

**COORDINATED CHILD CARE OF PINELLAS, INC.  
and Affiliate**

**Consolidated Financial Statements, Supplementary Financial  
Information and Reports as Required by the Comptroller General of the  
United States, OMB Circular A-133 and Chapter 10.650, Rules of  
the Auditor General of the State of Florida**

**For Year Ended September 30, 2010**

**COORDINATED CHILD CARE OF PINELLAS, INC.  
and Affiliate**

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## **Report of Independent Certified Public Accountants**

Board of Directors  
Coordinated Child Care of Pinellas, Inc.  
Pinellas Park, Florida

We have audited the accompanying consolidated statement of financial position of Coordinated Child Care of Pinellas, Inc. and Affiliate (the "Organization") as of September 30, 2010, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized financial information has been derived from the Organization's 2009 financial statements and, in our report dated January 26, 2010 we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Coordinated Child Care of Pinellas, Inc. and Affiliate as of September 30, 2010, and the changes in their net assets and 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 a report dated January 25, 2011 on our consideration of Coordinated Child Care of Pinellas, Inc. and Affiliate'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 read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements of Coordinated Child Care of Pinellas, Inc. and Affiliate taken as a whole. The consolidating statement of activities and the schedule of revenues and expenses of Juvenile Welfare Board programs on pages 16 and 17 are presented for purposes of additional analysis and are not a required part of the financial statements of the Organization. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is also presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.650, *Rules of the Auditor General of the State of Florida*, and is not a required part of the basic consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic consolidated financial statements taken as a whole.

*Cherry, Behant & Holland, L.L.P.*

Tampa, Florida  
January 25, 2011

**COORDINATED CHILD CARE OF PINELLAS, INC.  
and Affiliate**

**Consolidated Statement of Financial Position  
September 30, 2010  
(With Summarized Financial Information for 2009)**

	<b>2010</b>	<b>(Memo only) 2009</b>
	<hr/>	<hr/>
<b><u>Assets</u></b>		
Cash and cash equivalents	\$ 4,382,300	\$ 4,480,899
Grants receivable	5,955,576	6,803,630
Promise to give - United Way	21,663	21,663
Advances to providers	900,574	996,594
Prepaid expenses	168,230	150,520
Certificates of deposit	204,819	201,773
Property and equipment, net	5,431,381	5,702,122
<b>Total assets</b>	<b><u><u>\$ 17,064,543</u></u></b>	<b><u><u>\$ 18,357,201</u></u></b>
<b><u>Liabilities and Net Assets</u></b>		
Accounts payable	\$ 4,563,230	\$ 5,346,889
Refundable advance - VPK	893,901	985,981
Accrued salary and fringe benefits	880,596	1,158,426
Mortgage payable	2,753,842	2,946,644
Interest rate swap liability	105,697	-
<b>Total liabilities</b>	<b><u><u>9,197,266</u></u></b>	<b><u><u>10,437,940</u></u></b>
Net assets:		
Unrestricted:		
Undesignated	7,191,629	7,547,379
Board designated	626,065	320,333
Total unrestricted	<u>7,817,694</u>	<u>7,867,712</u>
Temporarily Restricted	49,583	51,549
<b>Total net assets</b>	<b><u><u>7,867,277</u></u></b>	<b><u><u>7,919,261</u></u></b>
<b>Total Liabilities and Net Assets</b>	<b><u><u>\$ 17,064,543</u></u></b>	<b><u><u>\$ 18,357,201</u></u></b>

See accompanying notes to consolidated financial statements.

