

**UNIVERSITY AREA COMMUNITY
DEVELOPMENT CORPORATION, INC.**
FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

LEONARD D. MARSOCCI, CPA, PA

UNIVERSITY AREA COMMUNITY DEVELOPMENT CORPORATION, INC.

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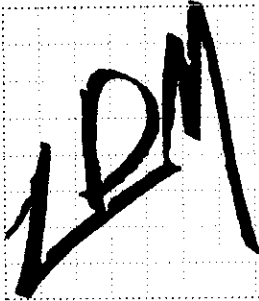
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FINANCIAL STATEMENTS



LEONARD D. MARSOCCI, CPA, PA
CERTIFIED PUBLIC ACCOUNTANT

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Board of Directors
UNIVERSITY AREA COMMUNITY DEVELOPMENT CORPORATION, INC.

INDEPENDENT AUDITOR'S REPORT

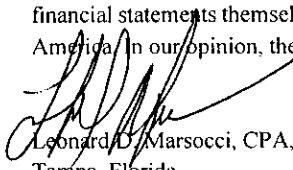
I have audited the accompanying statement of financial position of **UNIVERSITY AREA COMMUNITY DEVELOPMENT CORPORATION, INC.** (a nonprofit organization) as of **September 30, 2010**, and the related statement of activities and changes in net assets, statement of functional expenses and statement of cash flows for the **year** then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with general accepted auditing standards 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 I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **UNIVERSITY AREA COMMUNITY DEVELOPMENT CORPORATION, INC.** as of **September 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*, I have also issued my report dated *December 17, 2010* on my consideration of **UNIVERSITY AREA COMMUNITY DEVELOPMENT CORPORATION, INC.**'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grants agreements, and other matters. The purpose of that report is to describe the scope of my 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 my audit.

My audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal, state and local awards is presented for purposes of additional analysis as required by *Chapter 10.650, Rules of The Auditor General*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Leonard D. Marsocci, CPA, PA
Tampa, Florida

December 17, 2010

UNIVERSITY AREA COMMUNITY DEVELOPMENT CORPORATION, INC.

STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2010

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$1,985,694
Grants receivables	2,062,934
Other current assets	<u>22,575</u>
TOTAL CURRENT ASSETS	\$4,071,203
Property and equipment, net	4,166,370
Other assets	<u>23,598</u>
TOTAL ASSETS	<u><u>\$8,261,171</u></u>

LIABILITIES

Current portion of long term debt	\$120,000
Accounts payable and accrued expenses	<u>857,013</u>
TOTAL CURRENT LIABILITIES	977,013
LONG-TERM DEBT	1,403,080

NET ASSETS

Unrestricted	5,881,078
Temporarily restricted	0
Permanently restricted	<u>0</u>
TOTAL NET ASSETS	<u>5,881,078</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$8,261,171</u></u>

UNIVERSITY AREA COMMUNITY DEVELOPMENT CORPORATION, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
PUBLIC SUPPORT AND REVENUE				
PUBLIC SUPPORT				
Grants and contracts	\$8,078,068	\$0	\$0	\$8,078,068
Contributions	601,111	0	0	601,111
Fund Raising	58,106	0	0	58,106
TOTAL PUBLIC SUPPORT	8,737,285	0	0	8,737,285
REVENUE				
Current fees for services	\$837,405	\$0	\$0	\$837,405
Investment and other income	551,182	0	0	551,182
TOTAL REVENUE	1,388,587	0	0	1,388,587
TOTAL SUPPORT AND REVENUE	10,125,872	0	0	10,125,872
EXPENSES				
Program services	\$8,031,190	\$0	\$0	\$8,031,190
Supporting services	2,186,159	0	0	2,186,159
TOTAL EXPENSES	10,217,349	0	0	10,217,349
EXCESS OF SUPPORT AND REVENUE OVER EXPENSES	(91,477)	0	0	(91,477)
Net assets - Beginning of Year	5,972,555	0	0	5,972,555
Net assets - End of Year	\$5,881,078	\$0	\$0	\$5,881,078

