

**SCHOOL READINESS
COALITION OF SARASOTA
COUNTY, INC. d/b/a
EARLY LEARNING
COALITION OF
SARASOTA COUNTY**

**Financial Statements
and Supplemental
Information**

Year Ended June 30, 2010

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
School Readiness Coalition of Sarasota County, Inc.
Sarasota, Florida

We have audited the accompanying statement of financial position of School Readiness Coalition of Sarasota County, Inc. (a nonprofit organization), d/b/a Early Learning Coalition of Sarasota County, as of June 30, 2010, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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 audit.

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 School Readiness Coalition of Sarasota County, 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 November 17, 2010, on our consideration of School Readiness Coalition of Sarasota County, 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 important for assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of School Readiness Coalition of Sarasota County, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for the purpose 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 State of Florida Chapter 10.650, *Rules of the Auditor General*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Moss, Krusick & Associates, LLC

November 17, 2010
Winter Park, Florida

**School Readiness Coalition of Sarasota County, Inc. d/b/a
Early Learning Coalition of Sarasota County**

STATEMENT OF FINANCIAL POSITION

June 30, 2010

ASSETS

Current Assets	
Cash	\$ 963,854
Contracts and grants receivable	<u>512,059</u>
Total current assets	<u>1,475,913</u>
Furniture and Equipment	
Furniture and equipment	19,740
Less accumulated depreciation	<u>14,176</u>
Total furniture and equipment	<u>5,564</u>
Total assets	<u><u>\$ 1,481,477</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	\$ 676,319
Accrued payroll and benefits	48,128
Advances payable to grantor agency	17,378
Deferred revenue	<u>614,208</u>
Total current liabilities	<u>1,356,033</u>
Commitments and contingencies	<u>-</u>
Net Assets	
Unrestricted	<u>125,444</u>
Total liabilities and net assets	<u><u>\$ 1,481,477</u></u>

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

**School Readiness Coalition of Sarasota County, Inc. d/b/a
Early Learning Coalition of Sarasota County**

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended June 30, 2010

Revenue:	
Florida Agency for Workforce Innovation Office of Early Learning	
School readiness services	\$ 5,877,021
Voluntary pre-kindergarten services	5,046,133
Sarasota County Grants-In-Aid Program	691,593
Local grants and other income	672,438
Interest income	2,435
	<hr/>
Total revenue	12,289,620
Expenses:	
Program services	
School readiness services	6,208,314
Voluntary pre-kindergarten services	4,996,354
Quality improvement system	618,204
Other programs	211,431
	<hr/>
Total program expenses	12,034,303
Supporting services	
Administrative	229,510
	<hr/>
Total expenses	12,263,813
	<hr/>
Increase in net assets	25,807
NET ASSETS - BEGINNING OF YEAR	<hr/> 99,637
NET ASSETS - END OF YEAR	<hr/> \$ 125,444 <hr/>

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

School Readiness Coalition of Sarasota County, Inc. d/b/a
Early Learning Coalition of Sarasota County

