

**EARLY LEARNING
COALITION OF PUTNAM
AND ST. JOHNS
COUNTIES, INC.**

Financial Statements

Year ended June 30, 2013

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7
SUPPLEMENTAL INFORMATION	
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 <i>Government Auditing Standards</i>	11
Independent Auditors' Report on Compliance for Each Major Federal and State Project and on Internal Control over Compliance Required by OMB Circular A-133 and State of Florida Chapter 10.650, Rules of the Auditor General	12
Schedule of Findings and Questioned Costs	14
Schedule of Expenditures of Federal Awards and State Financial Assistance	16



Partners

W. Ed Moss Jr., CPA
Joe M. Krusick, CPA
James R. Dexter, CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Early Learning Coalition of Putnam and St. Johns Counties, Inc.
St. Augustine, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Early Learning Coalition of Putnam and St. Johns Counties, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Early Learning Coalition of Putnam and St. Johns Counties, Inc. as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state projects, as required by 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*, is presented for purposes of additional analysis and is not a required part of the 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2013, on our consideration of Early Learning Coalition of Putnam and St. Johns Counties, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Early Learning Coalition of Putnam and St. Johns Counties, Inc.'s internal control over financial reporting and compliance.

Moss, Krusick & Associates, LLC

December 4, 2013
Winter Park, Florida

Early Learning Coalition of Putnam and St. Johns Counties, Inc.

STATEMENT OF FINANCIAL POSITION

June 30, 2013

ASSETS

Cash and cash equivalents	\$ 253,227
Accounts receivable	889,268
Prepaid expenses	2,432
Equipment, net of accumulated depreciation of \$5,527	<u>3,022</u>
Total assets	<u><u>\$ 1,147,949</u></u>

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable	\$ 21,708
Accrued expenses	24,428
Due to related parties	<u>1,013,969</u>
Total liabilities	1,060,105
Net assets	
Unrestricted	<u>87,844</u>
Total liabilities and net assets	<u><u>\$ 1,147,949</u></u>

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

Early Learning Coalition of Putnam and St. Johns Counties, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended June 30, 2013

REVENUES

Government grants:	
School Readiness	\$ 7,023,296
Voluntary Pre-Kindergarten	5,471,932
Local government match	137,641
United Way	23,750
Other income	17,836
	<hr/>
Total revenues	12,674,455

EXPENSES

Program services:	
School Readiness	6,889,260
Voluntary Pre-Kindergarten	5,451,553
	<hr/>
Total program services	12,340,813
Supporting services:	
Management and general	317,625
	<hr/>
Total expenses	12,658,438

Change in net assets	16,017
Net assets, beginning of year	71,827
	<hr/>
Net assets, end of year	\$ 87,844

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

Early Learning Coalition of Putnam and St. Johns Counties, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2013

	<u>Functional Category</u>			<u>Total</u>
	<u>School Readiness</u>	<u>Voluntary Pre- Kindergarten</u>	<u>Management and General</u>	
Pass-through payments to sub-recipients	\$ 6,594,843	\$ 5,451,553	\$ -	\$ 12,046,396
Shared costs	113,837	-	312,314	426,151
Match	159,516	-	-	159,516
Salaries and benefits	8,794	-	-	8,794
Travel and conferences	3,103	-	1,577	4,680
Postage and printing	2,602	-	1,855	4,457
Office expenses	2,451	-	779	3,230
Membership subscriptions	1,437	-	1,100	2,537
Depreciation expense	1,477	-	-	1,477
Rent expense	1,200	-	-	1,200
	<u>6,889,260</u>	<u>5,451,553</u>	<u>317,625</u>	<u>12,658,438</u>
Total expenses	<u>\$ 6,889,260</u>	<u>\$ 5,451,553</u>	<u>\$ 317,625</u>	<u>\$ 12,658,438</u>

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

Early Learning Coalition of Putnam and St. Johns Counties, Inc.

STATEMENT OF CASH FLOWS

For the year ended June 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 16,017
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	1,477
Change in:	
Accounts receivable	103,473
Prepaid expenses	1,423
Accounts payable	(11,071)
Accrued expenses	4,339
Deferred revenue	(3,229)
Due to related parties	<u>130,130</u>
Net cash provided by operating activities	242,559
Cash and cash equivalents at beginning of year	<u>10,668</u>
Cash and cash equivalents at end of year	<u>\$ 253,227</u>

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

Early Learning Coalition of Putnam and St. Johns Counties, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Organization and nature of operations

Early Learning Coalition of Putnam and St. Johns Counties, Inc. (the "Coalition") was incorporated on October 6, 2000 as a not-for-profit corporation. The Coalition was formed to operate for the advancement of charity and education particularly by implementing a comprehensive program of school readiness services for Florida's at-risk birth-to-kindergarten population. The Coalition provides funding for child care programs in Putnam and St. Johns Counties.

