

**FLORIDA SINGLE AUDIT ACT – NONPROFIT AND FOR-PROFIT ENTITIES  
FINANCIAL REPORTING PACKAGE SUBMITTAL CHECKLIST**

Entity Name: Early Learning Coalition of the Big Bend Region, Inc.

Entity Type (Nonprofit, For-Profit): Nonprofit

Contact Person Name and Title: Tracie Hodge, CFO

Contact Person Mailing Address: 2639 North Monroe Street, Building C-300  
Tallahassee, FL 32303

Contact Person Phone Number: 850-552-7341

Contact Person E-mail Address: thodge@elcbigbend.org

Fiscal Period Audited: 6/30/2018

Date the auditor delivered the audit report to the entity: 3/22/2019

Does the financial reporting package include the following items required by Section 10.656(3), Rules of the Auditor General:

Required for State single audits as defined by Section 215.97(2)(x), Florida Statutes, and project-specific audits as defined by Section 215.97(2)(w), Florida Statutes:

- |            |  |
|------------|--|
| <u>Yes</u> | A schedule of expenditures of State financial assistance as described in Section 10.656(3)(d)1., Rules of the Auditor General? <b>NOTE:</b> The schedule of expenditures of State financial assistance, when applicable, is required to be combined with the schedule of expenditures of Federal awards.               |
| <u>Yes</u> | The auditor's report on the schedule of State financial assistance as described in Section 10.656(3)(d)2., Rules of the Auditor General?   |
| <u>Yes</u> | The auditor's report on compliance with requirements that could have a direct and material effect on each major State project and on internal control over compliance as described in Section 10.656(3)(d)3., Rules of the Auditor General?  |
| <u>Yes</u> | A schedule of findings and questioned costs as described in Section 10.656(3)(d)4., Rules of the Auditor General?  |
| <u>Yes</u> | A summary schedule of prior audit findings as described in Section 10.656(3)(d)5., Rules of the Auditor General? <b>NOTE:</b> If a schedule of prior audit findings is not presented because there are no prior audit findings to be reported, this should be stated in the schedule of findings and questioned costs. |
| <u>Yes</u> | A corrective action plan as described Section 10.656(3)(d)6., Rules of the Auditor General?  |
| <u>N/A</u> | The management letter defined in Section 10.654(1)(e), Rules of the Auditor General, and, if applicable, a written statement of explanation or rebuttal, including corrective action to be taken, concerning the deficiencies cited in the management  |

letter (see Section 10.656(3)(e), Rules of the Auditor General)? **NOTE:** If a management letter is not presented because there are no items related to State financial assistance required to be reported in the management letter, this should be stated in the schedule of findings and questioned costs.

Yes

Are all of the above elements of the financial reporting package included in a **single document** as required by Section 10.656(3), Rules of the Auditor General?

Yes

Are **one** paper copy and **one** electronic copy of the financial reporting package being submitted as required by Section 10.657(1), Rules of the Auditor General? **NOTE:** There is no provision in law authorizing an extension for filing the financial reporting package.

Yes

Is the electronic copy named using all lower case letters as follows? [fiscal year] [name of entity].pdf. For example, the converted document for the 2017-18 fiscal year for "Example Nonprofit" entity should be named 2018 example nonprofit.pdf.

Yes

Is the financial reporting package being submitted within 45 days after receipt of the financial reporting package from the auditor, but no later than 9 months after the end of the fiscal year as required by Section 10.657(2), Rules of the Auditor General?

Required only for State single audits as defined by Section 215.97(2)(x), Florida Statutes:

Yes

The annual financial statements described in Section 10.655(3), Rules of the Auditor General, as applicable, together with related notes to the financial statements (see Section 10.656(3)(f), Rules of the Auditor General)?

N/A

Required supplementary information (RSI) such as the management's discussion and analysis, or the budgetary comparison schedule required as RSI if not presented as part of the financial statements (see Section 10.655(3), Rules of the Auditor General)? **NOTE:** This applies only to nonprofit organizations that are determined to be governmental entities.

Yes

The auditor's report on the financial statements as described in Section 10.656(3)(b), Rules of the Auditor General?

Yes

The auditor's report on compliance and internal control based on an audit of the financial statements as described in Section 10.656(3)(b), Rules of the Auditor General?

Yes

If applicable, the auditor's reports and related financial information required pursuant to Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), or other applicable Federal law (see Section 10.656(3)(c), Rules of the Auditor General)?

**This checklist should accompany the financial reporting package.** It is suggested that you retain a copy of the checklist for your files. Do not hesitate to contact us if assistance or clarification is needed regarding reporting requirements. Our contact information is as follows:

Auditor General  
Local Government Audits/342  
Claude Pepper Building, Room 401  
111 West Madison Street  
Tallahassee, FL 32399-1450

Telephone: (850) 412-2881

E-mail Address: [flaudgen\\_localgovt@aud.state.fl.us](mailto:flaudgen_localgovt@aud.state.fl.us)

Web site Address: [FLAuditor.gov](http://FLAuditor.gov)

**EARLY LEARNING COALITION OF  
THE BIG BEND REGION, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**EARLY LEARNING COALITION OF THE BIG BEND REGION, INC.**  
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**JUNE 30, 2018**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors,  
Early Learning Coalition of the Big Bend Region, Inc.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Early Learning Coalition of the Big Bend Region, Inc., which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, 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 auditor's 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.

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Gainesville, FL 32607-2063  
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Tallahassee, FL 32308-4386  
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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 the Big Bend Region, Inc. as of June 30, 2018, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

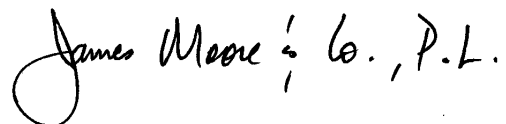
***Other Matters***

***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 Financial Assistance is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, Rules of the State of Florida, Office of the Auditor General, 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 March 22, 2019, on our consideration of Early Learning Coalition of the Big Bend Region, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Early Learning Coalition of the Big Bend Region, Inc.'s 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 the Big Bend Region, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large, looped initial "J".

