds is considered to be owned by the Coalition while used in the program for which it was purchased or in future authorized programs; however, its disposition and the ownership of any proceeds are subject to applicable regulations.

Revenue Recognition - Grant funds are deemed to be earned and reported as revenues when expenditures are incurred in compliance with specific grant requirements (reimbursable expenditures).

Federal Income Tax - The Coalition is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly no provision for income taxes has been made.

Use of Estimates - The preparation of the financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

EARLY LEARNING COALITION OF PINELLAS COUNTY, INC.

Notes to Financial Statements Years Ended June 30, 2009 and 2008

Note 1 – Nature of Activities and Summary of Significant Accounting Policies (continued)

Reclassifications - Certain reclassifications were made in the prior year financial statements to conform to the current year presentation.

Subsequent Events - Management has adopted the provisions set forth in SFAS No. 165, *Subsequent Events*, and considered subsequent events through the date of the audit report.

Note 2 – Concentrations

The activities of the Coalition are conducted in Pinellas County, Florida and are supported by funding provided by government agencies. The Coalition is dependent upon grants from federal and state agencies for its principal source of revenue. A significant decline in funding to the Coalition could adversely affect the operating results of the Coalition.

The Coalition maintains cash balances on deposit with financial institutions at various times in excess of the Federal Deposit Insurance Corporation (FDIC) coverage. In October 2008 the FDIC temporarily increased coverage from \$100,000 to \$250,000. As of June 30, 2009, cash balances exceeded insured amounts by \$21,160.

Note 3 – Related Party Transactions

Certain non-voting members of the Board of Directors are mandated in the “School Readiness Act”. The related party members include the Executive Director of Coordinated Child Care of Pinellas, Inc. (child care provider) and Assistant Superintendent for Elementary & Special Education of Pinellas County Schools (child care provider).

During the fiscal year ending June 30, 2009 the Coalition paid \$29,312,906 and \$226,387 for services provided by Coordinated Child Care of Pinellas, Inc. and Florida First Start of Pinellas County Schools, respectively. In addition, the Coalition paid \$14,482,512 for services provided by Coordinated Child Care of Pinellas, Inc. under the Voluntary Pre Kindergarten Education Program. At June 30, 2009, \$3,729,509 and \$39,448 was payable to Coordinated Child Care of Pinellas, Inc. and Florida First Start, respectively.

During the fiscal year ending June 30, 2008 the Coalition paid \$29,446,013 and \$227,001 for services provided by Coordinated Child Care of Pinellas, Inc. and Florida First Start of Pinellas County Schools, respectively. In addition, the Coalition paid \$13,892,542 for services provided by Coordinated Child Care of Pinellas, Inc. under the Voluntary Pre Kindergarten Education Program. At June 30, 2008, \$3,378,188 and \$34,116 was payable to Coordinated Child Care of Pinellas, Inc. and Florida First Start, respectively.

The Executive Director of the Pinellas County Health Department, with whom the Coalition contracts to perform hearing and vision screening, is also a member of the Board of Directors. During the fiscal year ending June 30, 2009 \$114,700 was paid to Pinellas County Health Department for services provided. At June 30, 2009 \$7,125 was payable to Pinellas County Health Department. During the fiscal year ending June 30, 2008, \$120,450 was paid to Pinellas County Health Department for services provided. At June 30, 2008 \$8,775 was payable to Pinellas County Health Department.

EARLY LEARNING COALITION OF PINELLAS COUNTY, INC.

**Notes to Financial Statements
Years Ended June 30, 2009 and 2008**

Note 4 – Leases

The Coalition leases office space under several operating leases, which expire in 2009 and 2015. Total rent expense for the years ended June 30, 2009 and 2008 was \$63,588 and \$32,245, respectively.

