

AUDITED COMBINED FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION

COMMUNITY COORDINATED CARE FOR CHILDREN, INC.
AND THE 4C FOUNDATION, INC.

December 31, 2006

AUDITED COMBINED FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

COMMUNITY COORDINATED CARE FOR CHILDREN, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Community Coordinated Care for Children, Inc.
and The 4C Foundation, Inc.
Orlando, Florida

We have audited the accompanying combined statement of financial position of Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc. ("Organizations") as of December 31, 2006, and the related combined statements of activities, cash flows, and functional expenses for the year then ended. These combined financial statements are the responsibility of the Organizations' management. Our responsibility is to express an opinion on these financial statements based on our audit.

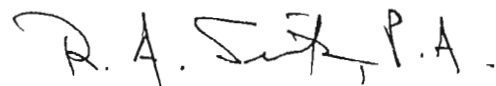
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc. as of December 31, 2006, and the combined changes in their net assets and their combined cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2007, on our consideration of the Organizations' internal control over financial reporting and on our tests of their 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* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic combined financial statements of the Organizations taken as a whole. The accompanying combined schedule of expenditures of federal awards and state financial assistance, which is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the Florida Single Audit Act, and the accompanying combined schedule of Head Start expenses, which is also presented for the purpose of additional analysis, are not required parts of the basic combined financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic combined financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic combined financial statements taken as a whole.

Orlando, Florida
May 21, 2007



COMBINED STATEMENT OF FINANCIAL POSITION

COMMUNITY COORDINATED CARE FOR CHILDREN, INC.
AND THE 4C FOUNDATION, INC.

December 31, 2006

ASSETS

Cash and cash equivalents	\$ 971,338
Assets limited as to use - cash and money market investments:	
Designated for capital expenditures	255,000
Designated for operating reserve	<u>1,624,948</u>
	1,879,948
Receivables	5,066,857
Unconditional promise to give - United Way	218,870
Prepaid expenses and other assets	192,697
Property and equipment	1,727,051
Loan costs - net of amortization	13,174
Investments - endowment fund	103,959
Investments - deferred compensation plan	<u>133,847</u>
	<u>10,307,741</u>
Total assets	<u>\$ 10,307,741</u>

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable and other liabilities	\$ 1,057,997
Due to child care centers	3,456,613
Note payable	<u>405,000</u>
Total liabilities	4,919,610

Net Assets:

Unrestricted net assets:	
Operating	2,886,227
Property	1,727,051
Designated for capital expenditures	<u>255,000</u>
Total unrestricted net assets	4,868,278
Temporarily restricted net assets	415,894
Permanently restricted net assets	<u>103,959</u>
	<u>5,388,131</u>
Total net assets	<u>5,388,131</u>

Total liabilities and net assets	<u>\$ 10,307,741</u>
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See notes to combined financial statements.

COMBINED STATEMENT OF ACTIVITIES

COMMUNITY COORDINATED CARE FOR CHILDREN, INC.
AND THE 4C FOUNDATION, INC.

Year Ended December 31, 2006

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public support and revenues:				
Early Learning Coalition of Orange County	\$ 34,963,908	\$ -	\$ -	\$ 34,963,908
Orange County Voluntary Prekindergarten Services	17,841,025	-	-	17,841,025
Early Learning Coalition of Seminole	8,959,731	-	-	8,959,731
Seminole County Voluntary Prekindergarten Services	7,025,178	-	-	7,025,178
Early Learning Coalition of Osceola County	5,948,542	-	-	5,948,542
Osceola County Voluntary Prekindergarten Services	4,724,112	-	-	4,724,112
State of Florida Department of Health - Food Program	4,278,293	-	-	4,278,293
U.S. Department of Health and Human Services - Head Start	3,718,853	-	-	3,718,853
Orange County - Citizens Commission for Children	591,827	-	-	591,827
Leasing Employment	531,889	-	-	531,889
Heart of Florida United Way	228,456	239,653	-	468,109
City of Orlando	438,939	3,928	-	442,867
State of Florida Department of Children and Families	333,020	-	-	333,020
Training Programs	331,689	-	-	331,689
Osceola County Commission	315,461	-	-	315,461
Orange County Commission	260,077	-	-	260,077
Contributions and other	127,316	124,896	-	252,212
Orange County Citizens Review	135,190	-	-	135,190
Seminole County Public Schools	121,027	-	-	121,027
City of Orlando - Parramore project	115,868	-	-	115,868
Corporate	93,554	-	-	93,554
Head Start in-kind support	88,058	-	-	88,058
Interest income	44,432	-	-	44,432
Homeless Services Network	14,958	-	-	14,958
Endowment investment income	-	-	12,714	12,714
Other local match	12,126	-	-	12,126
City of Kissimmee	2,775	8,325	-	11,100
Early Learning Coalition of Seminole - match	10,095	-	-	10,095
City of St. Cloud	-	3,600	-	3,600
Net assets released from restrictions	286,905	(286,905)	-	-
Total public support and revenues	91,543,304	93,497	12,714	91,649,515
Functional expenses:				
Program services:				
Early Care and Learning (School Readiness)	50,673,062	-	-	50,673,062
Voluntary Pre-K	29,482,638	-	-	29,482,638
Head Start	3,709,332	-	-	3,709,332
Food Program	4,141,000	-	-	4,141,000
Training Programs	509,053	-	-	509,053
Community Services	673,434	-	-	673,434
Other Child Care	228,278	-	-	228,278
	89,416,797	-	-	89,416,797
Supporting services:				
General and administrative	2,034,800	-	-	2,034,800
	91,451,597	-	-	91,451,597
Change in net assets	91,707	93,497	12,714	197,918
Net assets at beginning of year	4,776,571	322,397	91,245	5,190,213
Net assets at end of year	\$ 4,868,278	\$ 415,894	\$ 103,959	\$ 5,388,131