Tallahassee, Florida  
March 22, 2019

**EARLY LEARNING COALITION OF THE BIG BEND REGION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2018**

**ASSETS**

<b>Current assets</b>	
Cash and cash equivalents	\$ 214,347
Grants and contracts receivable	1,746,055
Unconditional promise to give	37,577
Prepaid expenses	31,219
Total current assets	2,029,198
<b>Property and equipment, net</b>	31,456
<b>Total Assets</b>	\$ 2,060,654

**LIABILITIES AND NET ASSETS**

<b>Current liabilities</b>	
Direct child care services payable	\$ 1,514,133
Accounts payable and accrued expenses	432,092
Deferred revenue	3,021
Total current liabilities	1,949,246
<b>Net assets</b>	
Unrestricted	73,831
Temporarily restricted	37,577
Total net assets	111,408
<b>Total Liabilities and Net Assets</b>	\$ 2,060,654

The accompanying notes to financial statements  
are an integral part of this statement.



**EARLY LEARNING COALITION OF THE BIG BEND REGION, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Support and revenues</b>			
Grants and contracts	\$ 24,134,981	\$ -	\$ 24,134,981
Local match revenue	95,309	37,577	132,886
In-kind contributions	228,262	-	228,262
Interest	2,614	-	2,614
Other	46,552	-	46,552
Net assets released from restriction	37,577	(37,577)	-
Total support and revenues	<u>24,545,295</u>	<u>-</u>	<u>24,545,295</u>
<b>Expenses</b>			
Program services			
School Readiness and Related Child Care Services	16,801,767	-	16,801,767
Voluntary Pre-Kindergarten Services	6,485,762	-	6,485,762
Other Child Care Research and Support Programs	19,482	-	19,482
School Readiness Performance Funding Pilot Project	507,079	-	507,079
Total program services	<u>23,814,090</u>	<u>-</u>	<u>23,814,090</u>
General and administrative	971,057	-	971,057
Total expenses	<u>24,785,147</u>	<u>-</u>	<u>24,785,147</u>
<b>Decrease in net assets</b>	<u>(239,852)</u>	<u>-</u>	<u>(239,852)</u>
<b>Net assets, beginning of year</b>	313,683	37,577	351,260
<b>Net assets, end of year</b>	<u>\$ 73,831</u>	<u>\$ 37,577</u>	<u>\$ 111,408</u>

The accompanying notes to financial statements  
are an integral part of this statement.

**EARLY LEARNING COALITION OF THE BIG BEND REGION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>School Readiness and Related Child Care Services</b>	<b>Voluntary Pre- Kindergarten Services</b>	<b>Other Child Care Research and Support Programs</b>	<b>School Readiness Performance Funding Pilot Project</b>	<b>Total Program Services</b>	<b>General and Administrative</b>	<b>Total</b>
Salaries and benefits	\$ 1,686,558	\$ 118,641	\$ 10,306	\$ -	\$ 1,815,505	\$ 568,990	\$ 2,384,495
Training and development	3,260	173	-	-	3,433	16,844	20,277
Professional services	87	7	-	-	94	42,000	42,094
Contracted services	13,951,087	6,318,351	-	-	20,269,438	39,604	20,309,042
Consulting	32,085	378	-	-	32,463	11,558	44,021
Occupancy	400,287	31,455	-	-	431,742	99,876	531,618
Advertising and public outreach	4,199	160	8,936	-	13,295	582	13,877
Supplies and materials	291,624	4,255	-	507,079	802,958	54,622	857,580
Technology maintenance	83,049	5,673	-	-	88,722	76,351	165,073
Office furniture and equipment	90,581	6,069	-	-	96,650	24,902	121,552
Travel	30,058	553	240	-	30,851	18,718	49,569
Depreciation	-	-	-	-	-	13,837	13,837
In-kind expenses	228,262	-	-	-	228,262	-	228,262
Printing and postage	630	47	-	-	677	397	1,074
Other miscellaneous	-	-	-	-	-	2,776	2,776
Total expenses	<u>\$ 16,801,767</u>	<u>\$ 6,485,762</u>	<u>\$ 19,482</u>	<u>\$ 507,079</u>	<u>\$ 23,814,090</u>	<u>\$ 971,057</u>	<u>\$ 24,785,147</u>

The accompanying notes to financial statements  
are an integral part of this statement.

**EARLY LEARNING COALITION OF THE BIG BEND REGION, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

<b>Cash flows from operating activities</b>	
Cash received from grantors and contractors	\$ 24,220,360
Cash paid to employees and vendors	(24,611,050)
Interest received	2,614
Contributions and other receipts	179,438
Net cash used in operating activities	(208,638)
 <b>Cash flows from investing activities</b>	
Purchase of equipment	(18,663)
Net cash used in investing activities	(18,663)
Net decrease in cash and cash equivalents	(227,301)
<b>Cash and cash equivalents, beginning of year</b>	441,648
<b>Cash and cash equivalents, end of year</b>	\$ 214,347
 <b>Reconciliation of decrease in net assets to net cash used in operating activities</b>	
Decrease in net assets	\$ (239,852)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:	
Depreciation	13,837
Decrease in grants and contracts receivable	86,915
Decrease in direct child care services payable	(55,540)
Decrease in accounts payable and accrued expenses	(49,946)
Decrease in prepaid expenses	33,670
Loss on disposal of furniture and equipment	3,814
Decrease in deferred revenue	(1,536)
Total adjustments	31,214
<b>Net cash used in operating activities</b>	\$ (208,638)

The accompanying notes to financial statements  
are an integral part of this statement.

**EARLY LEARNING COALITION OF THE BIG BEND REGION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

(1) **Summary of Significant Accounting Policies:**

The following is a summary of the more significant accounting policies and practices of Early Learning Coalition of the Big Bend Region, Inc. (the “Coalition”) which affect significant elements of the accompanying financial statements:

(a) **Coalition and Purpose**— Early Learning Coalition of the Big Bend Region, Inc. (“the Coalition”) was established to prepare preschool children to enter kindergarten ready to learn, as measured by criteria established by the state of Florida. Under Florida Statute, Section 1002.83, the Coalition is required to develop and implement a plan for comprehensive, accessible, affordable, and high quality early education and child care services for children, birth to age five, in Leon, Gadsden, Jefferson, Liberty, Madison, Taylor, and Wakulla counties in the state of Florida. The Coalition is primarily supported by grants from the state of Florida passed through from the U.S. Department of Health and Human Services.

During the fiscal year ended June 30, 2018, the Coalition operated the following programs:

*School Readiness and Related Child Care Services:* This program provides financial assistance for child care costs to families who meet the qualifying guidelines in order to assist children to become better prepared for the education experience or to provide child care services for economically disadvantaged children or children requiring specific assistance as determined by the state of Florida.