Future minimum lease commitments are as follows:

Year ended June 30,	
2010	\$ 107,008
2011	\$ 107,728
2012	\$ 110,758
2013	\$ 113,909
2014	\$ 117,186
Thereafter	\$ 171,565

Note 5 – Retirement Plan

The Coalition has a 401(k) retirement plan that provides a contribution of 5% of each employee's salary and will also match the employee's contribution up to 5% of salary. The employees are vested after one year of employment. The contribution was \$53,703 and \$43,971 for the years ended June 30, 2009 and 2008, respectively.

Note 6 – School Readiness Monthly Reconciliations

The Coalition prepared monthly reconciliations of its financial records to the statewide School Readiness data and reporting system in a timely and satisfactory manner.

Accompanying Information

EARLY LEARNING COALITION OF PINELLAS COUNTY, INC.

**Schedule of Expenditures of Federal Awards,
State Financial Assistance and Local Awards
For the Year Ended June 30, 2009**

<u>Federal Grantor/ Program Title</u>	<u>CFDA CSFA</u>	<u>Expenditures</u>	<u>Transfers to Subrecipients</u>
FEDERAL AWARDS:			
U.S. Department of Health and Human Services Passed through State of Florida Agency for Workforce Innovation			
Child Care and Development Block Grant	93.575	\$ 11,080,556	\$ 10,833,190
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	7,638,244	7,477,077
Child Care Developmental Fund ARRA	93.713	<u>514,642</u>	<u>514,642</u>
Total Child Care Cluster		<u>19,233,442</u>	<u>18,824,909</u>
Temporary Assistance for Needy Families	93.558	8,009,485	7,840,485
Social Services Block Grant	93.667	3,928	3,845
Passed through Florida Developmental Disabilities Council, Inc.			
Developmental Disabilities Basic Support and Advocacy Grant	93.630	<u>95,243</u>	<u>-</u>
Total Expenditures of Federal Awards		<u><u>\$ 27,342,098</u></u>	<u><u>\$ 26,669,239</u></u>
STATE FINANCIAL ASSISTANCE:			
State of Florida Agency for Workforce Innovation			
School Readiness Services	75.005	\$ 1,115,830	\$ 1,092,286
Voluntary PreKindergarten Education Program	75.007	15,214,471	15,049,380
Voluntary PreKindergarten Education Outreach & Awareness	75.007	57,432	-
State of Florida Department of Education			
Voluntary PreKindergarten Facilitators	48.098	<u>80,622</u>	<u>-</u>
Total Expenditures of State Awards		<u><u>\$ 16,468,355</u></u>	<u><u>\$ 16,141,666</u></u>
LOCAL FINANCIAL ASSISTANCE			
State of Florida Agency for Workforce Innovation State Match for School Readiness Funding	N/A	<u>\$ 5,243,205</u>	<u>\$ 5,132,573</u>
Total Federal, State and Local Expenditures		<u><u>\$ 49,053,658</u></u>	<u><u>\$ 47,943,478</u></u>

See accompanying notes to schedules of expenditures of federal awards, state financial assistance and local awards.

EARLY LEARNING COALITION OF PINELLAS COUNTY, INC.

**Notes to Schedule of Expenditures of Federal Awards,
State Financial Assistance and Local Awards
Year Ended June 30, 2009**

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of Federal Awards, State Financial Assistance and Local Awards includes the federal, state and local grant activity of the Early Learning Coalition of Pinellas County, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with accounting principles generally accepted in the United States of America as applicable to non-profit organizations, the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the requirements of Chapter 10.650, Rules of the Auditor General of the State of Florida.

Note 2 – Contingencies

Expenditures incurred by the Early Learning Coalition of Pinellas County, Inc. and the subrecipients are subject to audit and possible disallowance by federal and state agencies. The Coalition would be held responsible for recovery (reimbursement to the grantor agency) of disallowed amounts incurred by the subrecipients if the subrecipients were not able to do so. Management believes that, if audited, any adjustment for disallowed expenses would be immaterial in amount.

Grant Compliance



**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***

Board of Directors
Early Learning Coalition of Pinellas County, Inc.

