



ELCHC Finance Committee Special Meeting

Wednesday, March 29, 2023 at 3:00 pm

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

<https://us06web.zoom.us/j/81407754084?pwd=d1lNWmhEbVg3VXJWakxreEFzMkVEUT09>

Meeting ID: 814 0775 4084

Passcode: 382880



ELCHC Finance Committee Special Meeting

Wednesday, March 29, 2023

I. CALL TO ORDER

Carl Harness,
Vice Chair

- A. Roll call/Quorum Verification
- B. Approval of Minutes for October 10, 2022 Regular Meeting - 3
- C. Approval of Minutes for August 8, 2022 Regular Meeting - 6

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

G. Meyer

- A. Draft MSL Audited Financials for the Fiscal Years ended June 30, 2022, and 2021 - 9
- B. Proposal to Cancel Scheduled April 3, 2023- Finance Committee Meeting

IV. FINANCIAL REPORT

G. Meyer

- A. Finance Report - 36

V. CEO REPORT

Dr. Hicks

- A. Legislative Update: Special Appropriations Request
- B. Children's Summit 2023 Update
- C. Provider Site Visits

VI. DISCUSSION ITEMS

Carl Harness

VII. ADJOURNMENT

Carl Harness



Monday, October 10, 2022, at 1:30 pm
Hybrid Meeting
6302 E. Martin Luther King Jr. Blvd., Suite 100
Tampa, FL 33619

MEETING ATTENDANCE

Facilitator: Lee Bowers, Chair

Committee Members Present:

Lee Bowers*, Carl Harness, Allison Nguyen

Committee Members Absent:

Dr. Jacquelyn Jenkins

ELCHC Staff:

Kelley Minney, Kiyana Scott, Alison Fraga, Gary Meyer, Yarima Hernandez Tamayo, Kevin Smith, and Rick Rampersad, Hannah Goble

Other Attendees:

Tonia Williams

**Indicates attendance via Zoom meeting platform.*

CALL TO ORDER

Quorum Verification

Noting a quorum had been established, Chair Bowers called the meeting to order at 1:32 pm.

Approval of August 8, 2022, Regular Finance Committee Meeting Minutes

Chair Bowers called for a motion to approve the August 8, 2022, regular Finance Committee meeting minutes. Allison Nguyen made a motion. Carl Harness made a second. The motion carried unanimously.

FINANCIAL REPORT

A. FY 22-23 Financials

Kevin Smith, Manager, Financial Reporting and Analysis reported on the FY 2022-23 financials, highlighting the following:

- \$11M expended for direct services
- Early Learning Coalition of Hillsborough (ELCHC) received \$7M in funding for the workforce initiative.

B. Audit Updates

Yarima Hernandez Tamayo, Manager, Finance & Accounting, reported that an external audit is required by the Internal Revenue Service (IRS) when a 401K plan for an organization exceeds 100 participants. Ms. Hernandez Tamayo reported that the ELCHC's 401K plan had 107 participants at the beginning of the plan year. Ms. Hernandez Tamayo noted that due to

Hurricane Ian, the submission of the external audit deadline was extended to November 22, 2022.

Ms. Hernandez Tamayo reported on the annual fiscal monitoring for FY 2022-23, highlighting the following:

- The Florida Department of Education, Division of Early Learning, monitors day-to-day operations of grant and subgrant activities and ensures compliance with federal requirements.
- A data list of 80 items was requested including FY 2021-22 samples for the CSSRA and ARPA funding to provide documentation on how these fundings were spent by childcare providers.

ACTION ITEMS

A. University of Florida, Lastinger Center for Early Learning

Gary Meyer, Interim CEO, reported that the contract with the University of Florida will support teachers with additional professional development opportunities. Stacey Francois, Director, Program noted that these professional development opportunities include providing stipends to teachers, ranging from \$150-\$200.

Lee Bowers called a motion to authorize staff to enter into a contract with the University of Florida, Lastinger Center for Early Learning. Allison Nguyen made a motion. Carl Harness made a second. The motion carried unanimously.

INTERIM CEO REPORT

A. American Rescue Plan Act (ARPA)

Mr. Meyer reported that during phase one of the ARPA disbursements, the ELCHC disbursed \$49M in funding, paid in three installments to childcare providers. Mr. Meyer noted that phase two of funding will be starting soon, and payments will be paid beginning in January. Mr. Meyer reported that the operations team will be providing coaching and training to providers on how to apply for funding.

B. Updates on Operations Post Hurricane Ian

Mr. Meyer informed the Finance Committee that 32 childcare providers had reported significant damages to their sites which included, fences and power lines being down, and water and roof damages.

Mr. Meyer reported that in conversation with Save the Children, the organization is offering to help support childcare providers across Hillsborough with a sub-award of \$50,000.

There were questions from the Finance Committee regarding, how much each provider would receive. Mr. Meyer reported that through further outreach and assessment the payment amount would be equitable and fair to assist as many providers as needed.

Mr. Meyer also reported that sections of the ELCHC's Continuity of Operations Plan (COOP) are being revised to include guidance from the Division of Early Learning on closing internal operations and reimbursing providers and administrative leave for ELCHC staff members.