See notes to combined financial statements.

COMBINED STATEMENT OF CASH FLOWS

COMMUNITY COORDINATED CARE FOR CHILDREN, INC.
AND THE 4C FOUNDATION, INC.

Year ended December 31, 2006

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 197,918
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	261,262
Realized gain on sale of investments - endowment fund	(2,284)
Unrealized gain on investments - endowment fund	(9,084)
(Increase) in receivables	(1,488,163)
(Increase) in unconditional promise to give - United Way	(19,547)
(Increase) in prepaid expenses and other assets	(83,661)
Increase in accounts payable and other liabilities	20,556
Increase in due to child care centers	1,218,594
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>95,591</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Property and equipment capitalized costs	(151,908)
(Increase) in investments - endowment fund	(1,346)
(Increase) in investments - deferred compensation plan	(16,151)
Decrease in investments designated for capital expenditures/operating reserve	164,340
NET CASH (USED) BY INVESTING ACTIVITIES	<u>(5,065)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Principal reduction in note payable	(67,500)
NET CASH (USED) BY FINANCING ACTIVITIES	<u>(67,500)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	23,026
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>948,312</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 971,338</u></u>

See notes to combined financial statements.

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

COMMUNITY COORDINATED CARE FOR CHILDREN, INC.
AND THE 4C FOUNDATION, INC.

Year Ended December 31, 2006

	Program			
	Early Care and Learning (School Readiness)	Voluntary Pre-K	Head Start	Food Program
Salaries	\$ 3,062,263	\$ 473,826	\$ 1,957,099	\$ 322,089
Payroll taxes and employee benefits	809,290	88,681	557,907	84,715
Total salaries and related expenses	3,871,553	562,507	2,515,006	406,804
Professional services	7,867	505	23,094	646
Temporary services	63,714	28,954	7,689	540
Building security	34,502	2,647	4,600	4,319
Travel	16,595	971	23,218	3,549
Meetings and conferences	11,951	30	10,771	3,649
Computer support	122,286	15,542	35,317	9,971
Office expense	199,879	27,934	28,466	23,710
Medical and dental	114	-	24,491	-
Program expense	-	-	48,169	-
Vehicle expense	1,920	110	12,856	2
Equipment rental	7,042	680	2,155	478
Dues and publications	12,726	985	6,066	861
Insurance	100,242	10,635	69,672	8,271
Interest	-	-	-	-
Rent	41,783	1,945	213,317	131
Telephone and utilities	133,300	22,966	131,760	4,832
Maintenance repairs and renovations	71,205	7,262	231,868	4,309
Equipment costs	75,299	4,239	43,762	4,820
Food and supplies	-	-	117,807	-
Educational materials	73,181	-	-	631
Directory/advertising	53,655	13,522	14,719	1,574
Training and technical assistance	-	-	37,342	-
Education training services and contractual	107,838	449	-	2,951
Miscellaneous	61	249	17	-
In-kind	-	-	88,058	-
Depreciation and amortization	168,125	14,069	19,112	17,386
Purchase of child care, food and transportation services	45,498,224	28,766,437	-	3,641,566
Total direct expenses	50,673,062	29,482,638	3,709,332	4,141,000
Allocation of general and administrative	1,422,783	119,615	265,563	143,571
TOTAL EXPENSES	\$ 52,095,845	\$ 29,602,253	\$ 3,974,895	\$ 4,284,571

See notes to combined financial statements.