*Voluntary Pre-kindergarten Services (VPK):* The VPK program is designed to promote in a classroom environment the development of each four-year-old child's physical, social, and emotional maturation. The program outcomes should result in children better prepared to be successful in the formal education process.

*Other Child Care Research and Support Programs:* These program services include: Leon County childcare tuition assistance program, family literacy programs for low-income families, and technical assistance programs to low performing providers.

*School Readiness Performance Funding Pilot Project:* In 2014, the Florida Legislature approved a special pilot project to determine if specific training approaches improve how well children perform in school readiness programs. The project gives eligible, selected child care providers and their instructors an opportunity to earn additional compensation in improving school readiness program outcomes. Each provider that is selected is assigned to a group offering specific professional development. To be eligible to participate, at least 30 percent of a provider's birth-5 enrollments must be children in the School Readiness Program.

The Coalition is governed by its twenty-one member Board of Directors, of which nine are appointed under criteria established in Florida Statutes, Section 1002.83.

**EARLY LEARNING COALITION OF THE BIG BEND REGION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

(1) **Summary of Significant Accounting Policies:** (Continued)

(b) **Property and Equipment**—Property and equipment acquired by the Coalition are considered to be owned by the Coalition. However, funding sources may maintain an equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. The Federal government has a reversionary interest in those assets purchased with its funds which have a cost of \$5,000 or more and an estimated useful life of at least one year. The State of Florida has a reversionary interest in those assets purchased with its funds which have a cost of \$1,000 or more and an estimated useful life of at least one year.

Property and equipment with a value greater than \$5,000 and an estimated useful life of at least one year are recorded at cost when purchased or at estimated fair value when contributed. Depreciation is computed using the straight-line method over the estimated useful life of the assets, ranging from five to thirty-nine years. Repairs and maintenance, which are not considered improvements and do not extend the useful life of the property and equipment, are expensed as incurred.

(c) **Income Taxes**—The Coalition is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statements. The Coalition files income tax returns in the U.S. Federal jurisdiction. The Coalition's income tax returns for the past three years are subject to examination by taxing authorities and may change upon examination.

The Coalition has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements.

(d) **Cash and Cash Equivalents**—For the purpose of reporting cash flows, cash and cash equivalents include cash on hand, amounts in demand deposits and short-term investments with original maturities of 90 days or less. Deposits with financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor. Bank deposits at times may exceed federally insured limits. The Coalition has not experienced any losses in such accounts.

The Coalition has a zero balance account (ZBA) agreement with the financial institution in which funds are maintained in an interest bearing account and are transferred into the demand deposit accounts as needed. Interest earned on the funds in the ZBA account was 0.60% at June 30, 2018.

(e) **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.

**EARLY LEARNING COALITION OF THE BIG BEND REGION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

(1) **Summary of Significant Accounting Policies:** (Continued)

(f) **Basis of Accounting**—The financial statements have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities.

(g) **Basis of Presentation**—The Coalition is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

(h) **Contributions**—All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Coalition reports the support as unrestricted.

(i) **Functional Allocation of Expenses**—The costs of providing the various services and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(j) **Accrued Leave**—The Coalition compensates its eligible employees for unused vacation leave upon termination of employment. Vacation leave is accrued as earned by eligible employees and recorded as an expense in the period earned.

(k) **Advertising**—Advertising costs are charged to operations as incurred. For the year ending June 30, 2018, \$13,877 was incurred.

(l) **Grants and Contracts Receivable**—Grants and contracts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the history with grantors and contractors having outstanding balances and current relationships with them. An allowance for uncollectible grant receivables has not been recorded as all amounts are deemed by management to be collectible.

(m) **Deferred Revenue**—The Coalition records grant/contract receipts as deferred revenue until it is expended for the purpose of the grant/contract, at which time it is recognized as revenue. The balance in deferred revenue at June 30, 2018 represents amounts received under contracts that will be expended in the next fiscal year in accordance with the grant/contract period.

(n) **Revenue Recognition**—The Coalition receives all of its grant and contract revenue from Federal, State and local agencies. The Coalition recognizes grant/contract revenue (up to the contract ceiling) from its grants/contracts over a period which represents the service period for certain grants/contracts, or to the extent of expenses. Revenue recognition depends on the grant/contract.

**EARLY LEARNING COALITION OF THE BIG BEND REGION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

(2) **Significant Funding Sources:**

The Coalition receives a substantial amount of its funding from the U.S. Department of Health and Human Services Administration and the Florida Department of Education Office of Early Learning. A significant reduction in the level of this funding, if this were to occur, could have an adverse effect on the Coalition's programs and activities.

(3) **Concentrations of Credit Risk:**

The more significant concentrations of credit risk are as follows:

(a) **Demand and Time Deposits**—The Coalition maintains demand deposits with one bank. The Coalition has no policy requiring collateral, although all demand and time deposits with the bank are Federally insured up to FDIC limits.

(b) **Grants and Contracts Receivable**—The Coalition's grants and contracts receivable are for amounts due under grants/contracts with the State of Florida and Federal government agencies. The Coalition has no policy requiring collateral or other security to support its grants and contracts receivable.

(c) **Unconditional Promises To Give**—Financial instruments that potentially subject the Organization to concentrations of credit risk include unconditional promises to give. The unconditional promises to give are from donors.

(4) **Retirement Plan:**

The Coalition participates in a voluntary deferred profit sharing plan 401(k) for its employees. Employees are eligible for participation in the plan three months following their date of employment. Employees become eligible for employer contributions to the plan after one year (designated in the plan as 800 hours) of employment. Contributions by the Coalition to the plan are based on a percentage of employee salaries and vest 100% to employees after two years of plan participation. During the year ended June 30, 2018 expenses under this plan were \$88,311.

(5) **Property and Equipment:**

The following is a summary of property and equipment at June 30, 2018:

Office furniture	\$ 18,671
Office and computer equipment	128,506
Software and licenses	104,337
	<hr/>
	251,514
Less: Accumulated depreciation	220,058
Total	<hr/> <u>\$ 31,456</u>

**EARLY LEARNING COALITION OF THE BIG BEND REGION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**(6) Operating Leases:**

The Coalition has entered into various operating leases for office space and equipment. The following is a schedule of future minimum lease payments required under these lease agreements:

Year ending June 30,	Amount
2019	\$ 388,203
2020	375,991
2021	364,024
2022	373,143
2023	382,824
Thereafter	1,521,509
Total	\$ 3,405,694

**(7) Matching Requirements:**

The Coalition's funding grant from the state of Florida includes a provision requiring a local match for the direct child care service program operated in its seven county regions. Except for Leon County, Florida, the Coalition can request annual waivers of the match requirement for the remaining six rural counties served that demonstrate significant hardship in meeting the match requirement.