On July 1, 2005, the Coalition merged with St. Johns County School Readiness Coalition, Inc., and changed its name to Early Learning Coalition of Putnam and St. Johns Counties, Inc.

On July 1, 2013, the Coalition merged with the Early Learning Coalition of Clay, Nassau, Baker and Bradford Counties, Inc., and changed its name to Early Learning Coalition of North Florida, Inc.

2. 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.

3. Revenue recognition

Revenues from financial assistance programs are reported as increases in unrestricted net assets in the period in which the support is earned and related restrictions satisfied. Revenues are earned as allowable costs are incurred.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Use of 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.

5. Cost allocation

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

6. Cash and cash equivalents

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. Financial instruments, which potentially expose the Coalition to concentrations of credit risk, consist principally of cash bank deposits. The Coalition's policy is to place its cash investments with high quality financial institutions insured by the Federal Deposit Insurance Corporation, which provides coverage on balances up to \$250,000 per depositor per institution. The Coalition has never experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

7. Income taxes

The Coalition is a not-for-profit corporation and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, its normal activities do not result in any income tax liability.

Management has analyzed the Coalition's various federal and state filing positions and believes that its income tax filing positions and deductions are well documented and supported and that no accruals for tax liabilities are necessary. Therefore, no reserves for uncertain income tax positions have been recorded. The Coalition remains subject to examination by the US Internal Revenue Service for the years ended June 30, 2011 through June 30, 2013.

8. Property and equipment

Property and equipment is recorded at historical cost. Property and equipment with a cost in excess of \$5,000 and a useful life of one or more years is capitalized and depreciated using the straight-line method of depreciation.

Early Learning Coalition of Putnam and St. Johns Counties, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. Property and equipment (continued)

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 therefore is subject to applicable regulations.

9. Accounts receivable

Accounts receivable are stated at net realizable value. The Coalition considers accounts receivable to be fully collectable; therefore, no allowance for doubtful accounts is required.

10. Subsequent events

Management has evaluated the effect subsequent events would have on the financial statements through the date these financial statements were available to be issued on December 4, 2013.

NOTE B - CONCENTRATIONS

1. Economic dependency

The Coalition is financially dependent on grant funding and operates in a heavily regulated environment. The operations of the Coalition are subject to the administrative directives, rules and regulations of federal, state, and local regulatory agencies. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by the State of Florida. Such change may occur with little notice or inadequate funding to pay for the related cost, including the additional burden, to comply with a change.

2. Concentration of credit risk

The activities of the Coalition are conducted in Putnam and St. Johns Counties, Florida and are supported by funding provided by government agencies. Expenditures incurred by the Early Learning Coalition of Putnam and St. Johns Counties, Inc. and the subgrantees associated with the execution of various grants are subject to audit and possible disallowance by the grantor agency. The Coalition would be held responsible for recovery (reimbursement to the grantor agency) of disallowed amounts incurred by the subgrantee if the subgrantee were not able to do so. Management believes that if audited, any adjustment for disallowed expenses would be immaterial in amount.

Early Learning Coalition of Putnam and St. Johns Counties, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment and accumulated depreciation at June 30, 2013 is summarized as follows:

Furniture and fixtures	\$ 8,549
Less: accumulated depreciation	<u>(5,527)</u>
Property and equipment, net	<u>\$ 3,022</u>

NOTE D - LEASES AND COMMITMENTS

The Coalition has non-cancelable operating leases for the rental of office space in Palatka, Florida and St. Augustine, Florida, and an agreement for the rental of a copier machine. The future minimum lease payments as of June 30, 2013 are as follows:

Fiscal years ending June 30, 2014	\$ 23,784
2015	21,577
2016	21,825
2017	<u>22,154</u>
Total	<u>\$ 89,340</u>

Rent expense for the year ended June 30, 2013 totaled \$35,423.

NOTE E - RELATED PARTY TRANSACTIONS

Certain members of the Board of Directors are mandated in the "School Readiness Act." Related party members include representation from Episcopal Children's Services, Putnam County School District, a provider of school readiness services to the Coalition, and other representatives from private and public sector industries. Total payments to these related organizations during the year ended June 30, 2013 were \$12,046,396 and accounts payable to them at June 30, 2013 were \$1,013,969.

NOTE F - RETIREMENT PLAN

The Coalition established a tax deferred retirement plan effective for all qualifying employees. All regular full time employees are eligible to participate in the plan. The Coalition will contribute up to a 6% match of the employee's salary. The Coalition provided matching contributions of \$10,271 for retirement benefits to the plan for the year ended June 30, 2013. Employees are immediately vested in their contributions and the matching contributions.