PUBLIC COMMENT

Dr. Fredrick Hicks made a public comment regarding the work and support for the families and providers impacted by Hurricane Ian.

ADJOURNMENT

Citing no further business, Allison Nguyen made a motion to adjourn the meeting at 2:05 pm. Carl Harness made a second. The motion carried unanimously.

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



Monday, August 8, 2022, at 3:00 pm
Hybrid Meeting
6302 E. Martin Luther King Jr. Blvd., Suite 100
Tampa, FL 33619

MEETING ATTENDANCE

Facilitator: Lee Bowers, Chair

Committee Members Present:

Lee Bowers*, Carl Harness*, Allison Nguyen, Luke Buzard*

Committee Members Absent:

Dr. Jacquelyn Jenkins

ELCHC Staff:

Kelley Minney, Kiyana Scott, Erica Turchin, Gordon Gillette, Alison Fraga, Gary Meyer, Yarima Hernandez Tamayo, Kevin Smith*, Rick Rampersad, Megan Folts*, and Abigail Perez*

Other Attendees:

Tonia Williams*

**Indicates attendance via Zoom meeting platform.*

CALL TO ORDER

Quorum Verification

Noting a quorum had been established, Chair Bowers called the meeting to order at 3:00 pm.

Approval of Minutes for June 6, 2022 Regular Meeting

Chair Bowers called a motion to approve the June 6, 2022, Finance Committee regular meeting minutes. Luke Buzard made a motion to approve. Allison Nguyen made a second. The motion carried unanimously.

PUBLIC COMMENT I

There was no Public Comment.

FINANCIAL REPORT

Gary Meyer, Chief Financial Officer, reported on the School Readiness and Voluntary Prekindergarten historical enrollment noting:

- The decline of children on the School Readiness Waitlist
- As of the end of July, only 297 children on the School Readiness Waitlist
- Increase in School Readiness and Voluntary Prekindergarten enrollments

Mr. Meyer reported that the Early Learning Coalition of Hillsborough County (ELCHC) would receive \$68M in September for the 2nd phase of distribution of the American Rescue Plan Act (ARPA) grants.



Mr. Meyer reviewed the Budget to Actual (Preliminary, Unaudited, Prior to DEL 13th Invoice) financial statements with the Committee.

Mr. Meyer reported that the Division of Early Learning engages with three firms around the state to perform fiscal monitoring on the Early Learning Coalitions. Mr. Meyer informed the Committee that the ELCHC received four (4) findings; Mr. Meyer reviewed the findings with the Committee.

ACTION ITEMS

A. Approve allocation of funds to Social Solutions

Rick Rampersad, Chief Information Officer, reported that the Coalition is seeking approval from the Committee to allocate funds to Social Solutions, an Apricot database system. Mr. Rampersad noted that there was an increase in licenses. Mr. Meyer added that the Apricot system is used to track provider coaching plans.

Allison Nguyen made a motion. Carl Harness made a second. The motion carried unanimously.

B. Approve allocation of funds to WebAuthor.com LLC

Mr. Rampersad informed the Committee that the approval of allocation of funds to WebAuthor.com LLC would allow the ELCHC to continue to build out workflows and automation processes.

Luke Buzard made a motion. Allison Nguyen made a second. The motion carried unanimously.

C. Approve allocation of funds to the Business Leadership Institute for Early Learning

Mr. Meyer reported that the Business Leadership Institute for Early Learning would be training an additional 75 provider business owners, directors, and administrative leaders.

Allison Nguyen made a motion. Luke Buzard made a second. The motion carried unanimously.

D. Approve allocation of funds to OneconnectionIT LLC

Mr. Meyer reported that in conjunction with the Business Leadership training, the ELCHC would provide Microsoft Surface computers.

There was further discussion on tracking and usage monitoring of the computers used by providers.

Carl Harness made a motion. Allison Nguyen made a second. The motion carried unanimously.

E. Execute School Readiness Funding Match Contract with Children's Board of Hillsborough County

Kelley Minney, Manager, Donor Relations, reported that the contract supports families with direct slots services and would serve homeless children ages 9-12.

Luke Buzard made a motion. Allison Nguyen made a second. The motion carried unanimously.

F. Execute Community Development Block Grant (CDBG) contract with City of Tampa

Mrs. Minney reported that the ELCHC applied for funding in May 2022 for only \$100,000. City of Tampa awarded the ELCHC with additional funds, increasing the funding for the contract to \$164,626.

Carl Harness made a motion. Allison Nguyen made a second. The motion carried unanimously.

G. Execute contract with Hillsborough County Board of County Commissioners (BOCC)

Mrs. Minney reported that the contract with BOCC is a renewal contract to support childcare assistance for families.

Carl Harness made a motion. Allison Nguyen made a second. The motion carried unanimously.

ADJOURNMENT

Citing no further business, Allison Nguyen made a motion to adjourn the meeting at 4:09 pm. Luke Buzard made a second. The motion carried unanimously.

Read and approved by: _____

Dr. Stephie Holmquist Johnson, Secretary

Date

ELCHC FINANCE COMMITTEE SPECIAL MEETING
March 27, 2023

ACTION

ITEM III.A.