**(8) Donated Materials and Professional Services:**

Consulting and other non-cash donations are recorded at either estimated fair value at the date of donation. In the absence of donor-imposed stipulations regarding how long the contributed assets must be used, the Coalition has adopted a policy of not implying a time restriction on contributions of such assets. Such donations amounted to \$228,262 for the year ended June 30, 2018.

**(9) Donated Non-Professional Services:**

Many individuals volunteer their time and perform a variety of tasks that assist the Coalition with specific child care service programs. The Coalition tracks their time and then estimates the value of these donated services, which are not reflected in the financial statements, as they do not meet the recognition criteria pursuant to professional standards.

The Coalition has estimated that dedicated volunteers have donated hours of child care services. Management has estimated these donated services to be a costs savings of approximately \$8,000.



**EARLY LEARNING COALITION OF THE BIG BEND REGION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

(10) **Contingencies:**

(a) **Grant Programs**—Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government and the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Coalition expects such amounts, if any, to be immaterial.

(11) **Unconditional Promises to Give:**

The Organization had unconditional promises to give representing the following at June 30, 2018:

United Way	\$ <u>37,577</u>
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(12) **Related Party Transactions:**

The Coalition has certain board members who are also providers of VPK and SR services. For the year ended June 30, 2018, the Organization paid these vendors \$781,640. All payments were in the normal course of business. At June 30, 2018 \$19,057 was due to related parties.

(13) **Recently issued accounting pronouncements:**

The Organization has considered the new pronouncements that altered accounting principles generally accepted in the United States of America, and other than as disclosed in the notes to the financial statements below, does not believe that any other new or modified principles will have a material impact on the Organization's reported financial position or operations in the near term.

In May 2014, the FASB issued Accounting Standards Update 2014-09: Revenue from Contracts with Customers, to clarify the principles used to recognize revenue for all entities. The new standard (as amended) is effective for fiscal years beginning after December 15, 2018 and may be adopted early. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

In February 2016, the FASB issued Accounting Standards Update 2016-02: Leases (Topic 842), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. The new standard is effective for fiscal years beginning after December 15, 2019 and may be adopted early. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

**EARLY LEARNING COALITION OF THE BIG BEND REGION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

(13) **Recently issued accounting pronouncements:** (Continued)

In August 2016, the FASB issued Accounting Standards Update 2016-14: Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, to make improvements to the information provided in financial statements and accompanying notes of not-for-profit entities, including net asset classification requirements and the information presented about an entity's liquidity, financial performance, and cash flows. The new standard is effective for fiscal years beginning after December 15, 2017 and may be adopted early. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

In June 2018, the FASB issued Accounting Standards Update 2018-08: Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made, to clarify and improve the scope and accounting guidance around contributions of cash and other assets received and made by not-for-profit organizations. The new standard is effective for fiscal years beginning after December 15, 2019 and may be adopted early. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

(14) **Temporarily Restricted Net Assets:**

At June 30, 2018, temporarily restricted net assets include \$37,577 of an unconditional promise to give receivable.

(15) **Subsequent Events:**

The Coalition has evaluated events and transactions for potential recognition or disclosure in the financial statements through March 22, 2019, the date which the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

**EARLY LEARNING COALITION OF THE BIG BEND REGION, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2018**

Federal Grantor/State Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	State CSFA Number	Pass-Through Entity Identifying Contract Number	Expenditures
<b>FEDERAL AWARDS</b>				
<b>U.S. Department of Health and Human Services</b>				
Passed through State of Florida Department of Education Office of Early Learning				
Child Care and Development Block Grant	93.575	-	PP048	\$ 515,091
Child Care and Development Block Grant	93.575	-	SR048	2,010,692
				<u>2,525,783</u>
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	-	SR048	2,769,339
			<b>Total CCDF cluster</b>	<u>5,295,122</u>
Social Services Block Grant	93.667	-	SR048	4,272
Temporary Assistance for Needy Families	93.558	-	SR048	5,599,896
			<b>Total TANF Cluster</b>	<u>5,599,896</u>
<b>Total Federal Awards</b>				<u>\$ 10,899,290</u>
<b>STATE FINANCIAL ASSISTANCE</b>				
<b>Florida Department of Education Office of Early Learning</b>				
Voluntary Pre-Kindergarten Education Program	-	48.108	SV048	6,455,759
Voluntary Pre-Kindergarten Education Program	-	48.108	OA048	19,448
				<u>6,475,207</u>
<b>Total State Assistance</b>				<u>6,475,207</u>
<b>Total Federal Awards and State Financial Assistance</b>				<u>\$ 17,374,497</u>

The accompanying notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

**EARLY LEARNING COALITION OF THE BIG BEND REGION, INC.  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2018**

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the Federal awards and State financial assistance activity of Early Learning Coalition of the Big Bend, Inc. under programs of the federal and state government for the year ended June 30, 2018 in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and Chapter 10.650, Rules of the State of Florida, Office of the Auditor General. Because the Schedule presents only a selected portion of the operations of Early Learning Coalition of the Big Bend, Inc. it is not intended to and does not present the financial position, changes in net assets, or cash flows of Early Learning Coalition of the Big Bend, Inc.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

**Note 3. De Minimis Indirect Cost Rate Election**

Early Learning Coalition of the Big Bend, Inc. has elected not to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

**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,  
Early Learning Coalition of the Big Bend Region, Inc.

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 the Big Bend Region, Inc. (the "Coalition"), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, 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 March 22, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Coalition'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 the Coalition's internal control. Accordingly, we do not express an opinion on the effectiveness of the Coalition's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

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. We consider the deficiency listed as 2018-001 described in the accompanying schedule of findings and questioned costs to be a material weakness.

## **Compliance and Other Matters**

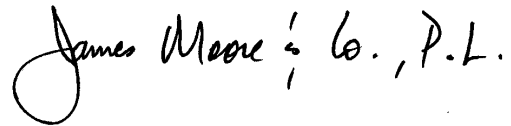
As part of obtaining reasonable assurance about whether the Coalition's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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*.