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2010

	Program Services					Supporting Services		Total
	School Readiness Services	Voluntary Pre-Kindergarten Services	Quality Improvement System		Other Programs	Total Program Expenses	Administrative	
			Improvement System					
Child care payments	\$ 5,013,566	\$ 4,856,765	\$ -	\$ -	\$ -	\$ 9,870,331	\$ -	\$ 9,870,331
Salaries and wages, employee benefits and payroll costs	777,870	114,029	42,915	-	-	934,814	148,606	1,083,420
Contracted support	178,055	808	-	190,451	-	369,314	432	369,746
Quality improvement system supplemental	-	-	223,250	-	-	223,250	-	223,250
Quality improvement system assessments	-	-	160,280	-	-	160,280	-	160,280
Provider quality materials	-	-	98,089	-	-	98,089	-	98,089
Consumer outreach	5,989	4,305	75,764	-	-	86,058	-	86,058
Building occupancy	59,601	8,276	-	-	-	67,877	11,256	79,133
Provider training, program materials and scholarships	46,282	-	16,734	3,277	-	66,293	-	66,293
Telephone and internet	29,607	3,958	-	-	-	33,565	6,094	39,659
Accounting fees	9,823	-	-	-	-	9,823	27,177	37,000
Printing and copying	16,764	4,093	-	1,645	-	22,502	2,819	25,321
Equipment	4,733	556	-	15,643	-	20,932	881	21,813
Office supplies	13,581	1,811	-	374	-	15,766	5,637	21,403
Postage	13,814	292	-	-	-	14,106	6,922	21,028
Parent education materials	15,035	-	-	-	-	15,035	-	15,035
Professional fees	-	-	-	-	-	-	11,000	11,000
Travel and training	6,305	521	-	-	-	6,826	2,759	9,585
Insurance expense	6,828	922	-	-	-	7,750	1,285	9,035
Other expenses	6,599	-	-	41	-	6,640	198	6,838
Membership and bank fees	1,080	18	1,172	-	-	2,270	4,444	6,714
Depreciation	2,782	-	-	-	-	2,782	-	2,782
Total expenses	\$ 6,208,314	\$ 4,996,354	\$ 618,204	\$ 211,431	\$ 12,034,303	\$ 229,510	\$ 12,263,813	

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

**School Readiness Coalition of Sarasota County, Inc. d/b/a
Early Learning Coalition of Sarasota County**

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 25,807
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	2,782
(Increase) decrease in assets:	
Accounts receivable	287,871
Increase (decrease) in liabilities:	
Accounts payable	(35,208)
Accrued payroll and benefits	(24,565)
Deferred revenue	<u>(23,841)</u>
Net cash provided by operating activities	<u>232,846</u>
Net increase in cash	232,846
CASH - BEGINNING OF YEAR	<u>731,008</u>
CASH - END OF YEAR	<u><u>\$ 963,854</u></u>

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

**School Readiness Coalition of Sarasota County, Inc. d/b/a
Early Learning Coalition of Sarasota County**

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE A - ORGANIZATION

The School Readiness Coalition of Sarasota County, Inc. (the Coalition), d/b/a Early Learning Coalition of Sarasota County, is a not-for-profit organization incorporated in the State of Florida in 2000. The Coalition's purpose is to provide administration and oversight of federal, state and local funds that ensure an integrated school readiness program offering a broad range of services to enhance the overall system of quality childcare and early education services for preschool children in Sarasota County. This includes state and local funds for financial assistance for income eligible families under the original Florida School Readiness Act of 1999, the Voluntary Pre-Kindergarten (VPK) program for all 4 year olds, implemented by the Florida Legislature in 2005 in response to the Constitutional Amendment passed by the state's citizens in 2002, and Child Care Resource and Referral services providing information regarding quality child care for all families, regardless of income. The Coalition is also responsible for the coordination of local efforts to ensure that young children are prepared for success in school and that child care providers educate and care for preschool children in appropriate, high quality early learning environments that meet legislative mandates.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Functional allocation of expenses

The cost 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 as shown in the statement of functional expenses.

Administration: This designation includes the functions necessary to maintain the Coalition's programs and activities; to provide coordination and articulation of the Coalition's program strategy through oversight of an executive director; to secure the proper administrative functioning of the board of directors; and to manage the financial and budgetary responsibilities of the Coalition.

Programs: The following programs are included in the accompanying financial statements: School Readiness - programs to provide financial scholarships for child care for eligible parents and to empower parents as a child's first teacher and help them prepare their children to be ready for school. Voluntary Pre-Kindergarten - program available for every four-year old in Florida for 540 hours of care in either a traditional school year or a summer program. Quality Improvement System (QIS) – program which oversees the implementation of a local Quality Rating System for child care providers to support high quality early learning environments. A portion of the School Readiness program funds designated for quality expenses also go toward QIS activities.

**School Readiness Coalition of Sarasota County, Inc. d/b/a
Early Learning Coalition of Sarasota County**

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 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.

3. Basis of accounting and financial statement presentation

The accompanying financial statements and accompanying schedule have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and include all funds and activities over which the board of directors of the Coalition has oversight and financial responsibility.