Services				Supporting Services	
Training Programs	Community Services	Other Child Care	Total	General and Administrative	Grand Total
\$ 247,426	\$ 440,229	\$ 6,408	\$ 6,509,340	\$ 1,192,142	\$ 7,701,482
62,170	89,736	1,543	1,694,042	272,851	1,966,893
309,596	529,965	7,951	8,203,382	1,464,993	9,668,375
461	10,423	13	43,009	38,222	81,231
4,794	-	82	105,773	54,166	159,939
28,823	173	70	75,134	11,698	86,832
1,703	30	39	46,105	1,991	48,096
1,151	112	25	27,689	32,192	59,881
5,811	128	258	189,313	35,154	224,467
64,985	1,694	231	346,899	67,849	414,748
-	-	-	24,605	-	24,605
-	-	-	48,169	-	48,169
204	1	5	15,098	782	15,880
564	5	14	10,938	1,895	12,833
591	14	15	21,258	19,836	41,094
8,394	6,894	206	204,314	34,114	238,428
-	-	-	-	41,390	41,390
40,071	1	30	297,278	5,172	302,450
13,979	210	237	307,284	59,733	367,017
8,017	35,311	140	358,112	25,255	383,367
3,966	2	74	132,162	48,432	180,594
-	-	-	117,807	-	117,807
684	-	2	74,498	-	74,498
1,293	18	37	84,818	10,475	95,293
-	-	-	37,342	-	37,342
12,217	400	-	123,855	44,882	168,737
78	13,548	-	13,953	3,806	17,759
-	-	-	88,058	-	88,058
1,671	7,313	823	228,499	32,763	261,262
-	67,192	218,026	78,191,445	-	78,191,445
509,053	673,434	228,278	89,416,797	2,034,800	91,451,597
13,934	62,585	6,749	2,034,800	(2,034,800)	-
<u>\$ 522,987</u>	<u>\$ 736,019</u>	<u>\$ 235,027</u>	<u>\$ 91,451,597</u>	<u>\$ -</u>	<u>\$ 91,451,597</u>

NOTES TO COMBINED FINANCIAL STATEMENTS

COMMUNITY COORDINATED CARE FOR CHILDREN, INC. AND THE 4C FOUNDATION, INC.

NOTE A – DESCRIPTION OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Community Coordinated Care for Children, Inc. ("4C") is a non-stock, not-for-profit corporate entity operating in Orange, Osceola, and Seminole Counties as a coordinative agency for child care activities and other support services for families with young children.

The 4C Foundation, Inc. ("Foundation") is a separate non-stock, not-for-profit corporate entity that was formed for the purpose of acquiring property and leasing to, and fund-raising for, 4C.

The entities are exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code and the laws of the state of Florida, and maintain non-private foundation status in accordance with the Internal Revenue Code. Operations are directed by separate voluntary boards who receive no compensation for their services.

The accompanying financial statements include the accounts of 4C and the Foundation on a combined basis. All significant accounts and transactions between the entities have been eliminated in combination.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards ("SFAS") No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organizations are required to report information regarding their financial position and activities according to three classes of net assets as follows:

Unrestricted net assets – net assets not subject to donor-imposed stipulations.

Temporarily restricted net assets – net assets subject to donor-imposed stipulations that may or will be met by actions of the Organizations and/or the passage of time. Temporarily restricted net assets as of December 31, 2006 are composed of \$197,024 available to fund designated programs in the near future, and \$218,870 of United Way funding which will be released in the next fiscal year.

Permanently restricted net assets – net assets subject to donor-imposed stipulations that they be maintained permanently by 4C. Permanently restricted net assets were \$103,959 at December 31, 2006. These amounts consist of endowment funds that are subject to restrictions of gift instruments requiring in perpetuity that the principal be invested and the income only be used. Investment earnings distributed are recorded in unrestricted net assets.

This amount consists of contributions to the Community Foundation of Central Florida, Inc. to be held as a permanently restricted endowment fund for the benefit of 4C (i.e. the beneficiary); the income on such investments (to be 5% of the principal balance calculated each March 31) is available to be distributed annually to 4C. The fund is carried at market value; net activity recorded in the year 2006 to include any contributions received was \$12,714 (see Note C).

Promise to Give

Contributions are recognized when the donor makes a promise to give to the Organizations that is, in substance, unconditional. The promise to give at December 31, 2006 is expected to be collected during the year ended December 31, 2007.

NOTES TO COMBINED FINANCIAL STATEMENTS – CONTINUED

COMMUNITY COORDINATED CARE FOR CHILDREN, INC. AND THE 4C FOUNDATION, INC.

NOTE A – DESCRIPTION OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Loan Costs

Loan costs are being amortized (\$2,196 in 2006) over the life of the related loan.

Contributions

Donated services, which are necessary supporting services, are recorded in the financial statements as support with a like amount included as expense. Such support and expense is valued at the estimated fair market value of the donation at the date of receipt.

Donated services that create or enhance non-financial assets, or that require specialized skills, and which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair market values in the year provided (See Note B).

Recognition of Donor Restrictions

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily restricted or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Art Collection

During the year ended December 31, 2002, the Foundation capitalized a donated art collection, which consists of pictures donated to the Foundation. The donated art collection is stated at the estimated fair value of the collection at the time of the donation. The Foundation has no purchased collectibles (see Note F).

Grants and Contracts Receivable

Grants and contracts receivable are stated at the amount management expects to realize from outstanding balances. Management provides such amounts through adjustments based upon their assessment of the current status (i.e. terms) of individual receivables from grants and contracts. Accordingly, management considers all receivables to be collectible; therefore, there is no allowance for doubtful accounts at December 31, 2006.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTES TO COMBINED FINANCIAL STATEMENTS – CONTINUED

COMMUNITY COORDINATED CARE FOR CHILDREN, INC.
AND THE 4C FOUNDATION, INC.