## **Early Learning Coalition of the Big Bend Region, Inc.'s Response to Findings**

Early Learning Coalition of the Big Bend Region, Inc.'s response to the findings identified in our audit are described in the accompanying corrective action plan. We did not audit Early Learning Coalition of the Big Bend Region, Inc.'s response and accordingly, we express no opinion on it.

## **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.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Tallahassee, Florida  
March 22, 2019

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF THE STATE OF FLORIDA, OFFICE OF THE AUDITOR GENERAL**

To the Board of Directors,  
Early Learning Coalition of the Big Bend Region, Inc.:

**Report on Compliance for Each Major Federal Program and State Project**

We have audited Early Learning Coalition of the Big Bend Region, Inc.'s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (*OMB*) *Compliance Supplement*, the requirements described in the *Florida 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 the Big Bend Region, Inc.'s major federal programs and major state projects for the year ended June 30, 2018. Early Learning Coalition of the Big Bend Region, Inc.'s major federal programs and major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards 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 the Big Bend Region, Inc.'s major federal programs and major 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Chapter 10.650, Rules of the State of Florida, Office of the Auditor General, and special audit guidance provided by the State of Florida, Office of Early Learning. Those standards and the Uniform Guidance, and Chapter 10.650, Rules of the State Florida, Office 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 major state project occurred. An audit includes examining, on a test basis, evidence about Early Learning Coalition of the Big Bend Region, 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 major state project. However, our audit does not provide a legal determination of the Coalition's compliance.

### ***Opinion on Each Major Federal Program and State Project***

In our opinion, the Early Learning Coalition of the Big Bend Region, 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 programs and major state project for the year ended June 30, 2018.

### **Report on Internal Control Over Compliance**

Management of Early Learning Coalition of the Big Bend Region, 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 the Big Bend Region, 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 as a basis for designing 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 the Uniform Guidance, Chapter 10.650, Rules of the State of Florida, Office of the Auditor General, and special audit guidance provided by the Office of Early Learning 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 the Big Bend Region, 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. *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 the Uniform Guidance, Chapter 10.650, Rules of the State of Florida Office of the Auditor General, and special audit guidance provided by the Office of Early Learning. Accordingly, this report is not suitable for any other purpose.

*James Moore & Co., P.L.*

Tallahassee, Florida  
March 22, 2019

**EARLY LEARNING COALITION OF THE BIG BEND REGION, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**I. Summary of Auditors' Results:**

*Financial Statements*

Type of audit report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified?   X   yes        no
- Significant deficiencies identified?        yes   X   none reported

Noncompliance material to financial statements noted?        yes   X   no

*Federal Awards*

Internal control over major Federal programs:

- Material weakness(es) identified?        yes   X   no
- Significant deficiencies identified?        yes   X   none reported

Types of auditor's report issued on compliance for major Federal programs: *Unmodified*

Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?        yes   X   no

Identification of major Federal programs:

<b>Federal Program</b>	<b>Federal CFDA Number</b>
TANF Cluster	93.558

Dollar threshold used to distinguish between type A and type B Federal programs: \$ 750,000

Auditee qualified as low-risk auditee?   X   yes        no

**EARLY LEARNING COALITION OF THE BIG BEND REGION, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**I. Summary of Auditors' Results: (Continued)**

*State Financial Assistance*

Internal control over major State projects:

- Material weakness(es) identified? \_\_\_\_\_ yes      X   no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes      X   none reported

Types of auditor's report issued on compliance for major State projects: *Unmodified.*

Any audit findings disclosed that are required to be reported related to state financial assistance projects? \_\_\_yes      X   no

Identification of major projects

<b>State Projects</b>	<b>State CSFA Number</b>
Voluntary Pre-Kindergarten Education Program	48.108
Dollar threshold used to distinguish between type A and type B State projects:	\$300,000

**II. Financial Statement Findings:**

**Finding 2018-001: Prepare Financial Statements in Accordance with GAAP and Significant Adjustments**

**Criteria:** 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 ("GAAP").

**Condition:** Adjustments were required to be made to the accounting records subsequent to the start of the audit process to be in accordance with GAAP. Since these adjustments resulted in a material misstatement of the financial statements, this deficiency is deemed to be a material weakness.

**Cause:** Grant and contract receivables were not recorded properly at June 30, 2018.

**Effect:** Incorrect recording of accounting records could lead to a material misstatement on the financial statements.

**Recommendation:** We recommend that the process for identifying accounting transactions be reviewed and updated.

**EARLY LEARNING COALITION OF THE BIG BEND REGION, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**III. Federal Award Findings and Questioned Costs:** None.

**IV. State Project Findings and Questioned Costs:** None.

**V. Federal Award Prior Year Audit Findings:** None.

**VI. State Project Prior Year Audit Findings:** None.

**VII. Management letter in Accordance with Chapter 10.650, Rules of the State of Florida, Office of the Auditor General:** Nothing to Report

**VIII. State of Florida, Department of Education – Office of Early Learning (OEL) Reporting Requirements:**

- |  |     |
|--|-----|
| 1. Enhanced Fields System (EFS) reconciled monthly to Coalition financial records          | 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                                | Yes |
| 4. Audit work papers documenting verification of reconciliations available to OEL staff    | Yes |



Early Learning  
Coalition of the  
Big Bend Region

Early Learning Coalition of the Big Bend Region, Inc. (ELC)  
Single Audit Report: Corrective Action Plan  
Year Ended June 30, 2018

***Finding 2018-001:***

***Financial Statements:*** Prepare Financial Statements in Accordance with GAAP and Significant Adjustments

***Criteria:*** 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 ("GAAP").

***Condition:*** Adjustments were required to be made to the accounting records subsequent to the start of the audit process to be in accordance with GAAP. Since these adjustments resulted in a material misstatement of the financial statements, this deficiency is deemed to be a material weakness.

***Cause:*** Grant and contract receivables were not recorded properly at June 30, 2018.

***Effect:*** Incorrect recording of accounting records could lead to a material misstatement on the financial statements.

