



ELCHC Executive Committee Meeting

April 11, 2022 at 3:00 pm

Hybrid Meeting

6302 E. Martin Luther King, Jr. Blvd., Suite 100 Tampa, FL 33619

<https://us06web.zoom.us/j/95337668497?pwd=SzFLSIBwZXdSK2Z1TXFjbHdxOEtqQT09>

Meeting ID: 953 3766 8497

Passcode: 515549



ELCHC Executive Committee Meeting

April 11, 2022

I. CALL TO ORDER

- A. Roll Call/Quorum Verification
- B. Approval of Minutes for February 14, 2022 Executive Committee Regular Meeting

II. PUBLIC COMMENT I

Individuals wishing to address the Early Learning Coalition of Hillsborough County Board of Directors must complete a Public Comment Request Card and submit it to the official recorder prior to the noticed start time of the meeting. Said comments will be limited to three (3) minutes per individual on a first come, first serve basis, and only at such time as is identified on the official meeting agenda for public comment. All public comment in Public Comment I must pertain to an item on the approved agenda.

III. ACTION ITEMS

- A. Approval of the April 18, 2022 Board of Directors Meeting Agenda **G. Gillete**
- B. Approval of the FY 2022-2023 Executive Committee/Board Meeting Schedule **G. Gillette**

IV. COMMITTEE REPORTS

- A. Governance Committee Report **S. Robinson**
- B. Finance Committee Report **L. Buzard**
- C. Service Delivery & Efficiency Committee Report **D. Fudge**

V. CEO REPORT

G. Gillette

VI. DISCUSSION ITEMS

VII. ADJOURNMENT

Monday, February 14, 2022, at 3:00 pm
6302 E. Martin Luther King, Jr. Blvd., Suite 100
Tampa, FL 33619

MEETING ATTENDANCE

Facilitator: Aakash Patel, Chair

Committee Members Present:

Dr. Daphne Fudge*, Aakash Patel*, Luke Buzard*, Dr. Shawn Robinson*, and Dr. Stephe Holmquist Johnson*

Committee Members Absent:

ELCHC Staff:

Alison Fraga*, Gordon Gillette, Kelley Minney, Kiyana Scott, Lorinda Gamson, Helen Sovich*, Abigail Perez*, Rick Rampersad*, Gary Meyer*, Hannah Goble*, and Megan Folts*

Other Attendees:

Tonia Williams*

**Indicates attendance by Zoom Meeting platform.*

CALL TO ORDER

Quorum Verification

Noting a quorum was present, Vice-Chair Dr. Shawn Robinson called the meeting to order at 3:05 pm.

Approval of October 11, 2021, Executive Committee Regular Meeting Minutes

Dr. Stephe Holmquist Johnson made a motion to approve the October 11, 2021, Executive Committee Regular Meeting Minutes. Luke Buzard made a second. The motion carried unanimously.

PUBLIC COMMENT

There was no Public Comment.

ACTION ITEMS

A. February 21, 2022, Draft Board of Directors Meeting Agenda

Mr. Gordon Gillette reviewed the February 21, 2022, Board of Directors meeting agenda, highlighting the following:

- The Nonprofit Leadership Center will give its final report on the Intercultural Development Inventory Assessments and Focus Groups.
- Early Learning Coalition of Hillsborough County (ELCHC) staff will present the ELCHC employee demographics.



Luke Buzard made a motion to approve the February 21, 2022, draft Board of Directors Meeting Agenda. Dr. Stephie Holmquist Johnson made a second. The motion carried unanimously.

COMMITTEE REPORTS

Governance Committee

Dr. Shawn Robinson reported that during the Governance Committee meeting on January 31, 2022, the Committee reviewed and discussed the following items:

- Legislative Update
- Gubernatorial Appointments
- Public Comment Process
- Public Notice Process
- Board Attendance Policy
- Diversity, Equity, and Inclusion Update
- Board Matrix

Dr. Robinson informed the Executive Committee that during Board meetings, members of the public would have access to make public comments. ELCHC staff will notify members of the public using the chat feature on the Zoom meeting platform with instructions on how to submit and make a public comment.

Dr. Robinson reported that there is regular attendance from Board members for the Board meetings, and if any member does not have regular attendance, the Board chair will work with that member on their attendance.

Finance Committee

Mr. Luke Buzard reported that during the Finance Committee meeting on February 7, 2022, the Committee reviewed and discussed the following items:

- Financials through December 31, 2021
- Approval of allocation of funds to Travelers Casualty and Surety Company of America Insurance
- Approval of allocation of funds for Family Engagement
- Facilities Update

There was further discussion on the process of soliciting requests for proposals (RFP). Alison Fraga, Chief Development Officer, explained the RFP process, highlighting the following:

- The RFP is posted on the ELCHC website and the Florida Vendor Bid System.
- After the proposals are received, each proposal is scored using a rubric.

After the Finance Committee Report, Dr. Shawn Robinson relinquished the Chair to Chair Aakash Patel.

Service Delivery & Efficiency Committee

Dr. Daphne Fudge reported that the Service Delivery & Efficiency Committee's next meeting is scheduled for February 15, 2022.

CEO REPORT

A. Nonprofit Leadership Center

Mr. Gillette reported the Nonprofit Leadership Center (NLC) was retained to work with the ELCHC on Diversity, Inclusion, and Equity. NLC would provide a report to the full Board at the February 21, 2022, Board meeting.

B. ELCHC Board Chair/Legislative Updates

Mr. Gillette reported that he contacted the Tampa Bay Chamber, Tampa Bay Economic Development Council, Nonprofit Leadership Center, and the Association of Early Learning Coalitions' lobbyists regarding ELCHC's open private-sector gubernatorial appointment seats and Chair position.

Mr. Gillette informed the Executive Committee that House Bill 419 indicates that the Commissioner of Education can appoint an interim chair from the membership of the Board of Directors if needed.

C. Hillsborough Day at the Capitol

Mr. Gillette informed the Executive Committee that he would not be attending Hillsborough Day at the Capitol on February 22, 2022.

DISCUSSION ITEMS

Splash into A Day of Preschool

Mrs. Fraga announced that the ELCHC would be hosting its 2nd Annual Fundraising event, Splash into A Day of Preschool, on May 12, 2022, at 11:30 am at Tampa River Center at Julian B. Lane Riverfront Park.

Board Engagement

Kelley Minney, Manager, Donor Relations, presented a new Board engagement opportunity for Board members to gather socially.

Metropolitan Ministries

Dr. Robinson announced that Metropolitan Ministries currently has supplies and additional items in their warehouses needing to be distributed. Dr. Robinson stated that he would connect with ELCHC staff on how best to distribute those items to families and child care providers.

ADJOURNMENT

Dr. Shawn Robinson made a motion to adjourn the meeting at 3:28 pm. Dr. Daphne Fudge made a second. The motion carried unanimously.