ISSUE:	Audit Report and Financial Statements for Years Ended June 30, 2022 and 2021
FISCAL IMPACT:	No material fiscal impact
FUNDING SOURCE:	School Readiness, VPK, Match, and Local Funding
RECOMMENDED ACTION:	Approval of the Audit Report and Financial Statements for Years Ended June 30, 2022 and 2021

NARRATIVE: The Coalition's external auditors, MSL, P.A., have determined that our Financial Statements for the years ended June 30, 2022, and 2021 are presented fairly with no deficiencies in internal controls. They issued an unqualified (clean) opinion.

(Attachment)

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

FINANCIAL STATEMENTS

Years Ended June 30, 2022 and 2021

CCH-[Clr]-[40009]-[WP#1003]-[AU001]-Early Learning Coalition of Hillsborough County
[6/30/22]

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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

Opinion

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, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Coalition as of June 30, 2022, and 2021, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Coalition and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Coalition's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Coalition's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Coalition's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Draft for Discussion Purposes Only

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

Supplementary Information

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**, 2023, 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 solely 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 the Coalition'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 the Coalition's internal control over financial reporting and compliance.

Certified Public Accountants

Tampa, Florida
March, 2023

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

STATEMENTS OF FINANCIAL POSITION

June 30, 2022 and 2021

ASSETS		2022	2021
		<u></u>	<u></u>
CURRENT ASSETS			
Cash	\$	6,142,235	\$ 7,485,743
Grants receivable		<u>8,596,497</u>	<u>5,276,784</u>
TOTAL CURRENT ASSETS		14,738,732	12,762,527
DEPOSITS		<u>63,643</u>	<u>63,344</u>
TOTAL ASSETS	\$	<u><u>14,802,375</u></u>	<u><u>\$ 12,825,871</u></u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts and provider payables and accrued expenses	\$	9,823,616	\$ 8,662,102
Deferred revenue		61,374	-
Due to School District of Hillsborough County		<u>49,000</u>	<u>61,250</u>
TOTAL CURRENT LIABILITIES		9,933,990	8,723,352
NET ASSETS		<u>4,868,385</u>	<u>4,102,519</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>14,802,375</u></u>	<u><u>\$ 12,825,871</u></u>

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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
REVENUES AND SUPPORT		
Program support:		
Federal and state grant revenue - general	\$ 93,063,032	\$ 81,105,149
Federal and state grant revenue - CARES, CRRSA, and ARPA	35,265,100	16,291,093
Local gifts and grant revenue and other	<u>2,473,141</u>	<u>2,746,033</u>
TOTAL REVENUES AND SUPPORT	130,801,273	100,142,275
EXPENSES		
Program services:		
School Readiness	99,447,310	73,980,234
Voluntary Pre-K	24,635,994	20,846,618
Other programs	<u>2,202,076</u>	<u>2,465,573</u>
TOTAL PROGRAM SERVICES	126,285,380	97,292,425
Supporting services:		
Management and general	<u>3,750,027</u>	<u>3,045,690</u>
TOTAL EXPENSES	<u>130,035,407</u>	<u>100,338,115</u>
CHANGE IN NET ASSETS	765,866	(195,840)
NET ASSETS WITHOUT DONOR RESTRICTIONS, BEGINNING OF YEAR	<u>4,102,519</u>	<u>4,298,359</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS, END OF YEAR	<u>\$ 4,868,385</u>	<u>\$ 4,102,519</u>

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, 2022

	Program Services				Support Services	
	School Readiness	Voluntary Pre-K	Other Programs	Total	Management and General	2022
Salaries and related taxes	\$ 5,548,615	\$ 224,718	\$ 28,543	\$ 5,801,876	1,758,636	\$ 7,560,512
Fringe benefits	1,265,259	69,396	5,743	1,340,398	753,912	2,094,310
TOTAL SALARIES AND RELATED EXPENSES	6,813,874	294,114	34,286	7,142,274	2,512,548	9,654,822
Payments to providers	88,449,251	24,193,333	1,853,792	114,496,376	-	114,496,376
Contractual services	1,340,596	121,322	62,830	1,524,748	497,757	2,022,505
Office supplies and equipment	1,232,715	150	196,453	1,429,318	266,215	1,695,533
Payments to subrecipients	1,144,875	-	-	1,144,875	-	1,144,875
Rent and utilities	363,993	23,715	11	387,719	126,968	514,687
Staff training and development	22,238	-	49,404	71,642	66,738	138,380
Accounting and auditing	-	-	-	-	101,072	101,072
Insurance	-	-	7	7	82,499	82,506
Printing and copying	19,644	-	2,058	21,702	16,236	37,938
Travel	18,927	3,356	302	22,585	12,497	35,082
Dues and memberships	6,095	-	181	6,276	23,462	29,738
Postage and shipping	21,102	4	-	21,106	4,908	26,014
Telephone and communication	-	-	-	-	25,633	25,633
Maintenance contracts	14,000	-	-	14,000	3,852	17,852
Bank charges	-	-	-	-	6,878	6,878
Other	-	-	2,752	2,752	2,764	5,516
TOTAL EXPENSES	\$ 99,447,310	\$ 24,635,994	\$ 2,202,076	\$ 126,285,380	\$ 3,750,027	\$ 130,035,407