***Recommendation:*** We recommend that the process for identifying accounting transactions be reviewed and updated.

**Corrective Action Plan**

1. ELC will confirm the results reported in the Finding 2018-001. ELC will review our internal control processes as it relates to year end accounting adjustments and make changes where appropriate. ELC will also ensure GAAP practices are embedded into the culture of the Finance department by providing ongoing training to staff and reviewing policy and procedures on accounting controls and make changes where appropriate. We believe that this will mitigate the possibility of undetected material errors.

March 22, 2019

Board of Directors,  
Early Learning Coalition of the Big Bend Region, Inc.

We have audited the financial statements of Early Learning Coalition of the Big Bend Region, Inc. (the “Organization”) as of and for the year ended June 30, 2018, and have issued our report thereon dated March 22, 2019. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Consolidated Financial Statement Audit**

As communicated in our engagement letter dated March 6, 2018 our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Organization solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

121 Executive Circle Daytona Beach, FL 32114-1180 Telephone: 386-257-4100	133 East Indiana Avenue DeLand, FL 32724-4329 Telephone: 386-738-3300	5931 NW 1st Place Gainesville, FL 32607-2063 Telephone: 352-378-1331	2477 Tim Gamble Place, Suite 200 Tallahassee, FL 32308-4386 Telephone: 850-386-6184
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In order to eliminate threats to independence related to nonattest services that we provide you, we have instituted a quality control review over all nonattest work. In addition, in the engagement letter, we identified a person within your organization with the skills, knowledge and expertise to review our nonattest work on your behalf.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Organization is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during year ended June 30, 2018. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of the depreciation expense is based on the underlying assets depreciation calculated using the straight-line method over the assets' useful lives. We evaluated the key factors and assumptions used to develop the estimate of depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of donated supplies, rent and professional services is based on the fair value of the contribution at the time of the donation. We evaluated the key factors and assumptions used to develop the donated supplies, rent and professional service revenue and expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of functional expense allocation is based on the costs of providing the various programs and other activities. We evaluated the key factors and assumptions used to develop the functional expense allocation in determining that it is reasonable in relation to the financial statements taken as a whole.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Early Learning Coalition of the Big Bend Region, Inc.'s financial statements relate to: revenue recognition and contingencies.

## **Significant Difficulties Encountered during the Audit**

We encountered no difficulties in dealing with management relating to the performance of the audit.

## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. A listing of the material, corrected misstatements is attached to this letter.

## **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Organization's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

## **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated March 22, 2019.

## **Management's Consultations with Other Accountants**

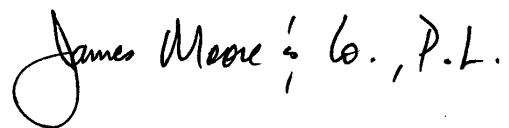
In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

## **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the Organization, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Organization's auditors.

This report is intended solely for the use of the Board of Directors and management of the Organization and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large, looped initial "J".

James Moore & Co., P.L.



Client: **508675 - Early Learning Coalition of the Big**  
Engagement: **508675 - EARLY LEARNING COALITION OF THE BIG BEND REGION, INC.**  
Period Ending: **6/30/2018**  
Trial Balance: **TB-01 - TB**  
Workpaper: **TB-03 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries</b>				
<b>Adjusting Journal Entries JE # 1</b>				
To adjust net assets to prior year ending per 6/30/2017 Financial Statements.				
2010	A/P - Provider Payables	G40-04	37,586.00	
2013	Interest Income Payable		3,423.00	
2014	Accrued Expenses		7,969.00	
1200	Accounts Rec.			1,893.00
2000	A/P - Trade Payables			4,173.00
3000	Net Assets			42,912.00
<b>Total</b>			<b>48,978.00</b>	<b>48,978.00</b>
<b>Adjusting Journal Entries JE # 2</b>				
To reverse the effects of AJE 1				
1200	Accounts Rec.		1,893.00	
2000	A/P - Trade Payables		4,173.00	
6000	Regular Salary		7,969.00	
7500	Supplies		36,836.00	
2010	A/P - Provider Payables			37,586.00
2013	Interest Income Payable			3,423.00
2014	Accrued Expenses			7,969.00
4200	Miscellaneous Revenue			1,893.00
<b>Total</b>			<b>50,871.00</b>	<b>50,871.00</b>
<b>Adjusting Journal Entries JE # 3</b>				
To record in-kind revenue and expense.				
9150	In Kind Expenditures	100-04	228,262.00	
4300	In Kind Revenue			228,262.00
<b>Total</b>			<b>228,262.00</b>	<b>228,262.00</b>
<b>Adjusting Journal Entries JE # 4</b>				
To capitalize assets that meet the capitalization threshold				
1601	Furniture & Equip & Software	UV-02/UV-04	18,663.00	
7625	Minor Equipment & Furniture			13,322.00
7825	Computer Software			5,341.00
<b>Total</b>			<b>18,663.00</b>	<b>18,663.00</b>
<b>Adjusting Journal Entries JE # 5</b>				
To record disposition of assets.				
1602	Accum Depr	UV-02/UV-05	181,140.00	
ICO Gain/Loss on Dispos Gain Loss on Disposal			3,814.00	
1601	Furniture & Equip & Software			184,954.00
<b>Total</b>			<b>184,954.00</b>	<b>184,954.00</b>
<b>Adjusting Journal Entries JE # 6</b>				
To record current year depreciation.				
5019	Depreciation	UV-02/UV-03	13,837.00	
1602	Accum Depr			13,837.00
<b>Total</b>			<b>13,837.00</b>	<b>13,837.00</b>
<b>Adjusting Journal Entries JE # 7</b>				
To record AR and Revenue for PFP grant.				
1200	Accounts Rec.	100-02	187,173.00	
4000	Program Revenue			187,173.00
<b>Total</b>			<b>187,173.00</b>	<b>187,173.00</b>
<b>Adjusting Journal Entries JE # 8</b>				
To remove 2017 VPK AR from current year VPK revenue and record 2018 VPK AR				
1200	Accounts Rec.		136,691.00	
4000	Program Revenue		105,824.00	
1200	Accounts Rec.			105,824.00
4000	Program Revenue			136,691.00
<b>Total</b>			<b>242,515.00</b>	<b>242,515.00</b>
<b>Adjusting Journal Entries JE # 9</b>				
To remove PY VPK deferred revenue earned in July 2017				
2115	Deferred Revenue	100-03	20,511.00	
4000	Program Revenue			20,511.00
<b>Total</b>			<b>20,511.00</b>	<b>20,511.00</b>
<b>Adjusting Journal Entries JE # 10</b>				
To record SR and VPK 13th invoices				
1200	Accounts Rec.	KK-01	41,987.00	
1200	Accounts Rec.		3,628.00	
1200	Accounts Rec.		1,236.00	
4000	Program Revenue			1,236.00