Read and approved by: _____ Date: _____
Dr. Stephe Holmquist Johnson, Secretary

ELCHC EXECUTIVE COMMITTEE MEETING – APRIL 11, 2022

ACTION

ITEM III.A.

ISSUE: Approval of the April 18, 2022, Draft Board of Directors Meeting Agenda
RECOMMENDED ACTION: Approve the April 18, 2022, draft Board of Directors meeting agenda.

NARRATIVE: The April 18, 2022 draft Board of Directors meeting agenda is attached.

(1 Attachment)



ELCHC Board of Directors Meeting

April 18, 2022

I. WELCOME & INTRODUCTIONS

A. Patel

- A. Roll call/Quorum Verification
- B. Pledge of Allegiance

II. PUBLIC COMMENT I

Individuals wishing to address the Early Learning Coalition of Hillsborough County Board of Directors must complete a Public Comment Request Card and submit it to the official recorder prior to the noticed start time of the meeting. Said comments will be limited to three (3) minutes per individual on a first come, first serve basis, and only at such time as is identified on the official meeting agenda for public comment. All public comment in Public Comment I must pertain to an item on the approved agenda

III. CHAIRMAN'S REPORT

A. Patel

- A. Mission Moment

IV. CONSENT AGENDA

The "consent agenda" is a single agenda item typically addressed first after convening the board meeting and establishing that a quorum is present. The consent agenda encompasses all the routine, pro forma and noncontroversial items that the Board needs to vote on.

- A. April 18, 2022 Board of Directors Meeting Agenda
- B. February 21, 2022 Board of Directors Regular Meeting Minutes
- C. FY 2022-2023 Executive Committee/Board of Directors Meeting Schedule
- D. February, 15, 2022 Service Delivery & Efficiency Committee Meeting Minutes

V. ACTION ITEMS

- A. Approval of Governance Related Legal Services
- B. Approval of Audited Financial Statements- Years Ended June 30, 2021 and 2020
- C. Approval of the FY 2022-2023 Sliding Fee Schedule

S. Robinson

L. Buzard/G.
Meyer

G. Gillette/H.
Goble
G. Gillette

VI. CEO REPORT

- A. Legislative Updates
- B. American Rescue Plan Act (ARPA) Updates
- C. Kindergarten Readiness Initiative

VII. FINANCIAL REPORT

G. Meyer

- A. FY 2022 Financials through February 28, 2022, Budget to Actual

VIII. DISCUSSION ITEMS

A. Splash into A Day of Preschool

A. Fraga

B. ReCharge at Teacher's Night Out & ELCHC Conference 2022

S. Francois

IX. PUBLIC COMMENT II

Individuals wishing to address the Early Learning Coalition of Hillsborough County Board of Directors must complete a Public Comment Request Card and submit it to the official recorder prior to the noticed start time of the meeting. Said comments will be limited to three (3) minutes per individual on a first come, first serve basis, and only at such time as is identified on the official meeting agenda for public comment.

X. INFORMATION ITEMS

A. IRS Form 990

G. Meyer

XI. ADJOURNMENT

ELCHC EXECUTIVE COMMITTEE MEETING – APRIL 11, 2022

ACTION

ITEM III.B.

ISSUE: **Approval of the FY 2022-2023 Executive Committee/Board Meeting Schedule**

RECOMMENDED ACTION: Approve the FY 2022-2023 Executive Committee/Board Meeting Schedule.

NARRATIVE: The attached document outlines the proposed FY 2022-2023 Executive Committee/Board Meeting Schedule.

(1 Attachment)

FY 2022-2023 MEETING SCHEDULE

EXECUTIVE COMMITTEE MEETING SCHEDULE

Monday, August 15, 2022

Monday, October 10, 2022

Monday, February 13, 2023

Monday, April 10, 2023

Monday, June 12, 2023

All meetings of the Early Learning Coalition of Hillsborough County Executive Committee are held at **3:00 pm** until the conclusion of business at 6302 Martin Luther King Jr. Blvd. Bldg. 100, Suite 100, Tampa, FL 33619 unless otherwise publicly noticed and/or noted above.

BOARD OF DIRECTORS MEETING SCHEDULE

Monday, August 22, 2022

Monday, October 17, 2022

Monday, February 20, 2023

Monday, April 17, 2023

Monday, June 19, 2023 (Annual Board Meeting)

All meetings of the Early Learning Coalition of Hillsborough County Board of Directors are held at **3:00 pm** until the conclusion of business at 6302 Martin Luther King Jr. Blvd. Bldg. 100, Suite 100, Tampa, FL 33619 unless otherwise publicly noticed and/or noted above.

PLEASE NOTE: *This meeting schedule is posted on the ELCHC website located at <http://www.elchc.org>. Changes to any dates, times and locations of these meetings will be posted at all times. Members of the public may confirm by phone by calling (813) 515-2340.*



ELCHC EXECUTIVE COMMITTEE MEETING – APRIL 11, 2022

COMMITTEE REPORTS

ITEM IV.A.

ISSUE: **Governance Committee Report**

NARRATIVE: The Governance Committee met on March 28, 2022, to review and discuss:

- FY 2022-2023 Governance Committee Meeting Schedule
 - Submitted Proposals for Governance Related Legal Services
 - Division of Early Learning Performance Standards & CEO/ED Performance Evaluations
-

ELCHC EXECUTIVE COMMITTEE MEETING – APRIL 11, 2022

COMMITTEE REPORTS

ITEM IV.B.

ISSUE: **Finance Committee Report**

NARRATIVE: The Finance Committee met on April 4, 2022, to review and discuss:

- MSL Audit Report & Audited Financials – Years Ended June 30, 2021 and 2020
- IRS Tax Compliance Updates
- FY 2022 Financials through February 28, 2022, Budget to Actual
- Approval of Allocation of Funds to Teachstone for the Purchase of Quality Improvement Materials
- FY 2022-2023 Finance Committee Meeting Schedule

(2 Attachments)