We have audited the financial statements of Early Learning Coalition of Pinellas County, Inc. (the Coalition) as of and for the year ended June 30, 2009, and have issued our report thereon dated November 12, 2009. 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 the Coalition's internal control over financial reporting in order to determine 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 the Coalition's internal control over financial reporting that might be significant deficiencies or material weaknesses. Accordingly, we do not express an opinion on the effectiveness of the Coalition'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 Coalition'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 Coalition's financial statements that is more than inconsequential will not be prevented or detected by the Coalition'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 Coalition's internal control.

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 the Coalition'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 that are required to be reported under *Government Auditing Standards*.

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

Ch. B. Smith, Hall, L.L.P.

Tampa, Florida
November 12, 2009



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, Chapter 10.650, Rules of the Auditor General of the State of Florida and Special Audit Guidance Provided by the State of Florida Agency for Workforce Innovation

Board of Directors
Early Learning Coalition of Pinellas County, Inc.

Compliance

We have audited the compliance of the Early Learning Coalition of Pinellas County, Inc. (the "Coalition") with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement, the requirements described in the Executive Office of the Governor of Florida's State Projects Compliance Supplement, that are applicable to each of its major federal programs and state projects for the year ended June 30, 2009 and special audit guidance provided by the State of Florida Agency for Workforce Innovation. The Coalition's major federal programs and state projects are identified in the summary of audit 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 the Coalition's management. Our responsibility is to express an opinion on the Coalition'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 Chapter 10.650, Rules of the Auditor General of the State of Florida. Those standards, OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General of the State of Florida, 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 or state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the Coalition'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 on the Coalition's compliance with those requirements.

In our opinion, the Coalition complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs and state projects for the year ended June 30, 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which are required to be reported in accordance with Chapter 10.650, Rules of the Auditor General, and which are described in the accompanying schedule of findings and questioned costs as item 2009-1.

Internal Control Over Compliance

The management of the Coalition is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the Coalition's internal control over compliance with requirements that could have a direct and material effect on a major federal program or state financial assistance project 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 controls over compliance. Accordingly, we do not express an opinion of the effectiveness of the Coalition's internal control over compliance.

A *control deficiency* in the Coalition'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 or state project 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 or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program or state project that is more than inconsequential will not be prevented or detected by the Coalition'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 Coalition's internal control.

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

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

Ch. Becht, Hall, L.L.P.

Tampa, Florida
November 12, 2009

EARLY LEARNING COALITION OF PINELLAS COUNTY, INC.

**Schedule of Findings and Questioned Costs
Federal Programs and State Financial Assistance Projects
Year Ended June 30, 2009**

A. Summary of Audit Results

1. The report of independent certified public accountants expresses an unqualified opinion on the financial statements.
2. No significant deficiencies were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.
4. No significant deficiencies were disclosed during the audit of the major federal award programs and state projects.
5. The auditor's report on compliance for the major federal award programs and state projects expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs. There was one audit finding relative to the major state projects as reported as finding 2009-1.
7. The programs tested as major programs/projects was as follows:

<u>CFDA #</u>	<u>Federal Program</u>
	U.S. Department of Health & Human Services
	<u>Child Care Cluster</u>
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the
	Child Care and Development Fund
93.713	Child Care Developmental Fund, AARA
<u>CSFA #</u>	
75.005	School Readiness Services
75.007	Voluntary Pre Kindergarten Education Program

8. The threshold for distinguishing Types A and B programs/projects was \$820,263 for federal and \$494,051 for state purposes.
9. Early Learning Coalition of Pinellas County, Inc. was considered a low-risk auditee pursuant to OMB Circular A-133.

B. Findings - Financial Statements Audit

None

EARLY LEARNING COALITION OF PINELLAS COUNTY, INC.