**COORDINATED CHILD CARE OF PINELLAS, INC.  
and Affiliate**

**Consolidated Statement of Activities  
Year Ended September 30, 2010  
(With Summarized Financial Information for 2009)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2010</u>	<u>(Memo only) 2009</u>
Support and revenue:				
Early Learning Coalition of Pinellas County:				
School Readiness	\$ 32,416,202	\$ -	\$ 32,416,202	\$ 33,099,577
Voluntary Pre-kindergarten Education Program	14,391,592	-	14,391,592	14,413,828
Juvenile Welfare Board of Pinellas County	12,291,507	-	12,291,507	17,274,250
Florida Department of Health: Child Care Food Program	1,357,847	-	1,357,847	1,314,365
Pinellas County School Board: Teen Parent Program	750,067	-	750,067	759,268
Even Start Program	50,122	-	50,122	77,104
Florida Department of Education: 21st Century Program	609,611	-	609,611	60,000
United Way	64,989	21,663	86,652	93,126
Interest	17,303	-	17,303	38,479
Other	50,863	-	50,863	173,199
Net assets released from restriction	23,629	(23,629)	-	-
Total support and revenue	<u>62,023,732</u>	<u>(1,966)</u>	<u>62,021,766</u>	<u>67,303,196</u>
Expenses:				
Program services	60,069,383	-	60,069,383	64,904,365
Supporting services	2,004,367	-	2,004,367	1,981,974
Total expenses	<u>62,073,750</u>	<u>-</u>	<u>62,073,750</u>	<u>66,886,339</u>
Increase (decrease) in net assets	(50,018)	(1,966)	(51,984)	416,857
Net assets at the beginning of year	7,867,712	51,549	7,919,261	7,502,404
Net assets at the end of year	<u>\$ 7,817,694</u>	<u>\$ 49,583</u>	<u>\$ 7,867,277</u>	<u>\$ 7,919,261</u>

See accompanying notes to consolidated financial statements.

**COORDINATED CHILD CARE OF PINELLAS, INC.  
and Affiliate**

**Consolidated Statement of Functional Expenses  
Year Ended September 30, 2010  
(With Summarized Financial Information for 2009)**

	Early Learning Coalition	Voluntary Prekindergarten Education Program	JWB Low Income Employed Families	JWB OST Out of School Time	JWB Various Programs	DOE 21st Century	Nutrition Program	Teen Parent & Even Start	Other	Total Program Services	Administrative and General	Total Expenses	(Memo only) 2009
Payments to providers	\$ 26,816,939	\$ 14,038,868	\$ 3,733,735	\$ 4,213,945	\$ 96,842	\$ -	\$ -	\$ 738,677	\$ 130,867	\$ 49,769,873	\$ 7,393	\$ 49,777,266	\$ 54,195,926
Personnel (Adjusted for G & A portion)	3,409,065	253,259	639,205	399,893	717,947	91,066	247,522	13,369	225	5,771,551	1,290,492	7,062,043	7,684,430
Computer	4,480	135	675	1,461	67	22,005	5	37	1	28,866	1,587	30,453	52,187
Contractual and consulting	105,161	11,147	116,721	8,644	579,981	505,229	13,569	291	-	1,340,743	34,856	1,375,599	753,760
Depreciation and equipment usage	121,426	3,856	27,730	11,019	6,139	83	1,965	277	19	172,514	239,987	412,501	370,472
Loss on Transfer of Assets	-	-	-	-	-	-	-	-	-	-	7,217	7,217	-
Nutrition Costs	-	-	-	-	-	-	1,112,746	-	-	1,112,746	-	1,112,746	1,083,462
Quality enhancements/minigrants	-	-	-	380,319	-	-	-	-	-	380,319	-	380,319	266,190
Insurance	64,974	1,615	27,138	6,760	6,507	-	359	-	-	107,353	21,380	128,733	190,181
Interest expenses	93,964	2,984	21,458	8,527	4,751	64	1,520	215	15	133,498	137,182	270,680	175,871
Office supplies	60,159	3,837	10,794	9,216	7,599	-	253	71	-	91,929	15,091	107,020	117,948
Other	57,751	4,699	14,928	5,975	3,116	166	227	350	12	87,224	66,090	153,314	267,254
Postage	55,868	11,674	12,739	375	1,174	245	2,409	-	350	84,834	13,162	97,996	109,829
Printing	51,504	1,447	15,263	693	1,734	34	777	-	-	71,452	8,168	79,620	84,042
Program supplies/Participant Expense	30,772	5	1,310	12,523	384,263	175	112	-	-	429,160	18	429,178	736,495
Rent	39,938	1,268	9,120	3,624	2,019	27	646	91	6	56,739	91,197	147,936	223,572
Repairs and maintenance	148,594	4,372	44,824	13,490	34,030	-	2,334	256	-	247,900	44,945	292,845	401,705
Telephone	64,963	2,418	15,414	6,140	6,485	324	1,818	49	540	98,151	21,745	119,896	92,898
Travel and conference	35,509	519	6,113	7,989	23,885	6,075	4,342	24	75	84,531	3,857	88,388	80,117
<b>Total expenses</b>	<b>\$ 31,161,067</b>	<b>\$ 14,342,103</b>	<b>\$ 4,697,167</b>	<b>\$ 5,090,593</b>	<b>\$ 1,876,539</b>	<b>\$ 625,493</b>	<b>\$ 1,390,604</b>	<b>\$ 753,707</b>	<b>\$ 132,110</b>	<b>\$ 60,069,383</b>	<b>\$ 2,004,367</b>	<b>\$ 62,073,750</b>	<b>\$ 66,886,339</b>

See accompanying notes to consolidated financial statements.