UNIVERSITY AREA COMMUNITY DEVELOPMENT CORPORATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2010

DESCRIPTION	PROGRAM SERVICES				SUBTOTAL
	(5)	(6)	(7)	(8)	
	PRODIGY	POSITIVE SPIN	ANTI-CRIME PROGRAM	OTHER	
PERSONNEL EXPENSE	\$755,081.32	\$153,895.58	\$591,964.12	\$10,500.00	\$1,511,441.02
OPERATING EXPENSES	47,713.10	10,778.59	16,206.09	45,661.99	120,359.77
EQUIPMENT	19,976.42	1,624.70	3,086.03	10,602.09	35,289.24
FACILITIES MANAGEMENT	836,942.67	26,624.29	69,845.93	8,608.31	942,021.20
DEPRECIATION	0.00	0.00	0.00	0.00	0.00
PUBLIC INFORMATION	73,743.36	59,568.29	154,887.31	42,168.32	330,367.28
CHARITABLE CONTRIBUTIO	0.00	0.00	0.00	9,152.87	9,152.87
PROFESSIONAL FEES	110,535.78	25,736.80	33,806.63	124,272.85	294,352.06
PRODIGY	4,122,123.57	0.00	0.00	228.64	4,122,352.21
SUPPLIES	12,275.93	2,085.45	3,978.16	454.00	18,793.54
ACTIVITIES AND EVENTS	98,597.59	0.00	12,881.14	12,973.12	124,451.85
TRAVEL	4,299.88	3,176.75	4,868.89	3,088.05	15,433.57
AFTER SCHOOL CARE	23,802.88	0.00	0.00	119.94	23,922.82
POSITIVE SPIN	0.00	2,100.00	0.00	0.00	2,100.00
ANTI-CRIME	0.00	0.00	481,152.11	0.00	481,152.11
ASSET MANAGEMENT	0.00	0.00	0.00	0.00	0.00
Total Expenses	\$6,105,092.50	\$285,590.45	\$1,372,676.41	\$267,830.18	\$8,031,189.54

DESCRIPTION	SUPPORTING SERVICES				SUBTOTAL	TOTALS
	(1)	(2)	(3)	(4)		
	FACILITIES MANAGEMENT	ADMINISTRATIO	FUNDRAISING	REAL ESTATE		
PERSONNEL EXPENSE	\$28,653.54	\$3,577.10	\$96,805.65	\$39,990.55	\$169,026.84	\$1,680,467.86
OPERATING EXPENSE	26,095.18	23,149.03	56,510.58	76,808.02	182,562.81	302,922.58
EQUIPMENT	6,461.97	1,253.92	7,068.12	4,339.66	19,123.67	54,412.91
FACILITIES MANAGEMENT	(282,449.76)	2,505.29	5,010.10	435,420.13	160,485.76	1,102,506.96
DEPRECIATION	355,835.06	0.00	0.00	0.00	355,835.06	355,835.06
PUBLIC INFORMATION	47,781.55	17,082.17	50,211.07	4,962.26	120,037.05	450,404.33
CHARITABLE CONTRJBUTIO	5,670.49	5,671.17	11,690.97	2,688.10	25,720.73	34,873.60
PROFESSIONAL FEES	78,529.71	57,126.65	114,011.41	42,439.85	292,107.62	586,459.68
PRODIGY	30.00	30.00	60.00	0.00	120.00	4,122,472.21
SUPPLIES	(599.38)	263.74	684.12	88.84	437.32	19,230.86
ACTIVITIES & EVENTS	1,912.69	13,357.24	703,636.40	161.25	719,067.58	843,519.43
TRAVEL	747.53	416.30	5,693.63	160.70	7,018.16	22,451.73
AFTER SCHOOL CARE	0.00	0.00	0.00	0.00	0.00	23,922.82
POSITIVE SPIN	0.00	0.00	0.00	0.00	0.00	2,100.00
ANTI-CRIME	0.00	0.00	0.00	0.00	0.00	481,152.11
ASSET MANAGEMENT	0.00	0.00	0.00	134,617.59	134,617.59	134,617.59
Total Expenses	\$268,668.58	\$124,432.61	\$1,051,382.05	\$741,676.95	\$2,186,160.19	\$10,217,349.73

See Notes to Financial Statements

LEONARD D. MARSOCCI, CPA, PA

UNIVERSITY AREA COMMUNITY DEVELOPMENT CORPORATION, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets (91,477)

ADJUSTMENTS TO RECONCILE NET CHANGE IN NET ASSETS

TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

Depreciation 355,835

DECREASE in accounts payable and accrued expenses (114,493)

INCREASE in grants receivables (1,377,203)

DECREASE in other assets 64,510

TOTAL ADJUSTMENTS (1,071,351)

NET CASH PROVIDED BY OPERATING ACTIVITIES (1,162,828)