| | Budget to Actual | | | | | | | |
|---|-------------------|-------------------|--------------------|-----------------|--------------------|-------------------|-------------------|--------------|
| | February 28, 2022 | | | | | | | |
| | Actual | Budget | Difference | | Actual | Budget | Difference | |
| YTD | YTD | YTD favorable | % | 2022 YTD | 2022 | YTD favorable | % | |
| | | /(unfavorable) | | Actual/Forecast | Budget | /(unfavorable) | | |
| Program Revenue | | | | | | | | |
| School Readiness | 40,740,797 | 42,328,613 | (1,587,816) | -3.8% | 68,165,444 | 67,315,906 | 849,538 | 1.3% |
| School Readiness - CRSSA (Phase VI, etc.) | 18,482,086 | 18,482,086 | - | 0.0% | 18,482,086 | - | 18,482,086 | 100.0% |
| School Readiness - ARPA | - | - | - | 0.0% | 17,000,741 | - | 17,000,741 | 100.0% |
| School Readiness - Workforce | - | - | - | 0.0% | 3,617,293 | - | 3,617,293 | 100.0% |
| School Readiness Match - DEL | 921,764 | 879,673 | 42,092 | 4.8% | 1,319,509 | 1,525,882 | (206,373) | -13.5% |
| School Readiness - Local Funders: | | | | | | | | |
| Children's Board HC | 700,770 | 700,770 | - | 0.0% | 700,770 | 700,770 | - | 0.0% |
| Metro Ministries (Children's Board) | 16,421 | 100,000 | (83,579) | -83.6% | 150,000 | 150,000 | - | 0.0% |
| Hillsborough County BOCC | 255,963 | 184,000 | 255,963 | 139.1% | 276,000 | 276,000 | - | 0.0% |
| HC Childcare -Licensing & Fees | 214,198 | 278,638 | (64,440) | -23.1% | 417,957 | 430,000 | (12,043) | -2.8% |
| City of Tampa | 84,164 | 74,782 | 9,382 | 12.5% | 74,782 | - | 74,782 | 100.0% |
| United Way | 46,075 | 46,075 | - | 0.0% | 69,112 | 69,112 | - | 0.0% |
| Caspers | 50,000 | 50,000 | - | 0.0% | 50,000 | 50,000 | - | 0.0% |
| School Readiness - Local Funders | 1,367,591 | 1,434,265 | (66,674) | -4.6% | 1,813,403 | 1,675,882 | 137,521 | 0.0% |
| Total School Readiness Revenue | 61,512,238 | 63,124,636 | (1,612,399) | -2.6% | 110,398,476 | 70,517,670 | 39,880,806 | 56.6% |
| Other Local Funders: | | | | | | | | |
| HC Community Development, incl. ALICE>150 | 57,553 | 43,750 | 13,803 | 31.5% | 87,500 | 175,000 | (87,500) | 0.0% |
| Hillsborough Infant/Toddler Initiative | 156,369 | 156,369 | - | 0.0% | 156,369 | 64,000 | 92,369 | 144.3% |
| Conn Foundation | 58,000 | 42,833 | 15,167 | 35.4% | 58,000 | 45,500 | 12,500 | 27.5% |
| Spurlino Foundation | 11,000 | - | 11,000 | 100.0% | 175,000 | 50,000 | 125,000 | 250.0% |
| SR Program Income (training, IECF memberships) | 12,370 | 13,333 | (964) | -7.2% | 20,000 | 20,000 | - | 0.0% |
| HELN (Hillsborough Early Learning Network) | 1,892 | 4,000 | (2,108) | -52.7% | 6,000 | 6,000 | - | 0.0% |
| ELFL (Early Learning Florida) | 15,740 | 54,664 | (38,924) | -71.2% | 82,000 | 82,000 | - | 0.0% |
| Lastinger Project | 112,500 | 141,333 | (28,833) | -20.4% | 212,000 | 212,000 | - | 0.0% |
| Misc. Donations | 72,139 | 200,000 | (127,861) | -63.9% | 300,000 | 300,000 | - | 0.0% |
| Other Local Funders | 497,563 | 656,283 | (172,523) | -26.3% | 1,096,869 | 954,500 | 142,369 | 14.9% |
| Total School Readiness Revenue and Local Revenue | 62,009,800 | 63,780,919 | (1,784,922) | -2.8% | 111,495,345 | 71,472,170 | 40,023,175 | 56.0% |
| Program Expenses | | | | | | | | |
| School Readiness | | | | | | | | |
| Direct Services | 32,678,004 | 33,954,923 | 1,276,919 | 3.8% | 56,952,363 | 56,256,030 | 696,333 | 1.2% |
| School Readiness - CRSSA (Phase VI, etc.) | 18,482,086 | 18,482,086 | - | 0.0% | 18,482,086 | - | 18,482,086 | 100.0% |
| School Readiness - ARPA | - | - | - | 0.0% | 16,150,704 | - | 16,150,704 | 100.0% |
| School Readiness - Workforce | - | - | - | 0.0% | 3,436,428 | - | 3,436,428 | 100.0% |
| School Readiness Match - DEL | 871,358 | 879,673 | 8,315 | 0.9% | 1,319,509 | 1,551,647 | (232,138) | -15.0% |
| School Readiness - Local Funders | 1,233,643 | 1,434,265 | 200,621 | 0.0% | 1,813,403 | 1,675,882 | 137,521 | 8.2% |
| General Contributions and Gifts | 497,563 | 656,283 | 158,720 | 0.0% | 1,096,869 | 686,500 | 410,369 | 59.8% |
| Total Direct Services | 53,762,654 | 55,407,229 | 1,285,234 | 2.3% | 99,251,362 | 60,170,058 | 39,081,304 | 65.0% |
| Personnel | 4,965,829 | 5,172,862 | 207,033 | 4.0% | 7,532,376 | 8,196,537 | (664,162) | -8.1% |
| Staff Development | 52,586 | 65,550 | 12,964 | 19.8% | 103,518 | 103,518 | - | 0.0% |
| Professional Services | 288,423 | 388,045 | 99,622 | 25.7% | 640,820 | 640,820 | - | 0.0% |
| Occupancy | 308,900 | 339,130 | 30,230 | 8.9% | 507,945 | 507,945 | - | 0.0% |
| Postage, Freight and Delivery | 5,601 | 3,189 | (2,411) | -75.6% | 4,777 | 4,777 | - | 0.0% |
| Rentals | 2,565 | 10,499 | 7,934 | 75.6% | 15,748 | 15,748 | - | 0.0% |
| Supplies | 55,292 | 62,423 | 7,131 | 11.4% | 93,031 | 63,982 | 29,049 | 45.4% |
| Communications | 12,369 | 23,696 | 11,327 | 47.8% | 35,501 | 35,501 | - | 0.0% |
| Insurance | 66,006 | 34,193 | (31,813) | -93.0% | 51,211 | 51,211 | - | 0.0% |
| Tangible Personal Property | 96,441 | 69,506 | (26,935) | -38.8% | 105,906 | 105,906 | - | 0.0% |
| Quality | 574,179 | 793,393 | 219,214 | 27.6% | 1,315,643 | 1,315,643 | - | 0.0% |
| Travel | 18,308 | 30,057 | 11,748 | 39.1% | 47,898 | 47,898 | - | 0.0% |
| Other Operating | 54,950 | 68,527 | 13,578 | 19.8% | 101,108 | 101,108 | - | 0.0% |
| Depreciation | - | - | - | 0.0% | - | - | - | 0.0% |
| Other Operating Expenses | 1,535,619 | 1,888,208 | 352,589 | 18.7% | 3,023,107 | 2,994,058 | 29,049 | 1.0% |
| ELCHC Operating | 6,501,448 | 7,061,070 | 559,622 | 7.9% | 10,555,483 | 9,613,612 | 941,871 | 9.8% |
| CCL/ECC | 617,424 | 762,729 | 145,305 | 19.1% | 1,149,500 | 1,149,500 | - | 0.0% |
| Inclusion Cost | 98,172 | 203,904 | 105,732 | 51.9% | 317,000 | 317,000 | - | 0.0% |
| Scholarships and Other | 163,864 | 148,000 | (15,864) | -10.7% | 222,000 | 222,000 | - | 0.0% |
| Total School Readiness & Other Expenses | 61,143,562 | 63,582,932 | 3,512,716 | 5.5% | 111,495,345 | 71,472,170 | 40,023,175 | 56.0% |
| SR Change in Net Assets | 866,239 | 197,987 | (668,251) | -337.5% | - | - | - | 0.0% |