**COORDINATED CHILD CARE OF PINELLAS, INC.  
and Affiliate**

**Consolidated Statement of Cash Flows  
Year Ended September 30, 2010  
(With Summarized Financial Information for 2009)**

	<u>2010</u>	<u>(Memo only) 2009</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (51,984)	\$ 416,857
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Interest rate swap liability	105,697	-
Depreciation	412,501	370,472
Net loss on disposal of assets	7,217	-
(Increase) decrease in:		
Grants receivable	848,054	(671,713)
Promise to give- United Way	-	3,237
Advances to providers	96,020	20,793
Prepaid expenses	(17,710)	(14,784)
Increase (decrease) in:		
Accounts payable	(783,659)	917,910
Refundable advance - VPK	(92,080)	(24,773)
Amounts Due to Funding Agencies	-	(8,712)
Accrued salary and fringe benefits	(277,830)	(91,507)
Net cash provided by operating activities	<u>246,226</u>	<u>917,780</u>
Cash flows from investing activities:		
Reinvestment of certificate of deposit interest	(3,046)	(6,451)
Purchases of property and equipment	(148,977)	(464,245)
Net cash used in investing activities	<u>(152,023)</u>	<u>(470,696)</u>
Cash flows from financing activities:		
Payments on mortgage payable	(192,802)	(182,029)
Net cash used in financing activities	<u>(192,802)</u>	<u>(182,029)</u>
Net increase (decrease) in cash and cash equivalents	(98,599)	265,055
Cash and cash equivalents at beginning of year	<u>4,480,899</u>	<u>4,215,844</u>
Cash and cash equivalents at end of year	<u>\$ 4,382,300</u>	<u>\$ 4,480,899</u>
Supplemental disclosure:		
Cash paid during the year for interest	<u>\$ 167,168</u>	<u>\$ 175,185</u>

See accompanying notes to consolidated financial statements.

**COORDINATED CHILD CARE OF PINELLAS, INC.  
and Affiliate**

**Notes to Financial Statements  
For the Year Ended September 30, 2010**

**Note 1 - Summary of Significant Accounting Policies**

*Organization* – Coordinated Child Care of Pinellas, Inc. (“CCC”) is a not for profit Florida corporation. The purpose of CCC is to coordinate the provision of child-care services through child-care homes, centers, and school-age sites as well as other legal forms of care for children up to the age of thirteen. CCC also provides social services, therapeutic childcare, a nutritional food program, developmental screening, training and monitoring. Substantially all of CCC’s activities are conducted in Pinellas County, Florida.

Coordinated Child Care Properties, Inc. (“CCCP”) is a Florida not-for-profit corporation, whose purpose is to hold title to certain property used by CCC.

*Principles of Consolidation* – The consolidated financial statements include the accounts of CCC and CCCP, on a combined basis (the “Organization”). The entities are related through an economic interest and CCC’s direct and indirect ability to determine the direction of management. All significant intercompany accounts and transactions have been eliminated in the consolidation.

*Basis of Presentation* - The accompanying consolidated 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, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations. Board designated unrestricted net assets represent resources currently available for use, but expendable only for those operating purposes specified by the board of directors.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted assets include gifts and unconditional promises to give for which the ultimate purpose is not permanently restricted.

*Cash and Cash Equivalents* - For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

*Grant Receivable* – Grant receivable consist of grant funding from various agencies for child care services and related administrative costs that have been earned but not received at September 30, 2010.

**COORDINATED CHILD CARE OF PINELLAS, INC.  
and Affiliate**

**Notes to Financial Statements  
For the Year Ended September 30, 2010**

**Note 1 – Summary of Significant Accounting Policies (continued)**

*Fair Value Measurements* – The Organization records certain assets at fair value in accordance with the current accounting standards on *Fair Value Measurements*. The standard defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The standard also established a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standard describes three levels of inputs that may be used to measure fair value:

Level 1 – Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date;

Level 2 – Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies; and

Level 3 – Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

The Organization measures certain assets at fair value using the following inputs:

	Quoted Prices in Active Markets for Identical Assets (Level1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
<b>Assets</b>				
Cerificates of deposit	\$ -	\$ 204,819	\$ -	\$ 204,819
<b>Liabilities</b>				
Interest rate swap liability	\$ -	\$ 105,697	\$ -	\$ 105,697

*Accrued Leave Payable* – Vacation and sick time off with pay is available to all eligible employees, based on years of service and average hours worked. At September 30, 2010, approximately \$420,000 of accrued leave payable is included in accrued salary and fringe benefits in the accompanying balance sheet.