4000	Program Revenue		41,987.00
4000	Program Revenue		3,628.00
<b>Total</b>		<u><b>46,851.00</b></u>	<u><b>46,851.00</b></u>
<b>Adjusting Journal Entries JE # 11</b>		<b>B-02</b>	
To record Early Florida A/R.			
1200	Accounts Rec.	33,250.00	
4000	Program Revenue		33,250.00
<b>Total</b>		<u><b>33,250.00</b></u>	<u><b>33,250.00</b></u>
<b>Adjusting Journal Entries JE # 12</b>			
To add back PY VPK 13th invoice A/R that was recorded as received twice in the current year.			
1200	Accounts Rec.	34,216.00	
7500	Supplies		34,216.00
<b>Total</b>		<u><b>34,216.00</b></u>	<u><b>34,216.00</b></u>
	<b>Total Adjusting Journal Entries</b>	<u><b>1,110,081.00</b></u>	<u><b>1,110,081.00</b></u>
	<b>Total All Journal Entries</b>	<u><b>1,110,081.00</b></u>	<u><b>1,110,081.00</b></u>



March 22, 2019

James Moore & Co., P.L.  
2477 Tim Gamble Place, Suite 200  
Tallahassee, Florida 32308

This representation letter is provided in connection with your audit of the financial statements of Early Learning Coalition of the Big Bend Region, Inc., which comprise the statement of financial position as of June 30, 2018 and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of March 22, 2019:

### **Financial Statements**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated March 6, 2018, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- The financial statements referred to above have been fairly presented in accordance with U.S. GAAP and include all proper classifications, supplementary information, and note disclosures.
- We acknowledge our responsibility for 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- With respect to preparation of the financial statements, depreciation schedule, IRS Form 990, and data collection form, we have performed the following:
  - Made all management decisions and performed all management functions;



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- Assigned a competent individual, Tracie Hodge, to oversee the services;
  - Evaluated the adequacy of the services performed;
  - Evaluated and accepted responsibility for the result of the service performed; and
  - Established and maintained internal controls, including monitoring ongoing activities.
- Significant assumptions used by us in making accounting estimates are reasonable.
  - Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of GAAP.
  - All events subsequent to the date of the financial statements and for which GAAP requires adjustment or disclosure have been adjusted or disclosed.
  - Significant assumptions we used in making accounting estimates are reasonable.
  - Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
  - All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
  - The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
  - All assets and liabilities under the entity's control are included in the financial statements.
  - Net assets presented in the statement of financial position are appropriately classified, and reclassifications between net assets are appropriate.
  - We have maintained an appropriate composition of assets in amounts needed to comply with all donor restrictions.
  - We have accurately presented the entity's position regarding taxation and tax-exempt status.
  - The bases used for allocation of functional expenses are reasonable and appropriate.
  - We have designed, implemented, and maintained adequate internal controls over the receipt and recording of contributions.
  - We have complied with all contractual agreements, grants, and donor restrictions.
  - Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
  - Receivables recorded in the financial statements represent valid claims against grantors or others for claims arising on or before the balance sheet date and have been reduced to their estimated net realizable value.
  - We understand that you prepared the trial balance for use during the audit and that your preparation of the trial balance was limited to formatting information into a working trial balance based on management's chart of accounts.



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## Information Provided

- We have provided you with:
  - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, other matters and all audit or relevant monitoring reports, if any, received from funding sources.
  - Communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
  - Additional information that you have requested from us for the purpose of the audit.
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements or the schedule of expenditures of federal awards and state financial assistance.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors, regulators, or others.
- We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that you have reported to us.
- We have a process to track the status of audit findings and recommendations.
- We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, grantors, regulators, or others.



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- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements .
  - We have disclosed to you the identity of the organization’s related parties and all the related party relationships and transactions of which we are aware.
  - There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
  - Early Learning Coalition of the Big Bend, Inc. has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
  - We have disclosed to you all guarantees, whether written or oral, under which Early Learning Coalition of the Bid Bend Region, Inc. is contingently liable.
  - We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts.
  - There are no:
    - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
    - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with FASB Accounting Standards Codification (ASC) 450, *Contingencies*.
    - Other liabilities or gain loss contingencies that are required to be accrued or disclosed by ASC-450.
  - We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
  - The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral except as made known to you.
  - We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
  - Early Learning Coalition of the Big Bend Region, Inc. is an exempt organization under Section 501(c) (3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization’s tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
  - We acknowledge our responsibility for presenting the Schedule of Expenditures of Federal Awards and State Financial Assistance in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for*



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*Federal Awards* (Uniform Guidance) and Chapter 10.650, Rules of the State of Florida Office of the Auditor General, and we believe the Schedule of Expenditures of Federal Awards and State Financial Assistance, including its form and content, is fairly presented in accordance with Uniform Guidance. The methods of measurement and presentation of the Schedule of Expenditures of Federal Awards and State Financial Assistance have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

### **Uniform Guidance**

- With respect to federal award programs:
  - We are responsible for understanding and complying with and have complied with the requirements of and the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) as applicable.
  - We are responsible for the preparation and presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance.
  - We believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance.
  - As part of your audit, you prepared the draft financial statements and related notes and schedule of expenditures of federal awards. We have designated an individual, Tracie Hodge, with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal awards.
  - The methods of measurement or presentation have not changed from those used in the prior period.
  - We are responsible for including the auditor's report on the schedule of expenditures of federal awards in any document that contains the schedule and that indicates that the auditor has reported on such information.
  - We have notified you of federal awards and funding increments that were received before December 26, 2014, and differentiated those awards from awards received on or after December 26, 2014, and subject to the audit requirements of the Uniform Guidance.
  - We have notified you if we have elected to delay implementation the procurement sections (317 to 326) of the Uniform Guidance as allowed for two fiscal years after the effective



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date of the uniform guidance. We understand that sections 317 to 326 are allowed to be delayed until fiscal years beginning on or after December 26, 2017.