| | | Budget to Actual February 28, 2022 | | | | | | | |
|--------------|-------------------------------|---------------------------------------|--------|---------------------------------|--------|-----------------------------|----------------|---------------------------------|-------|
| | | Actual | Budget | Difference | | Actual | Budget | Difference | |
| | | YTD | YTD | YTD favorable /(unfavorable) | % | 2022 YTD Actual/Forecast | 2022 Budget | YTD favorable /(unfavorable) | % |
| GOALS | | | | | | | | | |
| < 5.00 % | School Readiness - Admin | 3.6% | 4.2% | -0.7% | -16.2% | 4.2% | 4.5% | -0.3% | -6.3% |
| > 4.00 % | School Readiness - Quality | 8.7% | 8.6% | 0.2% | 2.3% | 8.8% | 8.3% | 0.6% | 6.9% |
| < 22.00 % | School Readiness - Non-Direct | 19.2% | 18.8% | 0.4% | 2.1% | 19.2% | 18.6% | 0.6% | 3.3% |
| > 78.00 % | School Readiness - Direct | 80.8% | 81.2% | -0.4% | -0.5% | 80.8% | 81.4% | -0.6% | -0.8% |



| | Budget to Actual February 28, 2022 | | | | | | | |
|---|---------------------------------------|-------------------|---------------------------------|----------------|-----------------------------|--------------------|---------------------------------|---------------|
| | Actual | Budget | Difference | | Actual | Budget | Difference | |
| | YTD | YTD | YTD favorable /(unfavorable) | % | 2022 YTD Actual/Forecast | 2022 Budget | YTD favorable /(unfavorable) | % |
| VPK Revenue | | | | | | | | |
| Voluntary Pre-Kindergarten | 16,943,598 | 18,021,362 | (1,077,764) | -6.0% | 27,032,043 | 31,058,603 | (4,026,560) | -13.0% |
| Total VPK Revenue | 16,943,598 | 18,021,362 | (1,077,764) | -6.0% | 27,032,043 | 31,058,603 | (4,026,560) | -13.0% |
| Voluntary Pre-Kindergarten | | | | | | | | |
| Direct Services | 16,408,970 | 17,290,992 | 882,022 | 5.1% | 25,936,488 | 29,797,058 | (3,860,570) | -13.0% |
| Personnel | 375,045 | 519,837 | 144,792 | 27.9% | 819,612 | 1,017,628 | (198,016) | -19.5% |
| Staff Development | 5,848 | 11,583 | 5,735 | 49.5% | 16,005 | 16,005 | (0) | 0.0% |
| Professional Services | 53,851 | 77,054 | 23,202 | 30.1% | 115,858 | 115,858 | - | 0.0% |
| Occupancy | 33,371 | 40,232 | 6,861 | 17.1% | 61,095 | 61,095 | - | 0.0% |
| Postage, Freight and Delivery | 589 | 344 | (245) | -71.2% | 523 | 523 | - | 0.0% |
| Rentals | 568 | 2,501 | 1,933 | 77.3% | 3,752 | 3,752 | - | 0.0% |
| Supplies | 3,359 | 10,451 | 7,092 | 67.9% | 15,732 | 5,118 | 10,614 | 207.4% |
| Communications | 2,823 | 2,692 | (130) | -4.8% | 4,082 | 4,082 | - | 0.0% |
| Insurance | 11,903 | 3,911 | (7,992) | -204.4% | 5,944 | 5,944 | - | 0.0% |
| Tangible Personal Property | 26,005 | 9,060 | (16,944) | -187.0% | 13,693 | 13,693 | - | 0.0% |
| Quality | 1,273 | 3,612 | 2,339 | 64.8% | 5,689 | 5,689 | - | 0.0% |
| Travel | 4,000 | 1,798 | (2,201) | -122.4% | 2,594 | 2,594 | - | 0.0% |
| Other Operating | 10,321 | 7,387 | (2,933) | -39.7% | 10,977 | 10,977 | 0 | 0.0% |
| Depreciation | - | - | - | 0.0% | - | - | - | 0.0% |
| Other Operating Expenses | 153,910 | 170,627 | 16,717 | 9.8% | 255,944 | 245,330 | 10,614 | 4.3% |
| ELCHC Operating | 528,955 | 690,463 | 161,509 | 23.4% | 1,075,556 | 1,241,545 | (165,989) | -13.4% |
| CCL/ECC | - | 13,333 | 13,333 | 100.0% | 20,000 | 20,000 | - | 0.0% |
| Total Voluntary Pre-Kindergarten | 16,937,924 | 17,994,788 | 1,390,112 | 7.7% | 27,032,043 | 31,058,603 | (4,026,560) | (0) |
| VPK Change in Net Assets | 5,674 | 26,574 | 20,900 | 78.6% | - | - | - | 0.0% |
| Preschool Development Grant (PDG) Revenues | | | | | | | | |
| PDG FY21 Carryover Revenues | 151,398 | 151,398 | - | 0.0% | 204,792 | 204,792 | - | 0.0% |
| PDG FY22 New Revenues | 53,352 | 274,729 | 221,377 | 80.6% | 412,094 | 412,094 | - | 0.0% |
| Total PDG Revenues | 204,750 | 426,127 | 221,377 | 52.0% | 616,886 | 616,886 | - | 0.0% |
| Preschool Development Grant (PDG) Expenses | | | | | | | | |
| PDG FY21 Carryover Expenses | 151,398 | 151,398 | - | 0.0% | 204,792 | 204,792 | - | 0.0% |
| PDG FY22 New Expenses | 48,352 | 274,729 | 226,377 | 82.4% | 412,094 | 412,094 | - | 0.0% |
| Total PDG Expenses | 199,750 | 426,127 | 226,377 | 53.1% | 616,886 | 616,886 | - | 0.0% |
| Preschool Development Grant Change in Net Assets | 5,000 | - | (5,000) | | - | - | - | 0.0% |
| Total Revenue | 79,158,148 | 82,228,408 | 3,070,260 | 3.7% | 139,144,274 | 103,147,659 | 35,996,615 | 34.9% |
| Total Expenses | 78,281,236 | 82,003,847 | 3,722,612 | 4.5% | 139,144,274 | 103,147,659 | 35,996,615 | 34.9% |
| Change in Net Assets | 876,912 | 224,561 | (652,351) | -290.5% | - | - | (0) | 0.0% |
| GOALS | | | | | | | | |
| < 4.00 % VPK - Admin | 3.2% | 4.1% | -0.8% | -20.3% | 3.8% | 3.8% | 0.0% | -0.7% |

**HILLSBOROUGH COUNTY SCHOOL
READINESS COALITION, INC.**
(d/b/a Early Learning Coalition of
Hillsborough County, Inc.)

FINANCIAL STATEMENTS

Years Ended June 30, 2021 and 2020

C O N T E N T S

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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Hillsborough County School Readiness Coalition, Inc.
d/b/a Early Learning Coalition of Hillsborough County, Inc.
Tampa, Florida

We have audited the accompanying statements of financial position of The Hillsborough County School Readiness Coalition, Inc. d/b/a Early Learning Coalition of Hillsborough County (the "Coalition") as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 audits 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.