**COORDINATED CHILD CARE OF PINELLAS, INC.**  
**and Affiliate**

**Notes to Financial Statements**  
**For the Year Ended September 30, 2010**

**Note 1 - Summary of Significant Accounting Policies (continued)**

*Property and Equipment* – Property and equipment are carried at cost, if purchased, or at estimated fair market value at date of receipt if acquired by gift. Depreciation is calculated using the straight-line method over the estimated useful lives of respective assets ranging from 3 to 20 years. Expenditures in excess of \$1,000 with an estimated useful life in excess of one year are capitalized.

Property acquired with governmental funds is considered to be owned by the Organization 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 therefrom is subject to applicable regulations.

*Federal Income Taxes* – CCC is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. CCCP is exempt from federal income taxes under section 501(c)(2) of the Internal Revenue Code.

Management has evaluated the effect of the guidance provided by accounting principles generally accepted in the United States of America on Accounting for Uncertainty in Income Taxes and has determined that the Organization had no uncertain income tax positions that could have a significant effect on the financial statements for the year ended September 30, 2010. The Organization's federal income tax returns for 2007, 2008, and 2009 are subject to examination by the Internal Revenue Service, generally for a period of three years after the date the federal income tax returns were filed.

*Interest Rate Swap* – The Organization is utilizing an interest rate swap to reduce its exposure to changes in the interest rate. The Organization does not hold or issue interest rate swaps for trading purposes. Interest rate swaps are a derivative as defined in the accounting standard "Accounting for Derivative Instruments and Hedging Activities". The standard requires that an entity recognize interest rate swaps as either assets or liabilities in the balance sheet and measure those instruments at fair value. The fair value at the balance sheet date represents the amount the Organization would receive or pay if the swap agreement were terminated. Changes in fair value of those instruments are reported as a change in net assets. Any payments made or received under the swap agreement are recognized when due as an increase or decrease in the related interest expense. At this time the Organization has no plans to terminate this agreement.

*Revenue Recognition* – All revenues and related expenses of the Organization are recognized using the accrual method of accounting and recorded in the period to which the revenue and expenses relate. Amounts collected in advance are reported as refundable advance – VPK in the accompanying balance sheet.

*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.

*Schedule of Functional Expenses* - For grant purposes, general and administrative expenses were allocated to supporting services based on actual full time equivalents.

**COORDINATED CHILD CARE OF PINELLAS, INC.  
and Affiliate**

**Notes to Financial Statements  
For the Year Ended September 30, 2010**

**Note 1 - Summary of Significant Accounting Policies (continued)**

*Summarized Financial Information for 2009* - The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2009, from which the summarized information was derived.

*Subsequent Events* – The Organization has evaluated subsequent events (events occurring after September 30, 2010) through January 25, 2011 in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

*Reclassification* – Certain balances in the 2009 consolidated statement of activities have been reclassified to conform to the current year presentation. The reclassification had no effect on the Organization's 2009 change in net assets.

**Note 2 - Concentration of Credit Risk**

The Organization places its cash and cash equivalents on deposit with financial institutions in the United States of America. The Federal Deposit Insurance Corporation (FDIC) covers \$250,000 for substantially all depository accounts and temporarily provides unlimited coverage through December 31, 2012 for certain qualifying and participating non-interest bearing transaction accounts. The Organization may, from time to time, have amounts on deposit in excess of the insured limits. As of September 30, 2010, the Organization had approximately \$2,600,000 which exceeded these amounts.

**Note 3 - Grants Receivable**

Grants receivable represent amounts due from the following sources as of September 30, 2010:

Early Learning Coalition of Pinellas County	\$ 2,451,818
Juvenile Welfare Board of Pinellas County (JWB)	1,964,408
Voluntary Prekindergarten Program	922,888
Pinellas County School Board	55,841
Florida Department of Health	234,112
Department of Children and Family	303,275
Other	23,234
	<u>\$ 5,955,576</u>

Management considers all receivables to be fully collectible and an allowance for doubtful accounts unnecessary at September 30, 2010.

**Note 4 - Promise to Give**

The unconditional promise to give totaling \$21,663 is expected to be collected within one year and is recorded at net realizable value.