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, 2021

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

Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES		
Cash received from:		
Grant income	\$ 125,069,793	\$ 104,549,593
Other income	<u>2,473,141</u>	<u>2,746,033</u>
TOTAL CASH RECEIVED	<u>127,542,934</u>	<u>107,295,626</u>
Cash paid for:		
Program services	<u>125,136,415</u>	<u>102,146,696</u>
Administrative expenses	<u>3,750,027</u>	<u>3,045,690</u>
TOTAL CASH PAID	<u>128,886,442</u>	<u>105,192,386</u>
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u>(1,343,508)</u>	<u>2,103,240</u>
NET CHANGE IN CASH	<u>(1,343,508)</u>	<u>2,103,240</u>
CASH - BEGINNING OF YEAR	<u>7,485,743</u>	<u>5,382,503</u>
CASH - END OF YEAR	<u><u>\$ 6,142,235</u></u>	<u><u>\$ 7,485,743</u></u>

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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	\$ 765,866	\$ (195,840)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
(Increase) decrease in grants receivable	(3,319,713)	7,153,351
Increase in deposits	(299)	-
Increase (decrease) in accounts payable and accrued expenses	1,161,514	(4,866,503)
Increase in deferred revenue	61,374	-
(Decrease) increase in due to School District of Hillsborough County	<u>(12,250)</u>	<u>12,232</u>
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u>\$ (1,343,508)</u>	<u>\$ 2,103,240</u>

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, 2022 and 2021

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, 2022 and 2021, 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, 2022 and 2021.

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, 2022 and 2021.

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 Standards

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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash	\$ 6,142,235	\$ 7,485,743
Grants receivable	<u>8,596,497</u>	<u>5,276,784</u>
	<u>\$ 14,738,732</u>	<u>\$ 12,762,527</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 \$1,341,000 and \$1,344,000 was paid by the Coalition for services provided by the SDHC and the BOCC for the years ended June 30, 2022 and 2021, 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 \$516,000 and \$430,000 for the years ended June 30, 2022 and 2021, respectively.

The Coalition received funding from the CBHC for the local match in the school readiness program of approximately \$733,000 and \$697,000 for the years ended June 30, 2022 and 2021, 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 years ended June 30, 2022 and 2021. Vesting is 100% after six years of employment with the Coalition, with a 20% increase in vesting for each year of employment after the second 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 \$388,000 and \$377,000 for the years ended June 30, 2022 and 2021, respectively.

Approximate future minimum lease payments under the operating lease as of June 30, 2022, are as follows:

Year Ending June 30,	Amount
2023	\$ 400,000
2024	412,000
2025	424,000
2026	252,000
	<u>\$ 1,488,000</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 31, 2023**, 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, 2022

<u>Federal Agency/State Agency/Pass-Through Grantor/ Program Title</u>	<u>Grant Period</u>	<u>Federal AL #</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	7/1/21-6/30/22	93.575	EL252	\$ 65,119,461	\$ 2,057,236
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	7/1/21-6/30/22	93.596	EL252	21,394,784	-
Total Child Care Development Fund (CCDF) Cluster				<u>86,514,245</u>	<u>2,057,236</u>
<i>Passed through State of Florida Division of Early Learning</i>					
Preschool Development Grant	7/1/21-6/30/22	93.434	EL252	231,464	-
Temporary Assistance for Needy Families	7/1/21-6/30/22	93.558	EL252	16,590,253	-
Social Services Block Grant	7/1/21-6/30/22	93.667	EL252	45,732	-
Total Expenditures of Federal Awards				<u>103,381,694</u>	<u>2,057,236</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 Division of Early Learning					
Voluntary Pre-K	7/1/21-6/30/22	48.108	EL252	24,930,447	-
Total Expenditures of State Financial Assistance				<u>24,930,447</u>	<u>-</u>
<u>Grantor/Pass-Through Grantor Program Title</u>	<u>Grant Period</u>	<u>Federal AL #</u>	<u>Contract #</u>	<u>Local Expenditures</u>	<u>Transferred to Subrecipient</u>
STATE MATCHING AND LOCAL FUNDS					
State of Florida Division of Early Learning					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	7/1/21-6/30/22	93.596	EL252	1,197,591	-
Total State Matching and Local Funds				<u>1,197,591</u>	<u>-</u>
Total Federal Awards, State Financial Assistance, and Local Funds				<u>\$ 129,509,732</u>	<u>\$ 2,057,236</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, 2022

(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 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:

<u>Florida's Office of Early Learning</u>	<u>Contract Number</u>	<u>Current Year Expenditure</u>
A. Matching Funds for Federal Programs:		
State Matching Funds - 93.596 School Readiness		
CCDF Mandatory and Matching	EL252	<u>\$ 1,375,665</u>

(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, 2022, and have issued our report thereon dated **March**, 2023. 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.

Report on 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.

Draft for Discussion Purposes Only

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

Report on 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.