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

To the Board of Directors of
The Hillsborough County School Readiness Coalition, Inc.
d/b/a Early Learning Coalition of Hillsborough County, Inc.

Opinion

In our opinion, the financial statements referred to in the first paragraph of this report present fairly, in all material respects, the financial position of the Coalition as of June 30, 2021 and 2020, and the results of its activities and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Our audits were 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 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 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 taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2022, on our consideration of the Coalition’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Coalition’s internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
March 30, 2022

HILLSBOROUGH COUNTY SCHOOL READINESS COALITION, INC.
d/b/a Early Learning Coalition of Hillsborough County, Inc.

STATEMENTS OF FINANCIAL POSITION

June 30, 2021 and 2020

| | ASSETS | | 2021 | 2020 |
|---|----------------------------------|----|-------------|---------------|
| | | | | |
| CURRENT ASSETS | | | | |
| Cash | | \$ | 7,485,743 | \$ 5,382,503 |
| Grants receivable | | | 5,276,784 | 12,430,135 |
| Other assets | | | 63,344 | 63,344 |
| | TOTAL ASSETS | \$ | 12,825,871 | \$ 17,875,982 |
| LIABILITIES AND NET ASSETS | | | | |
| CURRENT LIABILITIES | | | | |
| Accounts and provider payables and accrued expenses | | \$ | 8,662,102 | \$ 13,528,605 |
| Due to School District of Hillsborough County | | | 61,250 | 49,018 |
| | TOTAL CURRENT LIABILITIES | | 8,723,352 | 13,577,623 |
| NET ASSETS | | | 4,102,519 | 4,298,359 |
| | TOTAL LIABILITIES AND NET ASSETS | \$ | 12,825,871 | \$ 17,875,982 |

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

HILLSBOROUGH COUNTY SCHOOL READINESS COALITION, INC.
d/b/a Early Learning Coalition of Hillsborough County, Inc.

STATEMENTS OF ACTIVITIES

Years Ended June 30, 2021 and 2020

| | 2021 | 2020 |
|--|---------------------|---------------------|
| REVENUES AND SUPPORT | | |
| Program support: | | |
| Federal and state grant revenue - general | \$ 81,105,149 | \$ 90,825,426 |
| Federal and state grant revenue - CARES and CRRSA | 16,291,093 | 4,585,217 |
| Local gifts and grant revenue and other | 2,746,033 | 3,548,727 |
| TOTAL REVENUES AND SUPPORT | 100,142,275 | 98,959,370 |
| EXPENSES | | |
| Program services: | | |
| School Readiness | 73,980,234 | 63,867,475 |
| Voluntary Pre-K | 20,846,618 | 28,703,374 |
| Other programs | 2,465,573 | 509,624 |
| TOTAL PROGRAM SERVICES | 97,292,425 | 93,080,473 |
| Supporting services: | | |
| Management and general | 3,045,690 | 3,082,806 |
| TOTAL EXPENSES | 100,338,115 | 96,163,279 |
| CHANGE IN NET ASSETS | (195,840) | 2,796,091 |
| NET ASSETS WITHOUT DONOR RESTRICTIONS, BEGINNING OF YEAR | 4,298,359 | 1,502,268 |
| NET ASSETS WITHOUT DONOR RESTRICTIONS, END OF YEAR | \$ 4,102,519 | \$ 4,298,359 |

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

HILLSBOROUGH COUNTY SCHOOL READINESS COALITION, INC.
d/b/a Early Learning Coalition of Hillsborough County, Inc.

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended June 30, 2021

| | Program Services | | | Total | Support Services | 2021 |
|--|----------------------|----------------------|---------------------|----------------------|---------------------------|-----------------------|
| | School Readiness | Voluntary Pre-K | Other Programs | | Management and General | |
| Salaries and related taxes | \$ 4,213,161 | \$ 308,171 | \$ 116,712 | \$ 4,638,044 | \$ 1,646,252 | \$ 6,284,296 |
| Fringe benefits | 1,470,014 | 75,534 | 36,241 | 1,581,789 | 381,236 | 1,963,025 |
| TOTAL SALARIES AND RELATED EXPENSES | 5,683,175 | 383,705 | 152,953 | 6,219,833 | 2,027,488 | 8,247,321 |
| Payments to providers | 65,352,558 | 20,446,506 | 2,025,555 | 87,824,619 | - | 87,824,619 |
| Contractual services | 965,142 | 625 | 86,923 | 1,052,690 | 251,608 | 1,304,298 |
| Payments to subrecipients | 1,138,493 | - | - | 1,138,493 | 18,171 | 1,156,664 |
| Office supplies and equipment | 706,995 | 443 | 186,045 | 893,483 | 111,620 | 1,005,103 |
| Rent and utilities | 95,473 | 14,793 | 100 | 110,366 | 362,990 | 473,356 |
| Accounting and auditing | - | - | 3,510 | 3,510 | 82,376 | 85,886 |
| Insurance | - | - | 7 | 7 | 60,885 | 60,892 |
| Staff training and development | 17,589 | - | 6,653 | 24,242 | 23,665 | 47,907 |
| Telephone and communication | 100 | - | 2,114 | 2,214 | 34,807 | 37,021 |
| Dues and memberships | 6,095 | - | - | 6,095 | 29,222 | 35,317 |
| Printing and copying | 5,716 | - | 217 | 5,933 | 11,318 | 17,251 |
| Bank charges | - | - | - | - | 16,763 | 16,763 |
| Postage and shipping | 958 | 12 | 283 | 1,253 | 7,765 | 9,018 |
| Travel | 7,940 | 534 | 175 | 8,649 | 170 | 8,819 |
| Maintenance contracts | - | - | - | - | 4,384 | 4,384 |
| Other | - | - | 1,038 | 1,038 | 2,458 | 3,496 |
| TOTAL EXPENSES | \$ 73,980,234 | \$ 20,846,618 | \$ 2,465,573 | \$ 97,292,425 | \$ 3,045,690 | \$ 100,338,115 |

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

HILLSBOROUGH COUNTY SCHOOL READINESS COALITION, INC.
d/b/a Early Learning Coalition of Hillsborough County, Inc.