**COORDINATED CHILD CARE OF PINELLAS, INC.  
and Affiliate**

**Notes to Financial Statements  
For the Year Ended September 30, 2010**

**Note 5 - Property and Equipment**

The following is a summary of property and equipment as of September 30, 2010:

Land	\$	1,567,756
Building		3,430,542
Leasehold improvements		57,243
Furniture and equipment		1,462,402
Vehicles		57,342
Total property and equipment		6,575,285
Less accumulated depreciation		(1,143,904)
Net property and equipment	\$	5,431,381

**Note 6 - Line of Credit**

At September 30, 2010, the Organization had an unused line of credit of \$1,000,000 that matures on May 6, 2011, with interest at LIBOR plus 2.6%.

**Note 7 - Mortgages Payable**

Mortgages payable consists of the following at September 30, 2010:

\$2,400,000 mortgage payable to SunTrust Bank was used to finance \$1,075,026 of construction for the 102nd Avenue North facility, to payoff \$375,418 principal of a SunTrust Bank mortgage dated October 2006 and to refinance the remaining principal of \$949,556 on a SunTrust Bank mortgage dated October 2003. The mortgage has a maturity date of April 2015 with adjustable monthly interest based on 1.5% per annum over the London Interbank Offered Rate (LIBOR) which was .84306% on September 30, 2010. The mortgage is collateralized by real property and includes certain financial covenants. \$ 2,036,078

\$800,000 mortgage payable to SunTrust Bank. Proceeds were used to purchase the 102nd Avenue North property. The mortgage has a maturity date of December 2012 with monthly payments of \$6,964, including a fixed interest rate of 6.49%. Collateralized by real property. 707,222

Accrued Interest 2,743,300

10,542

\$ 2,753,842

**COORDINATED CHILD CARE OF PINELLAS, INC.**  
**and Affiliate**

**Notes to Financial Statements**  
**For the Year Ended September 30, 2010**

**Note 7 – Mortgages Payable (continued)**

As a means to stabilize borrowing costs, the Organization entered into an interest rate swap agreement with SunTrust Bank in connection with the \$2,400,000 mortgage. The intention of the swap agreement was to effectively lock the Organization's interest rate on the mortgage to a fixed rate of 5.43% at September 30, 2010. The mortgage and the related swap agreement mature on April 2015 and the swap's notional amount matches the \$2,400,000 variable rate mortgage.

The aggregate maturities of the mortgages payable are as follows:

2011	\$ 183,808
2012	186,409
2013	770,281
2014	144,897
2015	1,457,905
	<u>\$ 2,743,300</u>

**Note 8 – Retirement Plan**

The Organization has a 401(k) Plan for all employees that are not leased from Juvenile Welfare Board and are over 18 years old. CCC made matching contributions up to 2.5% based on the contributing participant's compensation. The plan allows the employer to make a discretionary contribution at the end of the plan year to be determined by the board of directors. Total contributions made to the plan for the year ended September 30, 2010 were \$390,845.

**Note 9 – Operating Leases**

CCC leases equipment and facilities under various operating leases. The rental expense for the year ended September 30, 2010 was \$ 147,939.

Future minimum lease payments are as follows:

For the year ended September 30,	
2011	\$ 113,111
2012	97,772
2013	88,836
2014	50,347
	<u>\$ 350,066</u>

**Note 10 - Board Designated Unrestricted Net Assets**

Board designated unrestricted net assets are expendable for child care, equipment and various other purposes.

**COORDINATED CHILD CARE OF PINELLAS, INC.  
and Affiliate**

**Notes to Financial Statements  
For the Year Ended September 30, 2010**

**Note 11 - Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes or periods:

Special needs	\$ 27,920
Time restriction - United Way	<u>21,663</u>
	<u>\$ 49,583</u>

**Note 12 - Concentration**

A major portion of the revenue is federal and state funding that passes through the Early Learning Coalition of Pinellas County ("ELC") to the Organization. For the year ended September 30, 2010, ELC provided approximately 75% of the Organization's total revenue.

**Note 13 - Commitment and Contingencies**

The Organization is subject to state and federal audits to determine compliance with grant funding requirements. In the event that expenditures would be disallowed, repayment could be required. It is the opinion of management that no grant expenditures will be disallowed.