Certified Public Accountants

Tampa, Florida
March __, 2023



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, 2022, and have issued our report thereon dated March ____, 2023.

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 on Other Matters Based on an Audit of 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 ____, 2023, 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*.

Draft for Discussion Purposes Only

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.

Certified Public Accountants

Tampa, Florida
March ____, 2023



**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, 2022. 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, Temporary Assistance For Needy Families, 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 Assisted Listing Number (“ALN”) 93.575 and ALN 93.596 Child Care Development Fund Cluster, ALN 93.558 Temporary Assistance For Needy Families (“TANF”), and CSFA 48.108 Voluntary Pre-Kindergarten Education Program for the year ended June 30, 2022.

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.

Certified Public Accountants

Tampa, Florida
March , 2023

Draft for Discussion Purposes Only

**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, 2022

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? | <u> </u> Yes | <u> X </u> No |
| • Significant deficiency(ies) identified? | <u> </u> Yes | <u> X </u> None reported |
| Noncompliance material to financial statements noted? | <u> </u> Yes | <u> X </u> No |

Federal Awards

Internal control over major programs:

- | | | |
|---|-----------------|----------------------------|
| • Material weakness(es) identified? | <u> </u> Yes | <u> X </u> No |
| • Significant deficiency(ies) identified? | <u> </u> Yes | <u> X </u> 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:

Federal Assistance

Listing Numbers

Name of Federal Program or Cluster

93.575 and 93.596

Child Care Development Fund Cluster

93.558

Temporary Assistance For Needy Families

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

\$3,000,000

Auditee qualified as low-risk auditee?

 X Yes No

Draft for Discussion Purposes Only

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*)

Year Ended June 30, 2022

Section I - Summary of Independent Auditor's Results (*Continued*)

State Financial Assistance

Internal control over major project:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Type of report issued on compliance for major state project: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with *Rules of the Auditor General*, Chapter 10.656? ☐ Yes ☒ No

Identification of Major State Project:

CSFA Number

Name of State Project

48.108

Voluntary Pre-Kindergarten Education Program

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

\$747,913

The Florida Office of Early Learning's grant terms require auditors to test and report on whether the Coalition's monthly reconciliation of its financial records to the statewide School Readiness Data and Reporting System was completed in an accurate and timely manner. Based on our testing, we confirm that the Coalition completed the required monthly reconciliations in a timely and satisfactory manner.

**Section II - Findings Related to the Financial Statement Audit, as Required to be Reported
in accordance with *Government Auditing Standards***

None reported.

**Section III - Findings and Questioned Costs for Federal Awards and State Financial Assistance
Reported in accordance with the Uniform Guidance and *Rules of the Auditor General*,
Chapter 10.650**

None reported.

ELCHC FINANCE COMMITTEE MEETING
March 27, 2023

FINACIAL REPORT

IV.A.

ISSUE: Budget to Actual FY 2022-2023/Forecast
FUNDING SOURCE: School Readiness, VPK, Match, and Local Funding
RECOMMENDED ACTION: Review of Budget to Actual FY 2022-2023

NARRATIVE: Budget to Actual FY 2022-2023/Forecast.

(Attachment)