NOTE A – DESCRIPTION OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES – CONTINUED

Property and Equipment

Property and equipment acquisitions are recorded at cost when purchased, while donations of property and equipment are recorded at their estimated fair value when donated. Property and equipment is depreciated over the estimated useful life of the assets using the straight-line method.

Fund Raising Expenses

Management estimates total fund raising costs for the year were \$36,708.

Statement of Cash Flows

For purposes of the statement of cash flows, the Organizations consider all highly liquid debt instruments purchased with an original maturity date of three months or less at the date of purchase to be cash equivalents. Cash and money market investments designated for future capital expenditures and for an operating reserve are not reflected as cash and cash equivalents.

Cash paid during the year for interest was \$41,390.

Revenue and Expense Recognition

The Organizations recognize public support, revenues and expenses on the accrual basis. Support and revenues from grants and contracts are generally recognized as eligible costs are incurred and/or required services are performed. Functional expenses are allocated between programs on the basis of specific identification, where possible, and management's best estimates. The programs are as follows:

Early Care and Learning (School Readiness) – 4C currently contracts with local Early Care and Learning Coalitions, local governments, and private not-for-profit organizations to provide income eligible families child care financial assistance and other related activities. Local government contracts and United Way allocations are used to meet match requirements for certain contracts.

Voluntary Pre-K – 4C participates in a Florida Department of Education program designed to prepare four year-olds for kindergarten and build the foundation for their educational success. The program allows a parent to enroll his or her eligible child in a free voluntary pre-kindergarten program. 4C currently contracts with local coalitions to provide such services.

Head Start – Accounts for resources received from the U.S. Department of Health and Human Services ("HHS") and the State of Florida, Department of Health (Child and Adult Care Food Program) for the Head Start Program. Certain matching funds are required by HHS which are provided by local governments and other donors.

Food Program – Accounts for resources received from the State of Florida, Department of Health to subsidize meal costs for eligible children under the National School Lunch and the Child Nutrition Acts.

NOTES TO COMBINED FINANCIAL STATEMENTS – CONTINUED

COMMUNITY COORDINATED CARE FOR CHILDREN, INC.
AND THE 4C FOUNDATION, INC.

NOTE A – DESCRIPTION OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Training Programs – Accounts for resources received from the State of Florida Department of Children and Families for state mandated training services and resources for other training programs.

Community Services – Accounts for various community services, other family related programs, fundraising and the activities of the Foundation.

Other Child Care – Accounts for resources received from the State of Florida Department of Children and Families – Refugee Child Care and other private contracts for child care services.

Concentrations of Credit Risk

Financial instruments that potentially subject the Organizations to concentrations of credit risk consist principally of cash and cash equivalents, cash and money market investments for designated purposes, and various unsecured receivables. The Organizations place their cash and cash equivalents and money market investments with high quality financial institutions and limit their exposure to any potential loss in excess of federally insured limits; however, at times, the Organizations are exposed to loss to the extent that these balances exceed the federally insured limits. Concentrations of credit risk with respect to unsecured receivables are limited as the receivables are primarily grants receivable from governmental agencies; other receivables are due from entities located in Central Florida.

Other

Significant accounting policies not referred to above are reflected in the notes to the combined financial statements that follow.

NOTE B – DONATED SERVICES

Donated services, which are necessary to support the Head Start program, are recorded in the financial statements as unrestricted support with a like amount included as expense. Such support and expense is valued at the estimated fair market value of the donation at the date of receipt and performance.

Such donated services for the year ended December 31, 2006 consists of the following:

Head Start:	
Medical and dental	\$ 15,677
Program services	72,381
	<hr/>
Total	<u>\$ 88,058</u>

Volunteer services of \$717,917 were provided to the Head Start program and used to satisfy match requirements but are not included in the financial statements.

NOTES TO COMBINED FINANCIAL STATEMENTS – CONTINUED

COMMUNITY COORDINATED CARE FOR CHILDREN, INC.
AND THE 4C FOUNDATION, INC.

NOTE C – INVESTMENT – ENDOWMENT FUND

The endowment fund investment balance of \$103,959 consists of cumulative contributions (to include related investment results) to the Community Foundation of Central Florida, Inc. to be held as a permanently restricted endowment fund for the benefit of 4C (i.e. the beneficiary) (see Note A); the income on such investments (to be 5% of the principal balance calculated each March 31) is available to be distributed annually to 4C. The fund is primarily invested in marketable securities and is carried at market value; net investment activity recorded for the year 2006 was as follows:

Interest and dividends	\$ 2,528
Realized gains	2,284
Unrealized gains	9,084
	<u>13,896</u>
Less: related fees	<u>(1,182)</u>
Net	<u>\$ 12,714</u>

NOTE D -- NOTES PAYABLE

Line of Credit

Bank

4C's line of credit at December 31, 2006 consists of a bank line of credit at prime, collateralized by 4C's receivables and also guaranteed by the 4C Foundation, Inc.; the line of credit is due on demand; \$2,000,000 is available at December 31, 2006. The line of credit is used primarily for the payment of funds to child care centers pending outstanding receivable payments.