## **Supplementary Information**

**Coordinated Child Care of Pinellas, Inc.  
and Affiliate**

**Schedule of Expenditures of Federal Awards and State Financial Assistance  
September 30, 2010**

Federal/State Agency Pass-Through Entity Program or Cluster Title/State Project	CFDA/ CSFA Number	Contract Grant Number	Expenditures
<b>FEDERAL</b>			
<b>U.S. Department of Health and Human Services:</b>			
<i>Passed through the Early Learning Coalition of Pinellas County:</i>			
<b>Child Care Cluster:</b>			
Child Care and Development Block Grant	93.575	SR09-02/SR10-02	\$ 10,437,995
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	SR09-02/SR10-02	7,301,982
ARRA--Child Care and Development Block Grant	93.713	SR09-02/SR10-02	2,414,737
Total Child Care Cluster			20,154,714
Other:			
<i>Passed through the Early Learning Coalition of Pinellas County:</i>			
Temporary Assistance for Needy Families	93.558	SR09-02/SR10-02	5,715,201
Social Services Block Grant	93.667	SR09-02/SR10-02	440,282
<i>Passed through Florida Department of Children and Families</i>			
Refugee and Entrant Assistance	93.566	LK 893	27,751
<b>U.S. Department of Agriculture:</b>			
<i>Passed through Florida Department of Health:</i>			
Child and Adult Care Food Program	10.558	D-0797	1,357,848
<b>U.S. Department of Education:</b>			
<i>Passed through Pinellas County School Board:</i>			
Even Start State Educational Agencies	84.213	n/a	50,121
<i>Passed through Florida Department of Education:</i>			
21st Century Grant	84.287	52J-2440A-0PCC1/ 52J-2441A-1PCC1	609,612
<i>Passed through the Early Learning Coalition of Pinellas County:</i>			
ARRA - State Fiscal Stabilization Fund	84.397	SR09-02/SR10-02	1,554,562
<b>Total expenditures of federal awards</b>			<b>\$ 29,910,091</b>
<b>STATE OF FLORIDA</b>			
<b>Agency for Workforce Innovation:</b>			
<i>Passed through the Early Learning Coalition of Pinellas County:</i>			
Voluntary Pre-Kindergarten Education Program	75.007	SR09-02/SR10-02	12,837,049
<b>Total expenditures of state financial assistance</b>			<b>\$ 12,837,049</b>

**COORDINATED CHILD CARE OF PINELLAS, INC.  
and Affiliate**

**Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance  
Year Ended September 30, 2010**

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of Coordinated Child Care of Pinellas, 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 and the requirements of 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.

**Note 2 - Contingencies**

Expenses incurred by Coordinated Child Care of Pinellas, Inc. are subject to audit and possible disallowance by the grantor agencies. Management believes that if audited, any adjustment for disallowed expenses would be favorably resolved.

## **Grant Compliance**

**COORDINATED CHILD CARE OF PINELLAS, INC.  
and Affiliate**

**Consolidating Statement of Activities Schedule  
Year Ended September 30, 2010  
(With Summarized Financial Information for 2009)**

	<u>Coordinated Child Care Pinellas</u>	<u>Coordinated Child Care Properties</u>	<u>Intercompany Eliminating Entries</u>	<u>Consolidated Total 2010</u>	<u>Memo 2009</u>
Support and revenue:					
Early Learning Coalition of Pinellas County:					
School Readiness	\$ 32,416,202	\$ -	\$ -	\$ 32,416,202	\$ 33,099,577
Voluntary Pre-kindergarten Education Program	14,391,592	-	-	14,391,592	14,413,828
Juvenile Welfare Board of Pinellas County	12,291,507	-	-	12,291,507	17,274,250
Florida Department of Health: Child Care Food Program	1,357,847	-	-	1,357,847	1,314,365
Pinellas County School Board:					
Teen Parent Program	750,067	-	-	750,067	759,268
Even Start Program	50,122	-	-	50,122	77,104
Florida Department of Education:					
21st Century Program	609,611	-	-	609,611	
United Way	86,652	-	-	86,652	93,126
Interest	17,303	-	-	17,303	12,639
Other	50,863	662,046	(662,046)	50,863	259,039
Total support and revenue	<u>62,021,766</u>	<u>662,046</u>	<u>(662,046)</u>	<u>62,021,766</u>	<u>67,303,196</u>
Expenses:					
Payments to providers	49,777,266	-	-	49,777,266	54,195,926
Personnel	6,959,364	102,679	-	7,062,043	7,684,430
Computer	30,453	-	-	30,453	52,187
Contractual and consulting	1,367,649	7,950	-	1,375,599	753,760
Depreciation and equipment usage	247,203	172,515	-	419,718	370,472
Nutrition Costs	1,112,746	-	-	1,112,746	1,083,462
Quality enhancements	380,319	-	-	380,319	266,190
Insurance	113,061	15,672	-	128,733	190,182
Interest expenses	-	270,680	-	270,680	175,871
Office supplies	107,020	-	-	107,020	117,948
Other (Incl Audit Fees)	136,740	16,574	-	153,314	267,254
Postage	97,996	-	-	97,996	109,829
Printing	79,620	-	-	79,620	84,042
Program supplies	429,178	-	-	429,178	736,495
Rent	809,982	-	(662,046)	147,936	223,572
Repairs and maintenance	285,315	7,530	-	292,845	401,705
Telephone	119,896	-	-	119,896	92,898
Travel and conference	88,388	-	-	88,388	80,116
Total expenses	<u>62,142,196</u>	<u>593,600</u>	<u>(662,046)</u>	<u>62,073,750</u>	<u>66,886,339</u>
Increase (decrease) in net assets	<u>\$ (120,430)</u>	<u>\$ 68,446</u>	<u>\$ -</u>	<u>\$ (51,984)</u>	<u>\$ 416,857</u>