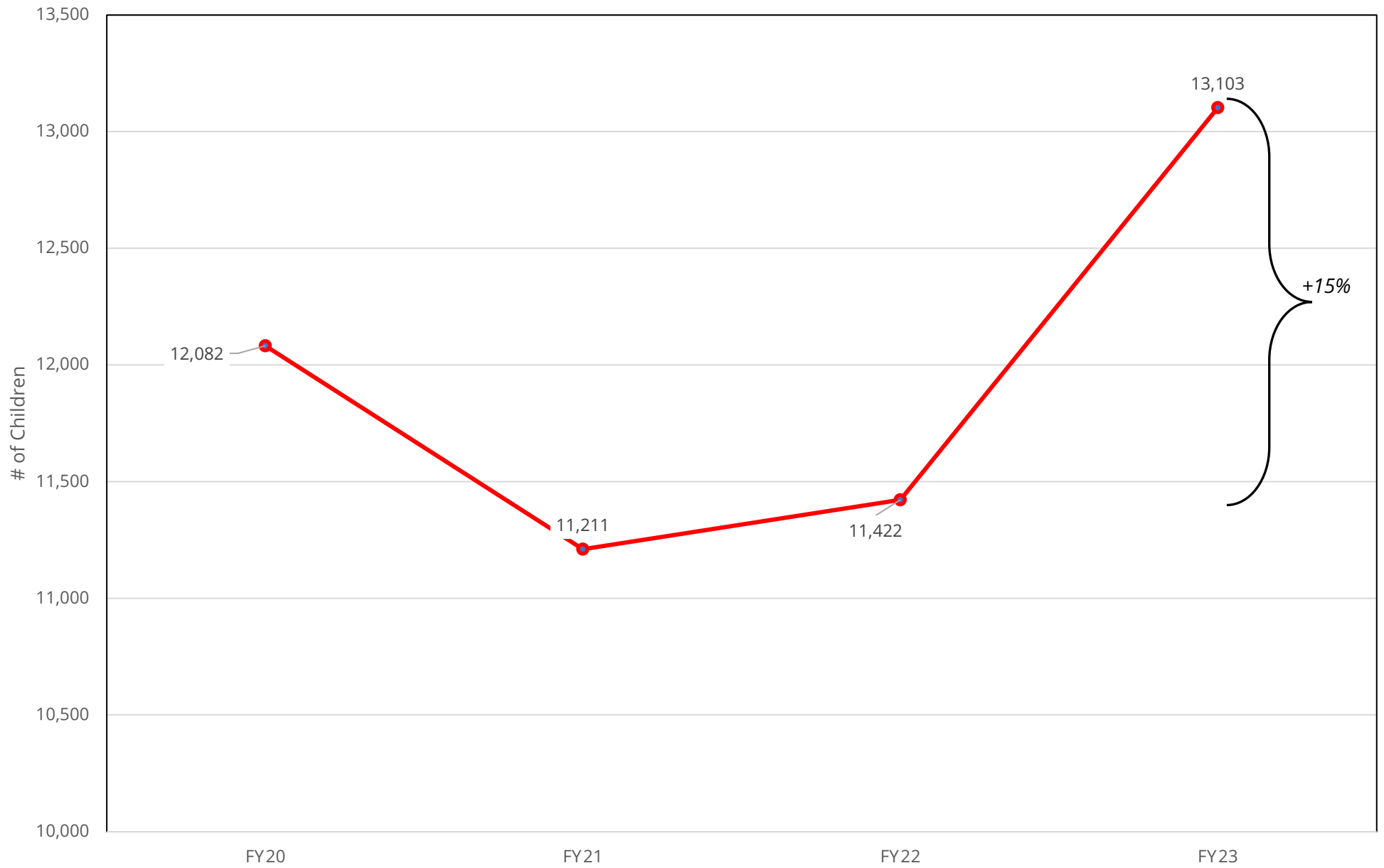
Budget to Actual January 31, 2023								
	Actual	Budget	Difference		Actual	Budget	Difference	
	YTD	YTD	YTD favorable /(unfavorable)	%	2023 Forecast	2023 Budget	YTD favorable /(unfavorable)	%
Program Revenue								
School Readiness	44,920,030	45,697,427	(777,397)	-1.7%	78,223,027	74,225,380	3,997,648	5.4%
School Readiness Match - DEL	970,336	824,013	146,323	17.8%	1,412,593	1,319,509	93,084	7.1%
School Readiness - Local Funders:								
Children's Board HC	700,770	311,453	389,317	125.0%	700,770	700,770	-	0.0%
HC Community Development, incl. ALICE>150	8,789	8,789	-	100.0%	8,789	-	8,789	100.0%
Hillsborough County BOCC	217,529	122,667	94,862	0.0%	276,000	276,000	-	0.0%
HC Childcare -Licensing & Fees	252,481	291,667	(39,186)	-13.4%	500,000	500,000	-	0.0%
Metro Ministries (Children's Board)	19,790	43,750	(23,960)	-54.8%	75,000	75,000	-	0.0%
City of Tampa	111,067	58,333	52,734	90.4%	111,067	100,000	11,067	11.1%
United Way	-	-	-	-	-	121,339	(121,339)	-100.0%
United Way (Quality Initiative)	38,507	29,167	9,340	32.0%	50,000	50,000	-	0.0%
Caspers	25,537	50,000	(24,463)	100.0%	25,537	50,000	(24,463)	-48.9%
School Readiness - Local Funders	1,374,470	915,826	458,644	50.1%	1,747,163	1,873,109	(125,946)	-6.7%
Total School Readiness Revenue	47,264,836	47,437,265	(172,429)	-0.4%	81,382,783	77,417,998	3,964,786	5.1%
Other Local Funders:								
Conn Foundation	48,180	58,000	(9,820)	-16.9%	58,000	58,000	-	0.0%
Spurlino Foundation	50,000	50,000	-	100.0%	50,000	60,000	(10,000)	-16.7%
SR Program Income (training, IECP membersh	26,091	11,667	14,425	123.6%	26,091	20,000	6,091	30.5%
HELN (Hillsborough Early Learning Network)	5,366	36,100	(30,734)	0.0%	37,000	37,000	-	0.0%
ELFL (Early Learning Florida)	8,020	58,333	(50,313)	-86.3%	100,000	100,000	-	0.0%
Lastinger Project	116,667	116,667	-	0.0%	200,000	212,000	(12,000)	-5.7%
Misc. Donations	50,400	175,000	(124,600)	-71.2%	263,500	300,000	(36,500)	-12.2%
Other Local Funders	304,725	505,766	(201,041)	-39.7%	734,591	787,000	(52,409)	-6.7%
Total School Readiness Revenue and Local Revenue	47,569,561	47,943,031	(373,471)	-0.8%	82,117,374	78,204,997	3,912,378	5.0%
Program Expenses								
School Readiness								
Direct Services	36,889,169	37,759,449	870,280	2.3%	63,741,501	60,145,057	3,596,444	6.0%
School Readiness Match - DEL	970,336	824,013	(146,323)	-17.8%	1,412,593	1,319,509	93,084	7.1%
School Readiness - Local Funders	1,244,208	996,965	(247,243)	0.0%	1,804,351	1,800,609	3,742	0.2%
General Contributions and Gifts	304,725	263,845	(40,880)	0.0%	452,305	452,305	-	0.0%
Total Direct Services	39,408,437	39,844,271	435,834	1.1%	67,410,750	63,717,480	3,693,270	5.8%
Personnel	5,119,627	5,051,861	(67,766)	-1.3%	8,777,187	9,488,743	(711,556)	-7.5%