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
Early Learning Coalition of Putnam and St. Johns Counties, Inc.
St. Augustine, Florida

We have audited, in accordance with the 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, the financial statements of Early Learning Coalition of Putnam and St. Johns Counties, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 4, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Early Learning Coalition of Putnam and St. Johns Counties, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Early Learning Coalition of Putnam and St. Johns Counties, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Coalition's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Early Learning Coalition of Putnam and St. Johns Counties, Inc.'s financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Coalition's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Coalition's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss, Krusick & Associates, LLC

December 4, 2013
Winter Park, Florida



Partners

W. Ed Moss Jr., CPA
Joe M. Krusick, CPA
James R. Dexter, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND STATE OF FLORIDA CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

To the Board of Directors of
Early Learning Coalition of Putnam and St. Johns Counties, Inc.
St. Augustine, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Early Learning Coalition of Putnam and St. Johns Counties, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, and special audit guidance provided by the Office of Early Learning that could have a direct and material effect on each of Early Learning Coalition of Putnam and St. Johns Counties, Inc.'s major federal programs and state projects for the year ended June 30, 2013. Early Learning Coalition of Putnam and St. Johns Counties, Inc.'s major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Early Learning Coalition of Putnam and St. Johns Counties, Inc.'s major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.650, Rules of the Auditor General. Those standards and 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 Early Learning Coalition of Putnam and St. Johns Counties, 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 on compliance for each major federal program and state project. However, our audit does not provide a legal determination of Early Learning Coalition of Putnam and St. Johns Counties, Inc.'s compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, Early Learning Coalition of Putnam and St. Johns Counties, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal program and state project for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of Early Learning Coalition of Putnam and St. Johns Counties, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Early Learning Coalition of Putnam and St. Johns Counties, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with OMB Circular A-133, and Chapter 10.650, Rules of the Auditor General, 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 Early Learning Coalition of Putnam and St. Johns Counties, Inc.'s internal control over compliance.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND STATE OF FLORIDA CHAPTER 10.650, RULES OF THE AUDITOR GENERAL (continued)

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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133, and Chapter 10.650 Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Moss, Krusick & Associates, LLC

December 4, 2013
Winter Park, Florida

Early Learning Coalition of Putnam and St. Johns Counties, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

June 30, 2013

Section I – Summary of Auditors’ Results

Financial Statements

- | | |
|---|------------|
| 1. Type of auditors’ report issued: | Unmodified |
| 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: | Unmodified |
| 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 |

Identifications of major programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Temporary Assistance for Needy Families	93.558
Child Care and Development Block Grant	93.575
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596

Early Learning Coalition of Putnam and St. Johns Counties, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

June 30, 2013

Section I – Summary of Auditors’ Results (continued)

State Financial Assistance

- | | |
|--|------------|
| 1. Type of auditors’ report issued on compliance for major projects: | Unmodified |
| 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? | No |
| 4. Dollar threshold used to distinguish between Type A and Type B projects | \$300,000 |

Identification of major projects:

<u>Name of State Project</u>	<u>CSFA Number</u>
Voluntary Pre-Kindergarten	48.108

Section II – Enhanced Fields System (EFS) monthly reconciliation

- | | |
|--|-----|
| 1. EFS reconciled monthly | Yes |
| 2. Processes in place to identify and correct errors during monthly reconciliations to EFS | Yes |
| 3. Coalition’s financial records reconcile and agree to EFS records as of program year ended June 30, 2013 | Yes |
| 4. Audit work papers documenting verification of reconciliations available to OEL staff | Yes |

Section III – Financial Statement Findings Section

None (no corrective action plan or management letter required)

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

None (no corrective action plan or management letter required)

Section V – Status of Prior Year Audit Findings

There were no prior year audit findings.

Early Learning Coalition of Putnam and St. Johns Counties, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

For the year ended June 30, 2013

Grantor/Program Title	CFDA CSFA	Award Number	Expenditures	Transfer to Sub-recipient
Federal Awards:				
U.S. Department of Health and Human Services				
<i>Passed through State of Florida's Office of Early Learning for School Readiness</i>				
Child Care and Development Block Grant	93.575	SR 433	\$ 2,038,620	\$ 1,914,192
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	SR 433	<u>3,136,865</u>	<u>2,945,623</u>
Total Child Care Cluster			5,175,485	4,859,815
Temporary Assistance for Needy Families	93.558	SR 433	1,831,775	1,719,971
Social Services Block Grant	93.667	SR 433	<u>16,036</u>	<u>15,057</u>
Total Expenditures of Federal Awards			<u>\$ 7,023,296</u>	<u>\$ 6,594,843</u>
State Financial Assistance:				
State of Florida Department of Education				
<i>Passed through State of Florida's Office of Early Learning</i>				
Voluntary Pre-Kindergarten	48.108	SV 433	<u>5,471,932</u>	<u>5,451,553</u>
			<u>\$ 5,471,932</u>	<u>\$ 5,451,553</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 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.

See independent auditors' report.