The Coalition reports information regarding its financial position and activities according to three classes of net assets. A description of the three net asset categories follows:

Unrestricted – Net assets not subject to donor-imposed stipulations.

Temporarily Restricted – net assets subject to donor-imposed stipulations that may or will be met by actions of the Coalition and/or passage of time.

Permanently Restricted – net assets subject to donor-imposed stipulations that they be maintained permanently by the Coalition.

Revenues from financial assistance programs are reported as increases in unrestricted net assets because the related restrictions are satisfied in the period in which the support is recognized.

4. Credit Risk

For purposes of the statements of cash flows, the Coalition considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Coalition maintains its cash in deposit accounts in banks which participate in the Federal Deposit Insurance Corporation (FDIC) Transaction Account Guarantee Program. Under that program, through December 31, 2010, all non-interest bearing transaction accounts are fully guaranteed by the FDIC for the entire amount in the account. Coverage under the Transaction Account Guarantee Program is in addition to and separate from the coverage available under the FDIC's general deposit insurance rules. Balances in other account types, including interest bearing accounts, are insured up to \$250,000. After December 31, 2013, balances up to \$100,000 will be insured. At June 30, 2010 the Coalition had \$529,240 in excess of federally insured limits. The Coalition has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

**School Readiness Coalition of Sarasota County, Inc. d/b/a
Early Learning Coalition of Sarasota County**

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Accounts receivable

Accounts receivable, which consists principally of grants due from federal and state governmental agencies, are recorded when services are provided. The Coalition's receivables as of June 30, 2010 are due in less than one year and management believes all receivables are fully collectible.

6. Revenue recognition

Federal and State government and public grants are recorded as revenue on a cost reimbursement basis under the terms of the grant agreement. Some grants and contracts awarded to the Coalition by local agencies are on a standard rate basis. Revenues are recognized as units of service are delivered on these contracts.

7. Deferred revenue

The Coalition received advance funding on several program awards, which qualify as deferred revenue under generally accepted accounting principles until the related services are delivered. The total amount of all deferred revenue was \$614,208 at June 30, 2010.

8. Property and equipment

The Coalition's policy is to capitalize property and equipment with a cost in excess of \$5,000 and a useful life greater than one year. Depreciation is provided on a straight-line basis over the estimated useful lives of three to five years.

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 as well as the ownership of any proceeds from the sale of assets there from is subject to applicable regulations.

9. Income taxes

The Coalition is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code; therefore, no income tax provision is required in the accompanying financial statements. The Coalition is not classified as a private foundation. Contributions to the Coalition are qualified as deductions for charitable contributions.

The Coalition adopted newly issued guidance relating to accounting for uncertainty in income taxes. Management has analyzed its various federal and state filing positions and believes that its income tax filing positions and deductions are well documented and supported. Additionally, management believes that no accruals for tax liabilities are necessary. Therefore, no reserves for uncertain income tax positions have been recorded. In addition, no cumulative effect adjustment related to implementation was recorded.

**School Readiness Coalition of Sarasota County, Inc. d/b/a
Early Learning Coalition of Sarasota County**

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

10. Advances payable to grantor agency

The Coalition receives advances on grant awards to meet its cash flow needs. As a result, these amounts are recorded as advances payable to the grantor agency in the statement of financial position until the amounts are paid back to the grantor agency as part of the agreement. Amounts not paid back at the end of the period are considered liabilities until paid back or forgiven by the grantor agency.

11. Subsequent events

Management has evaluated the effect subsequent events would have on the financial statements through the time these financial statements were available to be issued on November 17, 2010.

NOTE C - COMMITMENTS AND CONTINGENCIES

1. Federal and state appropriated funds

The Coalition received 91% of its support from the federal and state governments in the form of grants. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the Coalition's programs and activities.

Government grants require the fulfillment of certain conditions as set forth in applicable laws, rules and regulations and in the grant agreements. Failure to fulfill the conditions could result in the return of the funds to the grantor. Management believes such disallowances, if any, would not be material.