STATEMENTS OF FUNCTIONAL EXPENSES (Continued)

Year Ended June 30, 2020

| | Program Services | | | Total | Support Services | 2020 |
|--|----------------------|----------------------|-------------------|----------------------|---------------------------|----------------------|
| | School Readiness | Voluntary Pre-K | Other Programs | | Management and General | |
| Salaries and related taxes | \$ 3,474,426 | \$ 213,666 | \$ 242,655 | \$ 3,930,747 | \$ 1,702,263 | \$ 5,633,010 |
| Fringe benefits | 1,009,801 | 55,674 | 31,334 | 1,096,809 | 356,887 | 1,453,696 |
| TOTAL SALARIES AND RELATED EXPENSES | 4,484,227 | 269,340 | 273,989 | 5,027,556 | 2,059,150 | 7,086,706 |
| Payments to providers | 57,362,412 | 28,415,235 | - | 85,777,647 | - | 85,777,647 |
| Payments to subrecipients | 1,529,870 | - | - | 1,529,870 | 7,060 | 1,536,930 |
| Contractual services | 140,812 | 659 | 85,407 | 226,878 | 274,582 | 501,460 |
| Office supplies and equipment | 225,351 | 8,309 | 112,070 | 345,730 | 151,382 | 497,112 |
| Rent and utilities | 32,095 | 6,776 | 20,012 | 58,883 | 312,930 | 371,813 |
| Staff training and development | 56,185 | - | 5,563 | 61,748 | 53,815 | 115,563 |
| Accounting services | - | - | - | - | 83,561 | 83,561 |
| Insurance | - | - | 466 | 466 | 57,321 | 57,787 |
| Travel | 31,009 | 1,422 | 5,060 | 37,491 | 4,703 | 42,194 |
| Dues and memberships | 5,000 | - | - | 5,000 | 23,019 | 28,019 |
| Printing and copying | 265 | 1,239 | - | 1,504 | 23,434 | 24,938 |
| Telephone and communication | 50 | - | 1,410 | 1,460 | 20,911 | 22,371 |
| Bank charges | - | - | 35 | 35 | 5,540 | 5,575 |
| Other | - | - | 5,012 | 5,012 | 377 | 5,389 |
| Maintenance contracts | - | - | - | - | 5,021 | 5,021 |
| Postage and shipping | 199 | 394 | 600 | 1,193 | - | 1,193 |
| TOTAL EXPENSES | \$ 63,867,475 | \$ 28,703,374 | \$ 509,624 | \$ 93,080,473 | \$ 3,082,806 | \$ 96,163,279 |

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

HILLSBOROUGH COUNTY SCHOOL READINESS COALITION, INC.
d/b/a Early Learning Coalition of Hillsborough County, Inc.

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2021 and 2020

| | 2021 | 2020 |
|---|---------------------|---------------------|
| OPERATING ACTIVITIES | | |
| Cash received from: | | |
| Grant income | \$ 104,549,593 | \$ 91,200,400 |
| Other income | 2,746,033 | 3,548,727 |
| TOTAL CASH RECEIVED | 107,295,626 | 94,749,127 |
| Cash paid for: | | |
| Program services | 102,146,696 | 86,836,198 |
| Administrative expenses | 3,045,690 | 2,979,843 |
| TOTAL CASH PAID | 105,192,386 | 89,816,041 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 2,103,240 | 4,933,086 |
| NET INCREASE IN CASH | 2,103,240 | 4,933,086 |
| CASH - BEGINNING OF YEAR | 5,382,503 | 449,417 |
| CASH - END OF YEAR | \$ 7,485,743 | \$ 5,382,503 |

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

HILLSBOROUGH COUNTY SCHOOL READINESS COALITION, INC.
d/b/a Early Learning Coalition of Hillsborough County, Inc.

STATEMENTS OF CASH FLOWS (Continued)

Years Ended June 30, 2021 and 2020

| | 2021 | 2020 |
|---|---------------------|---------------------|
| RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | |
| Change in net assets | \$ (195,840) | \$ 2,796,091 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Decrease (increase) in grants receivable | 7,153,351 | (4,210,243) |
| Decrease in other assets | - | 102,963 |
| (Decrease) increase in accounts payable and accrued expenses | (4,866,503) | 6,684,154 |
| Increase (decrease) in due to School District of Hillsborough County | 12,232 | (439,879) |
| | \$ 2,103,240 | \$ 4,933,086 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | \$ 2,103,240 | \$ 4,933,086 |

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

HILLSBOROUGH COUNTY SCHOOL READINESS COALITION, INC.
d/b/a Early Learning Coalition of Hillsborough County, Inc.

NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2021 and 2020

NOTE 1 - NATURE OF ORGANIZATION

Hillsborough County School Readiness Coalition, Inc. d/b/a Early Learning Coalition of Hillsborough County, Inc. (the “Coalition”) is a not-for-profit corporation organized under the laws of the State of Florida. The Coalition’s role is to develop and administer a comprehensive school readiness program and Voluntary Pre-Kindergarten (“VPK”) delivery system that prepares children to succeed in school and in life. This is an ongoing process that involves building on existing services, working in cooperation with other programs for young children, and coordinating and integrating program funding to achieve efficiency and effectiveness. The Coalition provides these services primarily through recurring funding through Florida’s Division of Early Learning (“DEL”).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

Basis of Accounting

These financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the Coalition as a whole and to present revenue, expenses, and net assets based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net Assets Without Donor Restrictions – Net assets not subject to donor-imposed restrictions.

Net Assets with Donor Restrictions – Net assets which are subject to donor-imposed stipulations that may or will be met by actions of the Coalition and/or the passage of time. At June 30, 2021 and 2020, there were no net assets with donor restrictions.

Revenue is reported as increases in net assets without donor restrictions, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Federal, state, and local grants are considered exchange transactions and are recorded as unrestricted revenue when earned.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenue of net assets without donor restrictions. Contributions are recognized when the donor makes a promise to give to the Coalition, that is, in substance, unconditional.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES
(Continued)

Grants Receivable

Grants receivable are recognized at the net amount that management expects to be collected based on established collection history and primarily represent amounts for services provided and reimbursable expenses requested from the DEL as of June 30, 2021 and 2020.

Property and Equipment

The Coalition capitalizes all assets acquired in excess of \$5,000 for property and equipment. Property and equipment are carried at cost for purchased assets and at fair value at date of donation for donated assets. The Coalition has no items recorded that met the capitalization requirement at June 30, 2021 and 2020.

Revenue Recognition

The Coalition receives substantially all of its grant revenue from federal and state agencies. Grant revenue is recognized up to the maximum amount provided in the Coalition's contracts, to the extent the performance obligations are satisfied or conditions on grants classified as nonreciprocal are met. Audits of these grants may result in disallowed costs, which may result in a liability to the Coalition. In the opinion of management, disallowed costs, if any, would not be material to the financial statements.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs are directly attributed to the specific program or supporting service, and other costs have been allocated. Salaries are allocated based on actual time spent and other expenses are allocated based on direct usage or management's estimates of the benefit derived by each activity.