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of property and equipment (242,634)

NET CASH USED BY INVESTING ACTIVITIES (242,634)

CASH FLOWS FROM FINANCING ACTIVITIES:

INCREASE in long-term debt, net 103,080

NET CASH USED BY FINANCING ACTIVITIES 103,080

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (1,302,382)

CASH AND CASH EQUIVALENTS, beginning of year 3,288,076

CASH AND CASH EQUIVALENTS, END OF YEAR \$1,985,694

UNIVERSITY AREA COMMUNITY DEVELOPMENT CORPORATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities

UNIVERSITY AREA COMMUNITY DEVELOPMENT CORPORATION, INC. (UACDC), a Florida not-for-profit corporation, was incorporated in 1998.

UACDC was organized for charitable and educational reasons. Specific purposes are to improve the economic, educational and social levels of residents of the blighted communities surrounding the Tampa campus of the University of South Florida who are substantially unemployed, underemployed, or whose income is below federal poverty guidelines. To foster and promote community-wide interest and concern for the problems of residents. To promote educational, economic, cultural and recreational opportunities for these residents. To assist in the physical deterioration of the community, reduce racial tensions, prejudice, and discrimination.

In addition, UACDC will assist in raising funds and operate the County-owned University Area community Center Complex in the University Area of Hillsborough County where educational, cultural and vocational programs will be planned and conducted for the residents served by UACDC and their children. UACDC will provide relief from the poverty of the underprivileged residents, promote the economic self-sufficiency of the residents, and combat community deterioration. UACDC shall expand the opportunities available to said residents to own, manage and operate business enterprises, assist residents in developing the skills necessary for the successful operation of business enterprises, revitalize the community by encouraging and assisting existing businesses and institutions to re-invest in this economically distressed area, and assist in physical improvements in the blighted commercial areas of the community so that businesses can succeed and remain there as employers for the unemployed and underemployed residents of the area.

UACDC will expand opportunities available to area residents to obtain low-cost decent housing through the encouragement and facilitation of new construction or the rehabilitation of existing substandard buildings.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Accordingly, net assets of UACDC are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

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 the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization.

Recognition of Grant and Contract Support

UACDC recognizes grant and contract support when eligible costs are incurred. Grant receivables are recognized to the extent contract support earned exceeds cash advances. Grants receivable represent amounts due primarily from governmental agencies. No provision for bad debts has been recorded because in management opinion such amounts are collectible.

Functional Allocation of Expenses

The costs of providing the various programs have been summarized on a functional basis in the statement of functional expenses. Salaries and other expenses that are associated with a specific program are charged directly to that program. Salaries and other expenses that benefit more than one program are allocated to the various programs based on the relative benefit provided.

Donated Materials and Services

The value of donated materials and services are included as contributions in the financial statements and the corresponding supporting expenditures were approximately \$579,000. Many individuals volunteer their time and perform a variety of tasks that assist UACDC to meet its objectives. Amounts are estimated at fair market value.

Estimates

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

Property and Equipment

Property and equipment are recorded at cost and are depreciated using the straight-line method over five to thirty-nine years.

Contributions

UACDC adopted SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, UACDC considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Income Tax Status

Income taxes are not provided for in the financial statements since UACDC is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code. Management is not aware of any activities that would jeopardize its tax exempt status.

NOTE B - PROPERTY AND EQUIPMENT:

Property and equipment is summarized as follows:

Land	\$1,020,000
Building & improvements	4,651,963
Vehicles	75,175
Equipment	639,689
Furniture	326,355
Computers	144,640
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	6,857,821
Less accumulated depreciation	(2,691,451)
	<hr/>
	\$4,166,370
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Depreciation expense for the year ended September 30, 2010 was \$355,835.

NOTE C - FAIR VALUE OF FINANCIAL INSTRUMENTS:

Cash and cash equivalents fair value approximates carrying value.

NOTE D - CONCENTRATION OF CREDIT RISK:

UACDC maintains several bank accounts at one bank. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The amount in excess of the FDIC limit totaled approximately \$1,700,000 at September 30, 2010.

NOTE E - GRANTS RECEIVABLE:

Grants receivable consists of the following:

Attorney General	\$337,591
Department of Juvenile Justice	1,403,047
Other Not for Profit or Governmental Agencies	322,296
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	\$2,062,934
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NOTE F - ECONOMIC DEPENDENCY:

The Organization relies on annually renewed grants for its primary support. The revenue from these grants represented approximately 80% of the Organization's total public support and revenue for year ended September 30, 2010.