2. Operating lease

The Coalition has entered into a non-cancelable operating lease agreement for its administrative offices. The coalition has also entered into operating leases for equipment and storage. Future minimum annual rent payments for the operating leases are as follows for the fiscal years ending June 30,

2011	\$ 62,969
2012	44,318
2013	4,338
2014	1,356
2015	<u>1,017</u>
	<u>\$ 113,998</u>

Rent expense, included in building occupancy in the Statement of Functional Expenses, for the year ended June 30, 2010 was \$60,823 for the leased office space and \$8,043 for the leased equipment and storage space.

**School Readiness Coalition of Sarasota County, Inc. d/b/a
Early Learning Coalition of Sarasota County**

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE C - COMMITMENTS AND CONTINGENCIES (continued)

3. Line of Credit

The Coalition maintains a line of credit with Wachovia Bank, N.A. in the amount of \$400,000. The line carries an interest rate of prime plus 1.3%. During the year ended June 30, 2010, no amounts were drawn from the line, and as of June 30, 2010, no balance was outstanding.

NOTE D - CONTRACTS AND GRANTS RECEIVABLE

Contracts and grants receivable consisted of the following amounts at June 30, 2010:

Florida Agency for Workforce Innovation/ Office of Early Learning – Sarasota County Grants-In-Aid Program	\$ 376,621 <u>135,438</u>
Total contracts and grants receivable	<u>\$ 512,059</u>

NOTE E - DEFERRED REVENUE

As of June 30, 2010, deferred revenue consisted of the following:

Gulf Coast Community Foundation	\$ 396,952
Janes' Trust	133,466
Early Literacy	<u>83,790</u>
	<u>\$ 614,208</u>

NOTE F - MATCH REQUIREMENTS

The U.S. Department of Health and Human Services funding, which passed through the Florida Agency for Workforce Innovation, Office of Early Learning, School Readiness Program contract SR-450, provided for subsidized child care services and required local match of six-percent (6%) for certain services for "at risk" children. During the year ended June 30, 2010, the local matching requirements were met.

NOTE G - STATEWIDE SCHOOL READINESS DATA

The Coalition has reconciled its financial records to the statewide School Readiness data and reporting system on a monthly basis. This reconciliation was performed in a timely and satisfactory manner.

**School Readiness Coalition of Sarasota County, Inc. d/b/a
Early Learning Coalition of Sarasota County**

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE H - 401K PLAN

The Coalition provides a 401(k) retirement plan for its employees. All regular full-time employees who are at least 21 years of age or older and have performed six months of credited service are eligible to participate. The Coalition matches participants' contribution to the retirement plan up to 5% of the individual participant's annual pay. For the year ended June 30, 2010, the Coalition's total contribution to the plan was \$12,674.

SUPPLEMENTAL INFORMATION

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**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 of
School Readiness Coalition of Sarasota County, Inc.
Sarasota, Florida

We have audited the financial statements of School Readiness Coalition of Sarasota County, Inc. (a nonprofit organization), d/b/a Early Learning Coalition of Sarasota County as of and for the year ended June 30, 2010, and have issued our report thereon dated November 17, 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 the School Readiness Coalition of Sarasota County'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 the School Readiness of Sarasota County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Coalition'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 the School Readiness Coalition of Sarasota County'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 the Board of Directors, management, others within the Coalition, 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.

Moss, Krusick & Associates, LLC

November 17, 2010
Winter Park, Florida

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

To the Board of Directors of
School Readiness Coalition of Sarasota County, Inc.
Sarasota, Florida

Compliance

We have audited the compliance of School Readiness Coalition of Sarasota County, Inc. (a nonprofit organization), d/b/a Early Learning Coalition of Sarasota County with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*, State of Florida Chapter 10.650, *Rules of the Auditor General*, and special audit guidance provided by the Agency for Workforce Innovation that are applicable to each of its major federal and state programs for the year ended June 30, 2010. School Readiness Coalition of Sarasota County, Inc.'s major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of School Readiness Coalition of Sarasota County, Inc.'s management. Our responsibility is to express an opinion on School Readiness Coalition of Sarasota County, 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*; State of Florida Chapter 10.650, *Rules of the Auditor General*; and special audit guidance provided by the Agency for Workforce Innovation. Those standards, OMB Circular A-133, and State of Florida Chapter 10.650, 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 and state program occurred. An audit includes examining, on a test basis, evidence about School Readiness Coalition of Sarasota County, 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 School Readiness Coalition of Sarasota County, Inc.'s compliance with those requirements.