**Coordinated Child Care of Pinellas, Inc.  
and Affiliate**

**Schedule of Revenue and Expenses of Juvenile Welfare Board Programs  
Year Ended September 30, 2010**

	<u>LIEF Child Care Screening</u>	<u>Special Services</u>	<u>Community Contracts</u>	<u>5 Star Quality Counts</u>	<u>Child Care Quality Improvement</u>	<u>21st Century</u>	<u>OST Out of School Time</u>	<u>Total Program Services</u>
Revenues	\$ 5,116,173	\$ 743,942	\$ 554,897	\$ 453,467	\$ 121,208	\$ 20,425	\$ 5,281,394	\$ 12,291,507
Payments to providers	3,733,735	96,842	-	-	-	-	4,213,945	8,044,522
Community Contracts	94,924	-	554,897	-	-	-	-	649,821
Personnel	639,205	559,456	-	117,295	41,196	-	399,893	1,757,045
Computer	675	67	-	-	-	-	1,461	2,203
Contractual and consulting	21,797	2,772	-	792	1,095	20,425	8,644	55,525
Depreciation and equipment useage	27,730	6,139	-	-	-	-	11,019	44,888
Quality enhancements/minigrants	-	-	-	-	-	-	380,319	380,319
Insurance	27,138	5,496	-	934	77	-	6,760	40,405
Interest expenses	21,458	4,751	-	-	-	-	8,527	34,736
Office supplies	10,794	6,137	-	1,241	222	-	9,216	27,609
Other	14,928	3,116	-	-	-	-	5,975	24,019
Postage	12,739	547	-	627	-	-	375	14,288
Printing	15,263	1,734	-	-	-	-	693	17,690
Program supplies/Participant Expenses	1,310	9,426	-	302,269	72,567	-	12,523	398,096
Rent	9,120	2,019	-	-	-	-	3,624	14,763
Repairs and maintenance	44,824	8,827	-	24,305	897	-	13,490	92,344
Telephone	15,414	3,937	-	1,537	1,011	-	6,140	28,039
Travel and conference	6,113	23,831	-	-	54	-	7,989	37,987
Total expenses	<u>4,697,167</u>	<u>735,098</u>	<u>554,897</u>	<u>448,999</u>	<u>117,119</u>	<u>20,425</u>	<u>5,090,593</u>	<u>11,664,300</u>
Less Admin & General	<u>417,373</u>	<u>12,924</u>	<u>-</u>	<u>8,707</u>	<u>3,577</u>	<u>-</u>	<u>198,551</u>	<u>641,130</u>
Total Program Expenses	<u>5,114,540</u>	<u>748,022</u>	<u>554,897</u>	<u>457,706</u>	<u>120,696</u>	<u>20,425</u>	<u>5,289,144</u>	<u>12,305,430</u>
Revenues over (under) expenses	<u>\$ 1,633</u>	<u>\$ (4,080)</u>	<u>\$ -</u>	<u>\$ (4,239)</u>	<u>\$ 512</u>	<u>\$ -</u>	<u>\$ (7,750)</u>	<u>\$ (13,923)</u>

See accompanying notes to consolidated financial statements.



**Report of Independent Certified Public Accountants 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***

The Board of Directors  
Coordinated Child Care of Pinellas, Inc.