NOTE G - SUMMARY OF AWARDS:

UACDC was funded through the following awards for the period *October 1, 2009 to September 30, 2010:*

Funding Source	Recognized Support
State of Florida - Dept. of Juvenile Justice	\$6,365,606
State of Florida - Office of the Attorney General	1,383,418
Children's Board - Hillsborough County	198,572
Other Grantors	130,472
	\$8,078,068

NOTE H- LONG TERM DEBT:

Long term debt consists of the following:

Mortgage Payable - Hillsborough County, secured by property. Amount is due upon sale of the property. If property is not sold by September, 2011 amount due is null and void and debt is terminated.

\$120,000

Mortgage Payable - Hillsborough County, secured by Shadowood Apt. property. Interest due annually at 1.5%. Amount is due if property is sold, refinanced or transferred. Term of the loan is twenty years, however a 10% debt forgiveness occurs in years 11-20.

1,403,080

1,523,080

Less current portion

0

Long-Term Debt

\$1,523,080

The current maturities over the next six years is as follows:

YEAR ENDED	
2011	120,000
2012	0
2013	0
2014	0
2015 and Thereafter	1,403,080
	\$1,523,080

NOTE I- EMPLOYEE BENEFIT PLAN:

UACDC has a 401(K) plan covering substantially all employees. UACDC made approximately \$26,000 of contributions to the plan during the year ended **September 30, 2010**.

NOTE J- COMMITMENTS AND CONTINGENCIES:

UACDC is the recipient of grant funds that are subject to special compliance audits by the granting and other third party agencies. The results of these audits may result in disallowed expense amounts. UACDC does not believe any disallowed expense amounts, if any, to be material.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND LOCAL AWARDS

UNIVERSITY AREA COMMUNITY DEVELOPMENT CORPORATION, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND LOCAL AWARDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL FLORIDA		CONTRACT NUMBER		EXPENDITURES	TRANSFERS TO SUBRECIPIENTS
	CFDA NUMBER	CFSA NUMBER				
FEDERAL AWARDS:						
NONE						
STATE AWARDS:						
State of Florida - Dept. of Juvenile Justice (4, 23, 24) Tampa Arts and Youth Demonstration Project:	80.029		X1573	*	\$6,105,093	\$3,078,089
State of Florida - Dept. of Children & Families Passed Through to Hillsborough Kids, Inc. (6) Positive Spin Services Agreement			HKIH46		33,173	
State of Florida - Office of the Attorney General (15) Community Anti-Crime Initiative	41.009		01885	*	1,372,676	481,152
Total State Awards					\$7,510,942	\$3,559,241
LOCAL AWARDS:						
Children's Board (8) Positive support For Parents in Neighborhoods (SPIN)			6300X-201-004-3055-000478-09		\$156,684	\$0
Kellogg Foundation (31) Children's Board Positive support For Parents in Neighborhoods (SPIN) Other			6300-201-004-3055-000478-09		95,734 267,830	0 0
Total Local Awards					\$520,248	\$0
Total Federal, State and Local Awards					\$8,031,190	\$3,559,241


* Major Program

Note 1. Basis of Presentation:

The accompanying schedule of expenditures of federal, state and local awards includes the federal, state and local grant activity of UNIVERSITY AREA COMMUNITY DEVELOPMENT CORPORATION, INC. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Chapter 10.650, Rules of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

REPORT ON INTERNAL CONTROL AND ON COMPLIANCE

AND OTHER MATTERS OVER FINANCIAL REPORTING



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Board of Directors

UNIVERSITY AREA COMMUNITY DEVELOPMENT CORPORATION, INC.

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

I have audited the of financial statements of **UNIVERSITY AREA COMMUNITY DEVELOPMENT CORPORATION, INC.** ("the Organization"), as of and for the year ended **September 30, 2010**, and have issued my report thereon dated **December 17, 2010**. I conducted my 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 my audit, I considered the Organization's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Organization'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 organization'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 organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

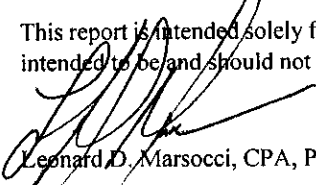
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

My 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. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 of the Board of Directors, management, and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.