In our opinion, School Readiness Coalition of Sarasota County, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of School Readiness Coalition of Sarasota County, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered School Readiness Coalition of Sarasota County, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal and state 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 School Readiness Coalition of Sarasota County, 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 function, to prevent,

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

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 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 and use of the Board of Directors, management, others within the Coalition 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.

Moss, Krusick & Associates, LLC

November 17, 2010
Winter Park, Florida

**School Readiness Coalition of Sarasota County, Inc. d/b/a
Early Learning Coalition of Sarasota County**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FEDERAL AND STATE PROGRAMS

June 30, 2010

Section I – Summary of Auditors' Results

Financial Statements

- | | |
|---|-------------|
| 1. Type of auditors' report issued: | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | No |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|-------------|
| 1. Type of auditors' report issued on compliance for major programs: | Unqualified |
| 2. Internal control over major programs: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | No |
| 3. Audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? | N/A |
| 4. Dollar threshold used to distinguish between Type A and Type B programs | \$300,000 |
| 5. Auditee qualified as low-risk auditee? | Yes |

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Temporary Assistance of Needy Families	93.558
Child Care and Development Block Grant	93.575
Child Care Mandatory and Matching Funds	93.596
ARRA Child Care and Development Block Grant	93.713
ARRA Voluntary Pre-Kindergarten	84.397

**School Readiness Coalition of Sarasota County, Inc. d/b/a
Early Learning Coalition of Sarasota County**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FEDERAL AND STATE PROGRAMS

June 30, 2010

Section I – Summary of Auditors’ Results (continued)

State Financial Assistance

- | | |
|---|-------------|
| 1. Type of auditors’ report issued on compliance for major projects: | Unqualified |
| 2. Internal control over major projects: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | No |
| 3. Audit findings disclosed that are required to be reported in accordance with the Florida Single Audit Act and Chapter 10.650, Rules of the Auditor General | N/A |
| 4. Dollar threshold used to distinguish between Type A and Type B projects | \$300,000 |
| 5. Auditee qualified as low-risk auditee? | Yes |

Identification of major projects:

<u>Name of State Project</u>	<u>CSFA Number</u>
Voluntary Pre-Kindergarten Education Program	75.007

Section II – Financial Statement Findings

None (no corrective action plan or management letter required)

Section III – Federal Award and State Programs Findings and Questioned Costs

None reported (no corrective action plan or management letter required)

Section IV - Status of Prior Year Audit Findings

None reported (no corrective action plan or management letter required)

**School Readiness Coalition of Sarasota County, Inc. d/b/a
Early Learning Coalition of Sarasota County**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

For the Year Ended June 30, 2010

<u>Grantor/Program Title</u>	<u>CFDA CSFA</u>	<u>Award Number</u>	<u>Expenditures</u>
Federal Awards:			
U.S. Department of Health and Human Services			
<i>Passed through Agency for Workforce Innovation School Readiness Services</i>			
Child Care and Development Block Grant	93.575	SR450	\$ 1,800,465
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	SR450	1,506,769
ARRA Child Care and Development Grant	93.713	SR450	<u>630,982</u>
Total Child Care Cluster			3,938,216
ARRA Voluntary Pre-Kindergarten	84.397	SV450	516,873
Temporary Assistance for Needy Families	93.558	SR450	1,928,921
Social Services Block Grant	93.667	SR450	<u>9,884</u>
Total Expenditures of Federal Awards			<u><u>\$ 6,393,894</u></u>
State Financial Assistance:			
State of Florida Department of Education			
Voluntary Pre-Kindergarten	75.007	SV450	<u>4,529,260</u>
Total Expenditures of State Awards			<u><u>\$ 4,529,260</u></u>

Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance 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", the Florida *Executive Office of the Governor's State Projects Compliance Supplement* and Chapter 10.650, Rules of the Auditor General, State of Florida. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.