We have audited the consolidated financial statements of Coordinated Child Care of Pinellas, Inc. as of and for the year ended September 30, 2010, and have issued our report thereon dated January 25, 2011. 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 Coordinated Child Care of Pinellas, 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 Coordinated Child Care of Pinellas, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Coordinated Child Care of Pinellas, Inc.'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 Coordinated Child Care of Pinellas, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board of directors, the audit committee, management and applicable governmental agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Cherry, Behant & Holland, L.L.P.*

Tampa, Florida  
January 25, 2011



**Report of Independent Certified Public Accountants on Compliance with  
Requirements That Could Have a Direct and Material Effect on Each Major  
Federal Program and State Project and on Internal Control over Compliance in  
Accordance with OMB Circular A-133 and Chapter 10.650, Rules of the Auditor  
General of the State of Florida**

The Board of Directors  
Coordinated Child Care of Pinellas, Inc.

**Compliance**

We have audited Coordinated Child Care of Pinellas, Inc. compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*, and the requirements described in the Executive Office of the Governor's State Projects Compliance Supplement that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2010. Coordinated Child Care of Pinellas, Inc.'s major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and state projects is the responsibility of Coordinated Child Care of Pinellas, Inc.'s management. Our responsibility is to express an opinion on Coordinated Child Care of Pinellas, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and 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, 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 project occurred. An audit includes examining, on a test basis, evidence about Coordinated Child Care of Pinellas, 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 Coordinated Child Care of Pinellas, Inc.'s compliance with those requirements.

In our opinion, Coordinated Child Care of Pinellas, Inc.'s complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2010.

### **Internal Control over Compliance**

Management of Coordinated Child Care of Pinellas, 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 and state projects. In planning and performing our audit, we considered Coordinated Child Care of Pinellas, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program or state project to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Coordinated Child Care of Pinellas, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project 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 or state project will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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, the audit committee, management and applicable governmental agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Cherry, Behant & Holland, L.L.P.*

Tampa, Florida  
January 25, 2011

**COORDINATED CHILD CARE OF PINELLAS, INC.**

**Schedule of Findings and Questioned Costs  
Federal Awards and State Financial Assistance Projects  
Year Ended September 30, 2010**

**A. Summary of Audit Results**

1. The auditor's report expresses an unqualified opinion on the financial statements of Coordinated Child Care of Pinellas, Inc.
2. No significant deficiencies were reported 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 reported 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 or the major state financial assistance projects.
7. The programs tested as major federal awards and major state financial assistance were the following:

<u>CFDA #</u>	<u>Grantor/Program Title</u>
	U.S. Department of Health and Human Services Child Care Cluster:
93.575	Child Care Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.713	ARRA – Child Care and Development Block Grant
10.558	Child and Adult Care Food Program
84.287	21 <sup>st</sup> Century Grant
84.397	ARRA – State Fiscal Stabilization Fund
<u>CSFA #</u>	<u>State Financial Assistance</u>
75.007	Voluntary Pre-Kindergarten Education Program

8. The threshold for distinguishing Types A and B programs/projects was \$850,665 for federal awards and \$385,111 for state financial assistance.
9. Coordinated Child Care of Pinellas, Inc. was considered a low-risk auditee pursuant to OMB Circular A-133.

**COORDINATED CHILD CARE OF PINELLAS, INC.**

**Schedule of Findings and Questioned Costs  
Federal Awards and State Financial Assistance Projects (continued)  
Year Ended September 30, 2010**

**B. Findings - Financial Statements Audit**

No matters were reported.

**C. Findings and Questioned Costs - Major Federal Award Programs and State Projects Audit**

No matters were reported.

**D. Other Matters**

No management letter is required because there were no matters noted that were required to be reported.

**COORDINATED CHILD CARE OF PINELLAS, INC.**

**Summary Schedule of Prior Year's Audit Findings  
and Corrective Action Plan  
Year Ended September 30, 2010**

Coordinated Child Care of Pinellas, Inc. had no findings reported in the Schedule of Findings and Questioned Costs – Federal Awards and State Financial Assistance for the period ended September 30, 2009, therefore, the entity has no findings in which to report on for the Summary Schedule of Prior Year's Audit Findings.

Coordinated Child Care of Pinellas, Inc. had no audit findings reported in the Schedule of Findings and Questioned Costs – Federal Awards and State Financial Assistance for the period ended September 30, 2010, therefore, the entity is not required to prepare a Corrective Action Plan.