Leonard D. Marsocci, CPA, PA

Tampa, Florida

December 17, 2010

REPORT ON COMPLIANCE AND INTERNAL CONTROL -
MAJOR STATE PROGRAMS



LEONARD D. MARSOCCHI, CPA, PA.
CERTIFIED PUBLIC ACCOUNTANT

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To the Board of Directors of
UNIVERSITY AREA COMMUNITY DEVELOPMENT CORPORATION, INC.

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

Compliance

I have audited the compliance of **UNIVERSITY AREA COMMUNITY DEVELOPMENT CORPORATION, INC.** with the type of compliance requirements described in the Florida Department of Financial Services State Projects Compliance Supplement, that are applicable to each of its major State projects for the year ended **September 30, 2010**. **UNIVERSITY AREA COMMUNITY DEVELOPMENT CORPORATION, INC.**'s major 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 State programs is the responsibility of **UNIVERSITY AREA COMMUNITY DEVELOPMENT CORPORATION, INC.**'s management. My responsibility is to express an opinion on **UNIVERSITY AREA COMMUNITY DEVELOPMENT CORPORATION, INC.**'s compliance based on my audit.

I conducted my audit of compliance in accordance with general accepted auditing standards; generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and Chapter 10.650, Rules of the Auditor General. Those standards, and Chapter 10.650 require that I 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 State program occurred. An audit includes examining, on a test basis, evidence about **UNIVERSITY AREA COMMUNITY DEVELOPMENT CORPORATION, INC.**'s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on **UNIVERSITY AREA COMMUNITY DEVELOPMENT CORPORATION, INC.**'s compliance with those requirements.

In my opinion, **UNIVERSITY AREA COMMUNITY DEVELOPMENT CORPORATION, INC.** complied, in all material respects, with the requirements referred to above that are applicable to each of its major State programs for the year ended **September 30, 2010**.

Internal Control over Compliance

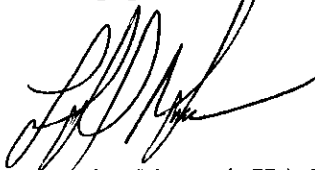
The management of **UNIVERSITY AREA COMMUNITY DEVELOPMENT CORPORATION, INC.** is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to State programs. In planning and performing my audit, I considered **UNIVERSITY AREA COMMUNITY DEVELOPMENT CORPORATION, INC.**'s internal control over compliance with requirements that could have a direct and material effect on a major State program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of The **UNIVERSITY AREA COMMUNITY DEVELOPMENT CORPORATION**'s internal control over compliance.

A *deficiency* in 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 State 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.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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



Leonard D. Marsocci, CPA, PA

Tampa, Florida

December 17, 2010

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

UNIVERSITY AREA COMMUNITY DEVELOPMENT CORPORATION, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

STATE PROGRAMS FOR THE YEAR ENDED SEPTEMBER 30, 2010

A. SUMMARY OF AUDITOR RESULTS

1. The auditor's report expresses an UNQUALIFIED opinion on the financial statements of **UNIVERSITY AREA COMMUNITY DEVELOPMENT CORPORATION, INC.**
2. There were no Significant Deficiencies in internal control in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with General Auditing Standards.
3. There were no instances of noncompliance material to the financial statements of **UNIVERSITY AREA COMMUNITY DEVELOPMENT CORPORATION, INC.** which would be required to be reported in accordance with *Government Auditing Standards*.
4. There were no significant deficiencies in internal control over major State award programs as required in the Report On Compliance With Requirements Applicable To Each Major State Program and Internal Control Over Compliance in accordance with Chapter 10.650, Rules of the Auditor General.
5. The auditor's report on compliance for the major State award programs for **UNIVERSITY AREA COMMUNITY DEVELOPMENT CORPORATION, INC.** expresses an UNQUALIFIED opinion.
6. My audit disclosed no findings required to be reported related to State projects required to be disclosed under Chapter 10.656.

The programs tested as major programs include:

<u>Program Name</u>	<u>CFSA Number</u>
Dept. of Juvenile Justice	80.029
Office of the Attorney General	41.006

7. The threshold for distinguishing Type A and Type B programs was \$300,000 for major State projects.

B. Findings - Financial Statements:

NONE

C. Findings and Questioned Costs - Major Federal Programs:

N/A

D. Findings - Questioned Costs - Major State Projects:

NONE

E. Other Issues

- * There is no management letter because there were no findings required to be reported.

- * There is no summary of prior audit findings because there were none.

- * There is no corrective action plan because there were no findings required to be reported under the Florida Single Audit Act.