Staff Development	22,167	48,258	26,091	54.1%	60,312	103,518	(43,206)	-41.7%
Professional Services	418,747	461,569	42,823	9.3%	857,536	528,692	328,844	62.2%
Occupancy	469,361	300,691	(168,670)	-56.1%	702,959	538,905	164,055	30.4%
Postage, Freight and Delivery	50,976	3,607	(47,369)	-1313.1%	53,735	4,777	48,957	1024.8%
Rentals	4,059	1,253	(2,806)	-224.0%	5,032	15,748	(10,716)	-68.0%
Supplies	42,507	61,610	19,104	31.0%	103,314	63,982	39,333	61.5%
Communications	14,729	8,018	(6,710)	-83.7%	20,958	35,501	(14,543)	-41.0%
Insurance	66,788	51,688	(15,100)	-29.2%	109,208	51,211	57,997	113.3%
Tangible Personal Property	43,868	76,917	33,050	43.0%	118,787	105,906	12,881	12.2%
Quality	541,688	904,157	362,469	40.1%	1,193,854	1,346,035	(152,181)	-11.3%
Travel	19,727	36,042	16,315	45.3%	47,422	67,606	(20,185)	-29.9%
Other Operating	101,143	251,386	150,243	59.8%	292,937	486,674	(193,737)	-39.8%
Depreciation	-	-	-	0.0%	-	-	-	0.0%
Other Operating Expenses	1,795,759	2,205,197	409,438	18.6%	3,566,055	3,348,556	217,499	6.5%
ELCHC Operating	6,915,386	7,219,558	5,427,855	44.0%	12,343,241	12,837,299	(494,058)	-3.8%
CCL/ECC	544,616	692,640	148,024	21.4%	1,192,383	1,192,383	-	0.0%
Inclusion Cost	61,250	142,917	81,667	57.1%	245,000	245,000	-	0.0%
Scholarships and Other	209,721	43,646	(166,076)	-380.5%	926,000	212,835	-	0.0%
Total School Readiness & Other Expenses	47,139,411	47,943,031	5,927,304	12.4%	82,117,374	78,204,997	3,912,378	5.0%
SR Change in Net Assets	430,150	-	(430,150)		-	-	-	
GOALS								
< 5.00 %	School Readiness - Admin	4.0%	4.4%	-0.4%	-9.6%	4.3%	4.2%	0.1%
> 4.00 %	School Readiness - Quality	6.3%	8.8%	-2.5%	-28.1%	10.0%	9.1%	0.9%
< 22.00%	School Readiness - Non-Direct	16.4%	19.0%	-2.7%	-14.1%	20.0%	19.0%	1.0%
> 78.00 %	School Readiness - Direct	83.6%	81.0%	2.7%	3.3%	80.0%	81.0%	-1.0%
VPK Revenue								
Voluntary Pre-Kindergarten	19,684,351	21,466,373	(1,782,022)	-8.3%	38,308,758	41,560,023	(3,251,265)	-7.8%
Total VPK Revenue	19,684,351	21,466,373	(1,782,022)	-8.3%	38,308,758	41,560,023	(3,251,265)	-7.8%
Voluntary Pre-Kindergarten								
Direct Services	18,977,084	20,539,112	1,562,028	7.6%	37,094,219	39,897,622	(2,803,403)	-7.0%
Personnel	285,088	547,719	262,631	47.9%	688,955	1,017,628	(328,673)	-32.3%
Staff Development	1,951	8,085	6,134	75.9%	8,212	16,005	(7,793)	-48.7%
Professional Services	59,502	55,778	(3,724)	-6.7%	84,545	115,858	(31,313)	-27.0%
Occupancy	46,570	49,309	2,739	5.6%	62,972	61,095	1,876	3.1%
Postage, Freight and Delivery	7,359	409	(6,950)	-1699.8%	7,469	523	6,947	1329.0%
Rentals	755	205	(550)	-267.5%	823	3,752	(2,929)	-78.1%
Supplies	38,661	38,495	(166)	-0.4%	64,928	5,118	59,810	1168.5%
Communications	2,389	1,315	(1,074)	-81.7%	2,826	4,082	(1,255)	-30.8%
Insurance	11,281	10,121	(1,159)	-11.5%	13,010	5,944	7,066	118.9%