Mortgage Note Payable

A \$405,000 mortgage note is payable to a bank, has a variable interest rate (6.62% at December 31, 2006), is due in monthly payments of \$5,625 plus interest, and is collateralized by land and buildings - carrying amount at December 31, 2006 is \$1,242,123. The mortgage note is owed by the Foundation and is guaranteed by 4C.

As noted in the preceding paragraph, the interest is due monthly at a variable rate as determined from time to time by the referenced bank. To reduce its exposure to fluctuations in interest rates and to stabilize cash flow requirements, the Organizations have agreed to pay a variable rate of interest to the bank under an interest rate swap transaction agreement. Accordingly, the Organizations paid additional interest at the rate of 1.68% on the mortgage note payable at December 31, 2006.

NOTES TO COMBINED FINANCIAL STATEMENTS – CONTINUED

COMMUNITY COORDINATED CARE FOR CHILDREN, INC.
AND THE 4C FOUNDATION, INC.

NOTE D – NOTES PAYABLE – CONTINUED

Maturities of the mortgage note payable, due subsequent to December 31, 2006, are as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2007	\$ 67,500
2008	67,500
2009	67,500
2010	67,500
2011	67,500
Thereafter	<u>67,500</u>
	<u>\$ 405,000</u>

NOTE E – COMMITMENTS

4C leases facilities under various operating leases. The leases are generally on a year-to-year basis with options to renew. Aggregate rentals paid under these type leases totaled approximately \$208,000 for the year ended December 31, 2006.

Future minimum rental commitments under non-cancelable operating leases are as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2007	\$ 246,185
2008	178,334
2009	<u>75,126</u>
	<u>\$ 499,645</u>

NOTE F – PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2006 is as follows:

Land	\$ 720,000
Buildings and building improvements	1,669,893
Equipment, vehicles and other	1,879,480
Donated art collection	<u>178,055</u>
	4,447,428
Less accumulated depreciation	<u>(2,720,377)</u>
	<u>\$ 1,727,051</u>

NOTES TO COMBINED FINANCIAL STATEMENTS – CONTINUED

COMMUNITY COORDINATED CARE FOR CHILDREN, INC.
AND THE 4C FOUNDATION, INC.

NOTE F – PROPERTY AND EQUIPMENT – CONTINUED

The Foundation has acquired land and a building to provide an operating location to centralize the Organizations' operations. As regards the acquired property, 4C entered into a non-cancelable lease with the Foundation effective January 1, 1999 for a period of fifteen years (2006 rent of \$117,893). While the rent due under the lease is subject to annual review, it equals the allowable depreciation on the building.

NOTE G – RETIREMENT PLAN

All 4C employees are eligible to participate in a 401(k) profit sharing plan upon completion of 12 consecutive months of the required service and attainment of age 21. The annual contribution to the plan is determined on an annual basis by the Board of Directors (5% of eligible compensation for 2006) plus a match provision of 25% of voluntary contributions by the eligible employee up to a maximum of 1% of eligible compensation. Accordingly, 4C's maximum contribution is 6% of eligible compensation; 4C is not liable for any payments under the plan in excess of the annual contribution. The total expense for the year ended December 31, 2006, was \$292,157.

NOTE H – DEFERRED COMPENSATION PLAN

4C has established a deferred compensation plan ("Plan") for the benefit of "key employees". 4C has acquired various investments to provide funding for the Plan; however, the investments are not held in trust for or pledged to secure the agreements. Accordingly, 4C is the owner of the investments. 4C recognizes the related expense (i.e. liability) under this Plan as benefits become vested. The carrying value of the investments at December 31, 2006 (\$133,847) approximates the market value of the investments as of that date.

NOTE I – CONTINGENCIES

By terms of the Organizations' grants, certain funding agencies reserve the right to examine records relating to cost reimbursements. In the event there is a determination of non-qualifying expenditures for which a reimbursement has been made, the funding agency may demand a refund for the appropriate amount. Management of the Organizations does not anticipate any material refunds will have to be made for grants terminated or in process as of December 31, 2006.

The Organizations also have a potential liability to reimburse funding agencies for property charged against certain grants as a reimbursable expenditure. The measurable value of the potential liability is not readily determinable. However, in management's opinion, the probability of a reimbursement request of significance is considered unlikely. During the year ended December 31, 2006, approximately \$64,710 of such reimbursed expenditures were incurred and charged to operations as grant expenditures. Approximately \$864,275 (at cost) of such assets were charged to grants to date and are currently being used in the Organizations' operations.

NOTES TO COMBINED FINANCIAL STATEMENTS – CONTINUED

COMMUNITY COORDINATED CARE FOR CHILDREN, INC.
AND THE 4C FOUNDATION, INC.