- When the schedule of expenditures of federal awards is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by the entity of the schedule of expenditures of federal awards and the auditor's report thereon.
- We have, in accordance with the Uniform Guidance identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.
- We are responsible for complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program; and we have complied, in all material respects, with these requirements.
- We have provided to you our interpretations of any compliance requirements that have varying interpretations.
- We are responsible for establishing and maintaining effective internal control over compliance requirements applicable to federal programs that provide reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. Also, no changes have been made in the internal control system to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to significant deficiencies, including material weaknesses, reported in the schedule of findings and questioned costs.
- We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to federal programs.
- We have received no requests from a federal agency to audit one or more specific programs as a major program.
- We have identified and disclosed to you all amounts questioned and any known noncompliance with the direct and material compliance requirements of federal awards, including the results of other audits or program reviews or stated that there was no such noncompliance. We also know of no instances of noncompliance with direct and material





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compliance requirements occurring subsequent to the period covered by the auditor's report.

- We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- We have properly classified amounts claimed or used for matching of federal awards.
- We have charged costs to federal awards in accordance with applicable cost principles, including amounts claimed or used for matching determined in accordance with relevant guidelines in the Uniform Guidance.
- We have made available to you all documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared (and are prepared on a basis consistent with the schedule of expenditures of federal awards).
- The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared (and are prepared on a basis consistent with the schedule of expenditures of federal awards).
- The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- We have properly classified amounts claimed or used for matching in accordance with related guidelines in the Uniform Guidance.
- We have charged costs to federal awards in accordance with the provisions of the Uniform Guidance.



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- We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
  - We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
  - The reporting package does not contain personally identifiable information.
  - We are responsible for and have accurately completed the appropriate sections of the Data Collection Form as required by the Uniform Guidance, and we are responsible for preparing and implementing a correction action plan for each audit finding.
  - We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.
  - We have reviewed, approved, and taken responsibility for the financial statements and related notes and an acknowledgment of the auditor's role in the preparation of this information.
  - We have reviewed, approved, and taken responsibility for accrual adjustments and an acknowledgment of the auditor's role in the preparation of the adjustments.
  - We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.

In addition:

- a. We are responsible for understanding and complying with the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major federal program; and we have complied with these direct and material compliance requirements.
- b. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provide reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award that could have a material effect on our federal programs. Also, no changes have been made in the internal over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant



deficiencies and material weaknesses in internal control over compliance have occurred subsequent to the period covered by the auditor's report.

**Section 215.97 Florida Statutes, Florida Single Audit Act (“Florida Single Audit Act”) and Chapter 10.650, Rules of the State of Florida Office of the Auditor General (“Chapter 10.650”)**

- With respect to state financial assistance projects:
  - We are responsible for understanding and complying with and have complied with the requirements of Florida Single Audit Act and Chapter 10.650, Rules of the State of Florida Office of the Auditor General, including requirements relating to preparation of the schedule of expenditures of federal awards and state financial assistance.
  - We are responsible for the preparation and presentation of the schedule of expenditures of federal awards and state financial assistance in accordance with the Florida Single Audit Act and Chapter 10.650. Rules of the State of Florida office of the Auditor General and have identified and disclosed in the schedule expenditures made during the audit period for all awards provided by state agencies in the form of grants, state cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance.
  - We acknowledge our responsibility for presenting the schedule of expenditures of federal awards and state financial assistance (SEFA) in accordance with the requirements of Chapter 10.650, Rules of the State of Florida Office of the Auditor General, and we believe the SEFA, including its form and content, is fairly presented in accordance with Chapter 10.650. The methods of measurement and presentation of the SEFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.
  - If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
  - We have identified and disclosed to you all of our government programs and related activities subject to Section 215.97, Florida Statutes, Florida Single Audit Act, and Chapter 10.650, Rules of the State of Florida Office of the Auditor General.
  - We are responsible for understanding and complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our state financial assistance projects and have identified and disclosed to you the requirements of laws, regulations and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major state financial assistance project.
  - We are responsible for establishing and maintaining effective internal control over compliance requirements applicable to state projects that provide reasonable assurance that we are managing our state financial assistance in compliance with laws, regulations, and



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the provisions of contracts and grant agreements that could have a material effect on our state projects. Also, no changes have been made in the internal control system to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to significant deficiencies, including material weaknesses, reported in the schedule of findings and questioned costs.

- We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with state agencies or pass-through entities relating to state projects.
- We have received no requests from a state agency to audit one or more specific programs as a major state project. We have complied, in all material respects, with the compliance requirements, including when applicable, those set forth in the State of Florida Department of Financial Services State Projects Compliance Supplement, relating to state financial assistance projects and have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of state financial assistance projects resulting from other audits or program reviews.
- We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the applicable compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken up to the date of the auditor's report.
- Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB Circular A-122, Cost Principles for Nonprofit Organizations, and Subpart C, Cost Sharing and Matching, of OMB Circular A-110, Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations, of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) as applicable.
- We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to state financial assistant project financial reports and claims for advances and reimbursements.
- We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.



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- No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies in internal control over compliance (including material weaknesses in internal control over compliance) have occurred subsequent to the date as of which compliance was audited.
  - State financial assistance project financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
  - The copies of state financial assistance financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective state agency or pass-through entity, as applicable.
  - We have charged costs to state financial assistance projects in accordance with applicable cost principles.
  - We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by Chapter 10.650, Rules of the State of Florida Office of the Auditor General, and we have provided you with all information on the status of the follow-up on prior audit findings by state awarding agencies and pass-through entities, including all management decisions.
  - We are responsible for submitting and have accurately prepared the Auditor General Submittal Checklist as required by Chapter 10.650, Rules of the State of Florida Office of the Auditor General.
  - We are responsible for preparing and implementing a corrective action plan for each audit finding.
  - We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
  - We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
  - The Organization's Federal information tax returns for the past three years are subject to examination by the IRS, generally for three years after they were filed. The Organization recognizes tax benefits only to the extent the Organization believes it is "more likely than not" that its tax positions will be sustained upon IRS examination. Accordingly, the provision for unpaid federal taxes (liability for unrecognized tax benefits) in the statement of financial position reflects all tax positions that the Organization believes do not have greater than a 50% chance of realization after examination.



- We have evaluated and classified any subsequent events as recognized or nonrecognized and disclosed the date through which this determination was made. No events, including instances of noncompliance, have occurred subsequent to the statement of financial position date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.

Signature: Francis Hodge

Title: CFO

Signature: Victoria Overholt

Title: CEO