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 the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Coalition is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under similar provisions of the Florida Income Tax Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements. The Coalition is subject to the accounting standards on accounting for uncertainty in income taxes. Management does not believe it has taken any tax positions that are subject to a significant degree of uncertainty.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES
(Continued)

New Accounting Standard Adoption and Basis of Presentation

There was no impact on the previously reported 2020 net assets or change in net assets from the adoption of Accounting Standards Update *Revenue from Contracts with Customers* (Topic 606) retroactive to July 1, 2019.

The Coalition expects to adopt the provisions of *Leases* (Topic 842) for the year ended June 30, 2023. The provisions of Topic 842 requires organizations to recognize most leases on the balance sheets as lease liabilities with a right-to-use asset.

NOTE 3 - LIQUIDITY ANALYSIS

The table below represents financial assets available to meet cash needs for general expenditures within one year at June 30, 2021 and 2020:

| | <u>2021</u> | <u>2020</u> |
|-------------------|----------------------|----------------------|
| Cash | \$ 7,485,743 | \$ 5,382,503 |
| Grants receivable | <u>5,276,784</u> | <u>12,430,135</u> |
| | <u>\$ 12,762,527</u> | <u>\$ 17,812,638</u> |

As part of a cash and liquidity management policy, the Coalition structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

NOTE 4 - RELATED PARTIES

Certain members of the Board of Directors are mandated in the State of Florida School Readiness Act. This includes (a) a district superintendent of schools (or permanent designee) from the School District of Hillsborough County (“SDHC”), (b) the Executive Director of the Children’s Board of Hillsborough County (“CBHC”), (c) the Hillsborough County Board of County Commissioners (“BOCC”) county commissioner, and (d) the agency head of the BOCC Child Care Licensing Agency.

Approximately \$1,344,000 and \$1,035,000 was paid by the Coalition for services provided by the SDHC and the BOCC for the years ended June 30, 2021 and 2020, respectively. Payments to the BOCC are for compliance with Hillsborough County’s local childcare licensing ordinance. In addition, the Coalition received matching funds from the BOCC, which are designated to be used only for the school readiness and VPK programs, of approximately \$430,000 and \$483,000 for the years ended June 30, 2021 and 2020, respectively.

The Coalition received funding from the CBHC for the local match in the school readiness program of approximately \$697,000 and \$2,074,000 for the years ended June 30, 2021 and 2020, respectively.

NOTE 5 - DEFERRED COMPENSATION PLAN

The Coalition sponsors a 401(k) Deferred Compensation Plan (the “Plan”) and makes both Employer Safe Harbor and Employer Profit Sharing Contributions to the Plan.

The Employer Safe Harbor portion of the Plan provides that the employer matches 100% on the first 4% contributed by the employee. Vesting is simultaneous with the contribution. Employees are allowed to contribute on a pre-tax basis, not to exceed amounts dictated by U.S. Treasury regulations.

The Employer Profit Sharing portion of the Plan provides that the Coalition contribute 6% of an employee’s salary for the fiscal years ended June 30, 2021 and 2020. Vesting is 100% after six years of employment with the Coalition, with a 20% increase in vesting for each year of employment.

NOTE 6 - CONCENTRATIONS AND GOVERNMENT SUPPORT

The Coalition receives a substantial amount of support from federal, state, and local government agencies. Governmental funding for programs is subject to statutory and regulatory changes, administrative rulings, interpretations of policy, intermediary determinations, and governmental funding restrictions. A reduction in the level of future support from the federal, state or local governmental agencies could have a substantial effect on the Coalition’s programs and activities.

NOTE 7 - OPERATING LEASE

The Coalition leases its office space under an operating lease that is set to expire in July 2026 with the ability to extend the lease for one additional term of five years. Total rent expense was approximately \$377,000 and \$336,000 for the years ended June 30, 2021 and 2020, respectively.

Approximate future minimum lease payments under the operating lease as of June 30, 2021, are as follows:

| <u>Year Ending June 30,</u> | <u>Amount</u> |
|---------------------------------|---------------------|
| 2022 | \$ 388,000 |
| 2023 | 400,000 |
| 2024 | 412,000 |
| 2025 | 424,000 |
| 2026 | 252,000 |
| | <u>\$ 1,876,000</u> |

The Coalition has the option to cancel its office space lease if the Coalition receives more than a 50% decrease in funding from the DEL in any fiscal year.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Compliance

The Coalition may be subject to audit examination by funding sources to determine compliance with grant conditions. In the event that expenditures would be disallowed, repayment could be required. Management believes the Coalition is in compliance with the terms of its grant agreements.

COVID-19

On March 11, 2020, the World Health Organization declared a new coronavirus disease (“COVID-19”) a pandemic. COVID-19 has had a severe impact on the economy in general. The extent of COVID-19’s effect on the Coalition’s operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. As a result, it is not currently possible to ascertain the potential impact of COVID-19 on the Coalition. However, if the pandemic continues to evolve into a severe worldwide health crisis, the disease could have a material adverse effect on the Coalition’s business, results of operations, financial condition and cash flows. These financial statements do not include any adjustments related to the ultimate outcome of these uncertainties.

NOTE 9 - SUBSEQUENT EVENT

The Coalition has evaluated events and transactions for potential recognition or disclosure in the financial statements through March 30, 2022, which is the date the financial statements were available to be issued.

HILLSBOROUGH COUNTY SCHOOL READINESS COALITION, INC.
d/b/a Early Learning Coalition of Hillsborough County, Inc.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE**