NOTE J – STATE OF FLORIDA GRANTS WITH MATCH REQUIREMENT

4C received a substantial portion of its support from and through the State of Florida, under grant contracts, of which certain grant contracts have match requirements. The contracts are renegotiated annually. The amounts of the contracts are established using fixed rates and/or unit cost reimbursement. Revenue is earned as eligible costs are incurred and/or required services are performed.

The 2006 match calculation for the applicable contracts is as follows:

Total expenses		\$ 91,451,597
Less: Non-matching revenues		<u>5,539,263</u>
		85,912,334
Less: Non-allowable expenses		<u>121,124</u>
Allowable expenses		85,791,210
Amounts received or receivable requiring match	\$ 83,066,485	
Match required	<u>2,334,822</u>	<u>85,401,307</u>
Excess match		<u><u>\$ 389,903</u></u>

SUPPLEMENTAL INFORMATION

COMBINED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

COMMUNITY COORDINATED CARE FOR CHILDREN, INC.
AND THE 4C FOUNDATION, INC.

Year Ended December 31, 2006

Federal/State Agency/Pass-through Entity Federal Program/State Project	CFDA CSFA Number	Contract/ Grant Number	Expenditures
<u>Federal Awards</u>			
Department of Health and Human Services			
Direct program -			
Head Start	93.600	04CH0288/19	\$ 2,112,360
	93.600	04CH0288/20	1,606,493
			\$ 3,718,853
Indirect programs -			
Passed through the Florida Department of Education and the Early Learning Coalition of Orange County -			
Child Care and Development Block Grant	93.575	01/05-06	\$ 11,965,205
	93.575	01/06-07	11,879,714
			23,844,919
Passed through the Florida Department of Education and the Early Learning Coalition of Seminole -			
Child Care and Development Block Grant	93.575	01/05-06	3,006,589
	93.575	01/06-07	3,024,901
			6,031,490
Passed through the Florida Department of Education and the Early Learning Coalition of Osceola County -			
Child Care and Development Block Grant	93.575	01/05-06	2,082,796
	93.575	01/06-07	1,975,405
			4,058,201
Passed through the State of Florida, Department of Children and Families -			
Child Care and Development Block Grant	93.575	LC605	110,349
	93.575	LC705	35,511
			145,860
			\$ 34,080,470
Passed through the Florida Department of Education and the Early Learning Coalition of Orange County -			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	01/05-06	\$ 4,865,942
	93.596	01/06-07	5,089,538
			9,955,480
Passed through the Florida Department of Education and the Early Learning Coalition of Seminole -			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	01/05-06	1,222,703
	93.596	01/06-07	1,295,936
			2,518,639

COMBINED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE - CONTINUED

COMMUNITY COORDINATED CARE FOR CHILDREN, INC.
AND THE 4C FOUNDATION, INC.

Year Ended December 31, 2006

Federal/State Agency/Pass-through Entity Federal Program/State Project	CFDA CSFA Number	Contract/ Grant Number	Expenditures
<u>Federal Awards - continued</u>			
Passed through the Florida Department of Education and the Early Learning Coalition of Osceola County - Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	01/05-06	847,020
	93.596	01/06-07	846,308
			1,693,328
			\$ 14,167,447
Child Care and Development Fund Cluster - Note 3			\$ 48,247,917
Passed through the Florida Department of Education and the Early Learning Coalition of Orange County - Social Services Block Grant	93.667	01/05-06	\$ 13,829
	93.667	01/06-07	14,143
			27,972
Passed through the Florida Department of Education and the Early Learning Coalition of Seminole - Social Services Block Grant	93.667	01/05-06	3,475
	93.667	01/06-07	3,601
			7,076
Passed through the Florida Department of Education and the Early Learning Coalition of Osceola County - Social Services Block Grant	93.667	01/05-06	2,407
	93.667	01/06-07	2,352
			4,759
Passed through the State of Florida, Department of Children and Families - Social Services Block Grant	93.667	LC605	41,082
	93.667	LC705	13,848
			54,930
			\$ 94,737
Passed through the State of Florida, Department of Children and Families - Refugee and Entrant Assistance - State Administered Programs	93.566	LK616	\$ 56,757
Refugee and Entrant Assistance - Discretionary Grants	93.576	LK616	\$ 55,820
Total Department of Health and Human Services			\$ 52,174,084

COMBINED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE - CONTINUED

COMMUNITY COORDINATED CARE FOR CHILDREN, INC.
AND THE 4C FOUNDATION, INC.