Budget to Actual January 31, 2023								
	Actual YTD	Budget YTD	Difference YTD favorable /(unfavorable)	%	Actual 2023 Forecast	Budget 2023 Budget	Difference YTD favorable /(unfavorable)	%
Tangible Personal Property	138,814	161,959	23,144	14.3%	249,805	13,693	236,112	1724.3%
Quality	86,836	7,965	(78,872)	-990.2%	191	5,689	(5,498)	-96.6%
Travel	3,253	4,908	1,655	33.7%	4,808	2,594	2,214	85.4%
Other Operating	12,517	40,994	28,477	69.5%	25,994	10,977	15,017	136.8%
Depreciation	-	-	-	0.0%	-	-	-	0.0%
Other Operating Expenses	409,889	379,543	(30,346)	-8.0%	525,584	245,330	280,255	114.2%
ELCHC Operating	694,977	927,261	232,285	25.1%	1,214,540	1,662,401	(447,861)	-26.9%
Total Voluntary Pre-Kindergarten	19,672,060	21,466,373	2,233,822	10.4%	38,308,758	41,560,023	(3,251,265)	-8%
VPK Change in Net Assets	12,291	-	(12,291)	-	-	-	-	0.0%
GOALS								
< 4.00 % VPK - Admin	2.3%	3.6%	-1.2%	-34.8%	2.8%	3.3%	-0.5%	-15.5%
American Rescue Plan Act (ARPA)								
ARPA	56,502,184	53,191,257	3,310,927	6.2%	98,557,125	80,753,518	17,803,606	22.0%
Total ARPA Revenue	56,502,184	53,191,257	3,310,927	6.2%	98,557,125	80,753,518	17,803,606	22.0%
ARPA								
Direct Services	56,360,673	52,112,025	(4,248,647)	-8.2%	96,707,014	79,841,127	16,865,886	21.1%
ELCHC Operating	141,511	1,079,231	937,720	86.9%	1,850,111	912,391	937,720	100.0%
Total ARPA	56,502,184	53,191,257	(1,442,501)	-2.7%	98,557,125	80,753,518	17,803,606	22.0%
ARPA Change in Net Assets	-	-	-	-	-	-	-	-
CRSSA - ROAFS - OUTREACH								
ROAFS - OUTREACH	223,436	333,848	(110,412)	-33.1%	572,311	355,000	217,311	61.2%
Total CRSSA - ROAFS - OUTREACH Revenue	223,436	333,848	(110,412)	-33.1%	572,311	355,000	217,311	61.2%
Direct Services	-	-	-	-	-	-	-	-
ELCHC Operating	223,436	333,848	110,412	33.1%	572,311	355,000	217,311	61.2%
Total CRSSA - ROAFS - OUTREACH	223,436	333,848	110,412	33.1%	572,311	355,000	217,311	61.2%
CRSSA - ROAFS - OUTREACH	-	-	-	-	-	-	-	-
CRSSA / ARPA - Workforce								
CRSSA ADMIN	151,080	151,947	(867)	-0.6%	260,481	-	260,481	100.0%
Workforce	3,169,908	4,565,289	(1,395,381)	-30.6%	8,842,276	1,863,452	6,978,824	374.5%
Total Workforce Revenue	3,320,988	4,717,236	(1,396,249)	-29.6%	9,102,757	1,863,452	7,239,305	388.5%
Workforce								
Direct Services	2,965,835	4,565,289	1,599,454	35.0%	8,842,276	1,399,743	7,442,533	531.7%
ELCHC Operating	355,176	151,947	(203,228)	-133.7%	260,481	463,709	(203,228)	(0)
Total Workforce	3,321,011	4,717,236	1,396,226	29.6%	9,102,757	1,863,452	7,239,305	388.5%
Workforce Change in Net Assets	(23)	-	23	-	-	-	-	-
Preschool Development Grant (PDG) Revenues								
PDG Revenues	195,509	226,115	(30,606)	-13.5%	386,460	-	386,460	100.0%
Total PDG Revenue	195,509	226,115	(30,606)	-13.5%	386,460	-	386,460	100.0%
Preschool Development Grant (PDG) Expenses								
Direct Services	-	-	-	-	-	-	-	-
ELCHC Operating	195,509	226,115	30,606	13.5%	386,460	-	386,460	100.0%
Total PDG Expenses	195,509	226,115	30,606	13.5%	386,460	-	386,460	-
PDG Change in Net Assets	-	-	-	-	-	-	-	-
Total Revenue	127,496,028	127,877,861	(381,833)	-0.3%	229,044,785	202,736,990	26,307,795	13.0%
Total Expenses	127,053,610	127,877,861	(824,251)	-0.6%	229,044,785	202,736,990	26,307,795	13.0%
Change in Net Assets	442,418	-	442,418	100.0%	-	-	-	-

FY23 Revenue Forecast (\$225M) vs. Budget (\$199M)

	FORECAST	BUDGET	
School Readiness	78,223,027	74,225,380	Increase to SR Expansion, Special Needs and Gold Seal Funding
Voluntary Pre-Kindergarten	38,308,758	41,560,023	Decrease to VPK \$15 Incentive
American Rescue Plan Act	98,557,125	80,753,518	Increase for ARPA Phase II
CRSSA Funding	572,311	355,000	
Workforce Funding	9,102,757	1,863,452	Increase for Build a World Class Workforce Initiative
Preschool Development Grant	386,460	-	Funding extended until June 23

School Readiness Historical Enrollment (January)



Historical VPK Enrollment (January)