Year Ended June 30, 2021

| <u>Federal Agency/State Agency/Pass-Through Grantor/ Program Title</u> | <u>Grant Period</u> | <u>Federal CFDA #</u> | <u>Contract #</u> | <u>Federal Expenditures</u> | <u>Transferred to Subrecipient</u> |
|---|---------------------|---------------------------|-------------------|---------------------------------|--|
| FEDERAL AWARDS | | | | | |
| U.S. Department of Health and Human Services: | | | | | |
| Child Care Development Fund (CCDF) Cluster: | | | | | |
| <i>Passed through State of Florida Division of Early Learning</i> | | | | | |
| Child Care Development Block Grant | 7/1/20-6/30/21 | 93.575 | EL251 | \$ 47,234,830 | \$ 1,725,221 |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund | 7/1/20-6/30/21 | 93.596 | EL251 | 8,450,232 | - |
| Preschool Development Grant | 7/1/20-6/30/21 | 93.434 | EL251 | 540,475 | - |
| Total Child Care Development Fund (CCDF) Cluster | | | | <u>56,225,537</u> | <u>1,725,221</u> |
| <i>Passed through State of Florida Division of Early Learning</i> | | | | | |
| Social Services Block Grant | 7/1/20-6/30/21 | 93.667 | EL251 | 45,732 | - |
| Temporary Assistance for Needy Families | 7/1/20-6/30/21 | 93.558 | EL251 | 19,958,024 | - |
| Total Expenditures of Federal Awards | | | | <u>76,229,293</u> | <u>1,725,221</u> |
| | <u>Grant Period</u> | <u>State CSFA #</u> | <u>Contract #</u> | <u>State Expenditures</u> | <u>Transferred to Subrecipient</u> |
| STATE FINANCIAL ASSISTANCE | | | | | |
| State of Florida Office of Early Learning | | | | | |
| Voluntary Pre-K | 7/1/20-6/30/21 | 48.108 | EL251 | 21,448,023 | 13,380 |
| Unrestricted General | 7/1/20-6/30/21 | 48.108 | OA251 | 37,811 | - |
| Total Expenditures of State Financial Assistance | | | | <u>21,485,834</u> | <u>13,380</u> |
| | <u>Grant Period</u> | <u>Federal CFDA #</u> | <u>Contract #</u> | <u>Local Expenditures</u> | <u>Transferred to Subrecipient</u> |
| STATE MATCHING AND LOCAL FUNDS | | | | | |
| Florida Office of Early Learning | | | | | |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund | 7/1/20-6/30/21 | 93.596 | EL251 | 1,375,665 | - |
| Total State Matching and Local Funds | | | | <u>1,375,665</u> | <u>-</u> |
| Total Federal Awards, State Financial Assistance, and Local Funds | | | | <u>\$ 99,090,792</u> | <u>\$ 1,738,601</u> |

HILLSBOROUGH COUNTY SCHOOL READINESS COALITION, INC.
d/b/a Early Learning Coalition of Hillsborough County, Inc.

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE**

Year Ended June 30, 2021

(1) General:

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance include the grant activity of the Coalition and is presented on the accrual basis of accounting. The information in this schedule is presented 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”), Chapter 10.650, *Rules of the State Auditor General*, and the Rules of the Executive Office of the Governor of the State of Florida. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

Indirect cost rate is dictated by federal and state contract terms. The 10-percent de minimis indirect cost rate, as allowed under the Uniform Guidance, is not in effect nor is it available under these contracts.

(2) Other State Financial Assistance Received:

The Coalition received funding from the DEL that was not subject to Section 215.97, Florida Statutes, as follows:

| Florida’s Office of Early Learning | Contract Number | Current Year Expenditure |
|--|----------------------------|---|
| A. Matching Funds for Federal Programs: | | |
| State Matching Funds - 93.596 School Readiness | | |
| CCDF Mandatory and Matching | EL251 | \$ 1,375,665 |

(3) Reconciliation to Statewide School Readiness Data and Reporting System:

The Coalition performs reconciliations of its financial reports to the Statewide School Readiness Data and Reporting System in a timely and satisfactory manner.



Certified Public Accountants

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

To the Board of Directors of
The Hillsborough County School Readiness Coalition, Inc.
d/b/a Early Learning Coalition of Hillsborough County, Inc.
Tampa, Florida

We have audited the accompanying financial statements of The Hillsborough County School Readiness Coalition, Inc. d/b/a Early Learning Coalition of Hillsborough County (the “Coalition”), as of and for the year ended June 30, 2021, and have issued our report thereon dated March 30, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit 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 opinions 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.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Directors of
The Hillsborough County School Readiness Coalition, Inc.
d/b/a Early Learning Coalition of Hillsborough County, Inc.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Coalition's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of the tests disclosed no instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
March 30, 2022



Certified Public Accountants

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Board of Directors of
The Hillsborough County School Readiness Coalition, Inc.
d/b/a Early Learning Coalition of Hillsborough County, Inc.
Tampa, Florida

Report on the Financial Statements

We have audited the financial statements of The Hillsborough County School Readiness Coalition, Inc. d/b/a Early Learning Coalition of Hillsborough County (the "Coalition") as of and for the year ended June 30, 2021, and have issued our report thereon dated March 30, 2022.

Auditor's Responsibility

We conducted our audit 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; 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 Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance in Accordance with the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 30, 2022, should be considered in conjunction with this management letter.

Additional Matters

Section 10.654(1)(e), *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements or state project amounts that is less than material but which warrants the attention of those charged with governance. The results of the tests disclosed no instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards*.

To the Board of Directors of
The Hillsborough County School Readiness Coalition, Inc.
d/b/a Early Learning Coalition of Hillsborough County, Inc.

Purpose of the Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Board of Directors, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
March 30, 2022



Certified Public Accountants

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

To the Board of Directors of
The Hillsborough County School Readiness Coalition, Inc.
d/b/a Early Learning Coalition of Hillsborough County, Inc.
Tampa, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the compliance of The Hillsborough County School Readiness Coalition, Inc. d/b/a Early Learning Coalition of Hillsborough County (the "Coalition") with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") Compliance Supplement, and the requirements described in the Department of Financial Services' State Projects Compliance Supplement, that could have a direct and material effect on each of its major federal programs and state project for the year ended June 30, 2021. The Coalition's major federal programs and state project 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state project.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Coalition's major federal programs and state project 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; the audit 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 Auditor General*. Those standards, the Uniform Guidance, and Chapter 10.650, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the Coalition'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. However, our audit does not provide a legal determination on the Coalition's compliance with those requirements.

To the Board of Directors of
The Hillsborough County School Readiness Coalition, Inc.
d/b/a Early Learning Coalition of Hillsborough County, Inc.

Opinion on Child Care Development Fund Cluster and Voluntary Pre-Kindergarten Education Program

In our opinion, the Coalition complied, in all material respects, with the types of compliance requirements referred to in the first paragraph that could have a direct and material effect on CFDA 93.575, CFDA 93.596, and CFDA 93.434 Child Care Development Fund Cluster and CSFA 48.108 Voluntary Pre-Kindergarten Education Program for the year ended June 30, 2021.

Report on Internal Control over Compliance

The management of the Coalition is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs and the state project. In planning and performing our audit, we considered the Coalition's internal control over compliance with the requirements that could have a direct and material effect on a major federal program or state project to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Coalition'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 the 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 that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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 results of that testing based on the requirements of the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
March 30, 2022

**HILLSBOROUGH COUNTY SCHOOL READINESS COALITION, INC.
d/b/a Early Learning Coalition of Hillsborough County, Inc.**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2021

Section I - Summary of Independent Auditor's Results

Financial Statements

Type of Auditor's Report Issued:

Unmodified Opinion

Internal control over financial reporting:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified? ___ Yes X None reported
- Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified? ___ Yes X None reported

Type of report issued on compliance for major federal program:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 200.516 of the Uniform Guidance?

___ Yes X No

Identification of Major Federal Programs:

CFDA Numbers

Name of Federal Program or Cluster

93.575, 93.596, 93.434

Child Care Development Fund Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$2,286,879

Auditee qualified as low-risk auditee?

X Yes ___ No