Year Ended December 31, 2006

Federal/State Agency/Pass-through Entity Federal Program/State Project	CFDA CSFA Number	Contract/ Grant Number	Expenditures
<u>Federal Awards - continued</u>			
Department of Agriculture:			
Indirect program -			
Passed through the State of Florida,			
Department of Health - Child and Adult Care Food Program-			
Centers	10.558	U51	\$ 3,833,899
Homes	10.558	S3	208,743
Head Start	10.558	D702	235,651
Total Department of Agriculture			\$ 4,278,293
Department of Housing and Urban Development:			
Indirect program -			
Passed through Orange County, Florida -			
Community Development Block Grant	14.218	93-34	\$ 260,077
Total Expenditures of Federal Awards			\$ 56,712,454
<u>State Awards</u>			
Indirect programs:			
Florida Department of Education:			
Passed through the Early Learning Coalition of			
Orange County -			
School Readiness Services	75.005	01/05-06	\$ 440,787
	75.005	01/06-07	694,750
			1,135,537
Passed through the Early Learning Coalition of			
Seminole -			
School Readiness Services	75.005	01/05-06	110,760
	75.005	01/06-07	176,902
			287,662
Passed through the Early Learning Coalition of			
Osceola County -			
School Readiness Services	75.005	01/05-06	76,728
	75.005	01/06-07	115,526
			192,254
			\$ 1,615,453

COMBINED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE - CONTINUED

COMMUNITY COORDINATED CARE FOR CHILDREN, INC.
AND THE 4C FOUNDATION, INC.

Year Ended December 31, 2006

Federal/State Agency/Pass-through Entity Federal Program/State Project	CFDA CSFA Number	Contract/ Grant Number	Expenditures
Florida Department of Education:			
Passed through the Early Learning Coalition of Orange County -			
Voluntary Prekindergarten Education	75.007	01/05-06	\$ 8,543,431
	75.007	01/06-07	9,297,594
			17,841,025
Passed through the Early Learning Coalition of Seminole -			
Voluntary Prekindergarten Education	75.007	01/05-06	3,188,466
	75.007	01/06-07	3,836,712
			7,025,178
Passed through the Early Learning Coalition of Osceola County -			
Voluntary Prekindergarten Education	75.007	01/05-06	2,010,617
	75.007	01/06-07	2,713,495
			4,724,112
			\$ 29,590,315
Total Florida Department of Education			\$ 31,205,768
Total Expenditures of State Awards			\$ 31,205,768

Note 1 - The accompanying schedule of expenditures of federal awards and state financial assistance is prepared on the accrual basis of accounting.

Note 2 - Temporary Assistance for Needy Families (CFDA number 93.558) amounts are reflected as federal funds under Federal CFDA number 93.575 (Child Care Development Block Grant), the program into which such amounts were transferred.

Note 3 - Child Care and Development Block Grant (CFDA number 93.575) and Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA number 93.596) are reported as a Child Care and Development Fund Cluster.

See independent auditors' report on compliance and internal control over compliance applicable to each major federal program and state project.

COMBINED SCHEDULE OF HEAD START EXPENSES

COMMUNITY COORDINATED CARE FOR CHILDREN, INC.
AND THE 4C FOUNDATION, INC.

Year Ended December 31, 2006

	2005/2006		
	Federal	Local	Total
Salaries, payroll taxes, and other employee benefits	\$ 1,252,371	\$ 47,837	\$ 1,300,208
General and administrative	201,000	10,024	211,024
Temporary services	6,637	331	6,968
Professional services	17,778	887	18,665
Building security	1,743	87	1,830
Travel	13,498	673	14,171
Meetings and conferences	5,357	267	5,624
Rent	122,912	6,130	129,042
Maintenance repairs and renovations	163,524	8,155	171,679
Telephone and utilities	66,881	3,336	70,217
Vehicle expense	7,761	387	8,148
Depreciation and amortization	11,218	559	11,777
Equipment rental	1,371	68	1,439
Equipment costs	30,386	1,515	31,901
Office expense	16,403	818	17,221
Computer support	19,870	991	20,861
Insurance	38,809	1,935	40,744
Dues and publications	4,711	235	4,946
Directory/advertising	9,326	465	9,791
Miscellaneous	16	1	17
Medical and dental	14,494	723	15,217
Program expense	22,552	1,125	23,677
Food and supplies	60,350	3,010	63,360
Training and technical assistance	23,393	4,669	28,062
In-kind	-	506,626	506,626
	<u>\$ 2,112,361</u>	<u>\$ 600,854</u>	<u>\$ 2,713,215</u>

2006/2007			
Federal	Local	Total	Grand Total
\$ 1,159,149	\$ 55,649	\$ 1,214,798	\$ 2,515,006
52,357	2,182	54,539	265,563
692	29	721	7,689
4,252	177	4,429	23,094
2,659	111	2,770	4,600
13,094	546	13,640	27,811
4,941	206	5,147	10,771
80,904	3,371	84,275	213,317
57,781	2,408	60,189	231,868
59,081	2,462	61,543	131,760
4,520	188	4,708	12,856
7,041	294	7,335	19,112
687	29	716	2,155
11,530	331	11,861	43,762
10,795	450	11,245	28,466
13,878	578	14,456	35,317
27,770	1,158	28,928	69,672
1,075	45	1,120	6,066
4,731	197	4,928	14,719
-	-	-	17
8,903	371	9,274	24,491
19,103	796	19,899	43,576
52,269	2,178	54,447	117,807
9,280	-	9,280	37,342
-	299,349	299,349	805,975
<u>\$ 1,606,492</u>	<u>\$ 373,105</u>	<u>\$ 1,979,597</u>	<u>\$ 4,692,812</u>

R.A. SIMASEK, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Community Coordinated Care for Children, Inc.
and The 4C Foundation, Inc.
Orlando, Florida

We have audited the combined financial statements of Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc. ("Organizations") as of and for the year ended December 31, 2006, and have issued our report thereon dated May 21, 2007. 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, we considered the Organizations' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organizations' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organizations' internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Organizations' ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Organizations' financial statements that is more than inconsequential will not be prevented or detected by the Organizations' internal control.