**Schedule of Findings and Questioned Costs
Federal Programs and State Financial Assistance Projects (continued)
Year Ended June 30, 2009**

C. Findings and Questioned Costs - Major Federal Award Programs

None

D. Findings and Questioned Costs – State Projects

Finding 2009-1

State of Florida Agency for Workforce Innovation, Voluntary Pre Kindergarten Education program, CSFA #75.007; Project Number: SV419, Award year: July 1, 2008 - June 30,2009.

Criteria: A VPK provider must have, for each VPK class, at least one VPK instructor who meets the State's minimum education requirements. This instructor must hold a Child Development Associate (CDA) or an equivalent or higher, and has demonstrated successful completion of an emergent literacy training course. State law requires a VPK instructor, who has not completed DCF approved training in early literacy and language development prior to November 1, 2005, to complete an approved Emergent Literacy training course (s. 1002.55(3)(c)2, F.S.). In addition, a VPK instructor must be of good moral character, must complete a level 2 background screening before entering the classroom and re-screening every five years, and must not be ineligible to teach in a public school because the instructor's educator certificate is suspended or revoked (s. 1002.55(3)(d), F.S.). As of January 1, 2007, the *Good Moral Character Attestation* became an attestation and must be updated annually (Rule 65C-22.006(4)(d)1.c., F.A.C.). A level 2 background screening includes fingerprinting, a Florida Department of Law Enforcement (FDLE) statewide criminal and juvenile records check, a Federal Bureau of Investigation (FBI) federal criminal records check, and a local criminal records check through local law enforcement agencies (s. 1002.55(3)(d), F.S., and s. 435.04, F.S., and *Form AWI-VPK 20 VPK Statewide Provider Agreement*).

Florida Statutes define time limits on validity for VPK coursework and/or credential requirements. All instructors must have valid credentials before entering a VPK classroom and maintain valid credentials while acting as a VPK instructor.

Conditions: In fulfilling the Coalition's monitoring responsibilities, AWI and the Coalition jointly reviewed the files of the Coalition's subrecipient, Coordinated Child Care (CCC), provider files. This review indicated there were several VPK lead instructors that did not comply with the educational requirements; thus, the review was expanded to include 100% of CCC's provider files. This extended review revealed a number of files that did not contain documentation of updated Good Moral Character Attestation and evidence of level 2 and local screenings.

Questioned Costs: \$57,944

Context/Effect: The monitoring performed of the subrecipient resulted in \$57,944 questioned costs which were paid by Coordinated Child Care.

EARLY LEARNING COALITION OF PINELLAS COUNTY, INC.

**Schedule of Findings and Questioned Costs
Federal Programs and State Financial Assistance Projects (continued)
Year Ended June 30, 2009**

D. Findings and Questioned Costs – State Project (continued)

Finding 2009-1 (continued)

Perspective: This is considered systemic in nature to this function of the program. Procedures were not in place by the subrecipient to adequately ensure educational requirements were met, attestation of good moral character or screenings performed timely. Previous year's monitoring by the Coalition did not identify major trends of non compliance and it is the opinion of the Coordinated Child Care Management and Coalition Management that this was an isolated act committed by two individuals during a distinct period of time (certification of VPK operating 2009 school session).

Recommendation: This finding has been resolved during the fiscal year.

Management's Response: The Coalition will continue to perform its subrecipient monitorings.

E. Management Letter – State Projects

There were no items related to State financial assistance required to be reported in a management letter. Accordingly, no management letter has been issued.

EARLY LEARNING COALITION OF PINELLAS COUNTY, INC.

**Summary Schedule of Prior Year's Audit Findings
Year Ended June 30, 2009**

Early Learning Coalition of Pinellas County, Inc. (the Coalition) had no findings reported in the Schedule of Findings and Questioned Costs for the period ended June 30 2008; therefore, the Coalition has no findings in which to report on for the Summary Schedule of Prior Year's Audit Findings.

EARLY LEARNING COALITION OF PINELLAS COUNTY, INC.

**Corrective Action Plan
Year Ended June 30, 2009**

Finding 2009-1 has been resolved.