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

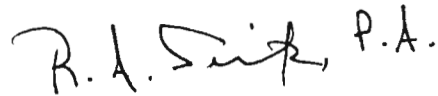
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies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

Board of Directors
Community Coordinated Care for Children, Inc.
and The 4C Foundation, Inc.
Orlando, Florida

Compliance and Other Matters

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

This report is intended solely for the information and use of the audit committee, management, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "R. A. Swift, P.A." The signature is written in a cursive style.

Orlando, Florida
May 21, 2007

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND
ON INTERNAL CONTROL OVER COMPLIANCE

Board of Directors
Community Coordinated Care for Children, Inc.
and The 4C Foundation, Inc.
Orlando, Florida

Compliance

We have audited the compliance of Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc. ("Organizations") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement*, and the requirements described in the State of Florida Executive Office of the Governor's State Projects Compliance Supplement, that are applicable to each of its major federal programs and state projects for the year ended December 31, 2006. Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc.'s major federal programs and state projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs – Federal Programs and State Projects. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and state projects is the responsibility of the Organizations' management. Our responsibility is to express an opinion on the Organizations' compliance based on our audit.

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; OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*; and State of Florida Chapter 10.650, *Rules of the Auditor General*. Those standards, OMB Circular A-133, and State of Florida 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 Organizations' 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. Our audit does not provide a legal determination of the Organizations' compliance with those requirements.

In our opinion, Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and state projects for the year ended December 31, 2006.

Board of Directors
Community Coordinated Care for Children, Inc.
and The 4C Foundation, Inc.
Orlando, Florida

Internal Control Over Compliance

The management of Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc. 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 state projects. In planning and performing our audit, we considered the Organizations' internal control over compliance with the requirements that could have a direct and material effect on a major federal program or state project in order 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 OMB Circular A-133 and State of Florida 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 Organizations' internal control over compliance.

A *control deficiency* in the Organizations' internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Organizations' ability to administer a federal program or state project such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program or state project that is more than inconsequential will not be prevented or detected by the Organizations' internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented or detected by the Organizations' internal control.

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

This report is intended solely for the information and use of the audit committee, management, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

R.A. [Signature], P.A.

Orlando, Florida
May 21, 2007

SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
 FEDERAL PROGRAMS AND STATE PROJECTS

COMMUNITY COORDINATED CARE FOR CHILDREN, INC.
 AND THE 4C FOUNDATION, INC.

Year Ended December 31, 2006

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the combined financial statements of Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc.
2. No control deficiencies relating to the audit of the combined financial statements are reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the combined financial statements of Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No control deficiencies in internal control relating to the audit of the major federal programs and state projects are reported in the Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Federal Program and State Project and on Internal Control Over Compliance.
5. The auditors' report on compliance for the major federal programs and state projects for Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc. expresses an unqualified opinion on each of the major federal programs and state projects.
6. Audit findings relative to the major federal programs and state projects for Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc. are reported in Parts C and D of this schedule.
7. Those tested as major federal programs/state projects included:

<u>Federal Programs</u>	<u>Federal CFDA Number</u>
Department of Health and Human Services – Head Start	93.600
Child Care and Development Fund Cluster:	
Department of Health and Human Services – Child Care and Development Block Grant	93.575
Department of Health and Human Services – Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596
 <u>State Projects</u>	 <u>State CSFA Number</u>
Florida Department of Education – School Readiness Services	75.005
Florida Department of Education – Voluntary Pre-Kindergarten Education Program	75.007

SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
FEDERAL PROGRAMS AND STATE PROJECTS – CONTINUED

COMMUNITY COORDINATED CARE FOR CHILDREN, INC.
AND THE 4C FOUNDATION, INC.

Year Ended December 31, 2006

A. SUMMARY OF AUDITORS' RESULTS – CONTINUED

8. The threshold for distinguishing Type A and B programs was \$1,701,374 for major federal programs and \$936,173 for major state projects.
9. Community Coordinated Care for Children, Inc. and The 4C Foundation, Inc., combined, qualified as a low-risk auditee for the year ended December 31, 2006.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT – None

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS – None

D. FINDINGS AND QUESTIONED COSTS – MAJOR STATE PROJECTS – None

E. OTHER ISSUES

1. No management letter is required because there were no findings required to be reported.
2. No summary schedule of prior audit findings is required because there were no prior audit findings related to federal programs or state projects.
3. No corrective action plan is required because there were no findings required to be reported under the Federal or Florida Single Audit Acts.