

DRAFT  
09/24/2021

**EARLY LEARNING  
COALITION OF  
NORTHWEST FLORIDA, INC.**

**Financial Statements  
and Supplemental  
Information**

**Years Ended  
June 30, 2020 and 2019**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Early Learning Coalition of Northwest Florida, Inc.  
Panama City, Florida

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

We have audited the accompanying financial statements of Early Learning Coalition of Northwest Florida, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Early Learning Coalition of Northwest Florida, Inc. as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, State of Florida Chapter 10.650, *Rules of the Auditor General*, and special audit guidance provided by the Office of Early Learning, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2021, on our consideration of Early Learning Coalition of Northwest Florida, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Early Learning Coalition of Northwest Florida, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Early Learning Coalition of Northwest Florida, Inc.'s internal control over financial reporting and compliance.

Winter Park, Florida  
September 28, 2021

Early Learning Coalition of Northwest Florida, Inc.

STATEMENTS OF FINANCIAL POSITION

June 30, 2020 and 2019

	2020	2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 1,907,372	\$ 780,215
Accounts receivable	74,925	8,649
Due from the State of Florida	2,950,589	917,479
Prepaid expenses	3,140	3,140
Total current assets	<u>4,936,026</u>	<u>1,709,483</u>
<b>PROPERTY AND EQUIPMENT, NET</b>	<u>42,796</u>	<u>63,283</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 4,978,822</u></u>	<u><u>\$ 1,772,766</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 3,963,258	\$ 1,331,598
Due to the State of Florida	751,830	47,281
Unearned revenue	163,322	280,655
Deferred grant revenue	36,416	36,416
Total current liabilities	<u>4,914,826</u>	<u>1,695,950</u>
<b>NET ASSETS</b>		
Without donor restrictions	21,200	13,533
Invested in capital assets	42,796	63,283
Total net assets	<u>63,996</u>	<u>76,816</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 4,978,822</u></u>	<u><u>\$ 1,772,766</u></u>

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

Early Learning Coalition of Northwest Florida, Inc.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>REVENUES AND SUPPORT</b>		
Public support		
Federal funding	\$ 17,192,551	\$ 12,933,131
State funding	<u>3,969,811</u>	<u>3,842,108</u>
Total public support	<u>21,162,362</u>	<u>16,775,239</u>
Other revenues		
Local match	99,212	215,405
Other income	282,972	158,620
In-kind	<u>60,212</u>	<u>56,505</u>
Total revenues and support	<u>21,604,758</u>	<u>17,205,769</u>
<b>EXPENSES</b>		
Program services		
Direct child care	17,531,396	14,129,366
Non-direct child care	941,707	1,008,559
Quality initiatives	<u>2,362,894</u>	<u>1,197,143</u>
Total program expenses	20,835,997	16,335,068
Support services		
Management and general	<u>781,581</u>	<u>818,316</u>
Total expenses	<u>21,617,578</u>	<u>17,153,384</u>
Change in net assets	(12,820)	52,385
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>76,816</u>	<u>24,431</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 63,996</u>	<u>\$ 76,816</u>

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

Early Learning Coalition of Northwest Florida, Inc.

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STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2020

	Program Services			Support Services	Total
	Direct Child Care	Non-Direct Child Care	Quality Initiatives	Management and General	
Contract for service payment to providers	\$ 17,531,396	\$ -	\$ -	\$ -	\$ 17,531,396
Salaries	-	673,639	605,932	483,893	1,763,464
Quality enhancement	-	-	1,425,848	-	1,425,848
Occupancy	-	98,006	82,927	84,490	265,423
In-kind	-	30,290	95,655	33,479	159,424
Professional fees	-	13,414	95,730	36,010	145,154
Supplies	-	2,016	18,282	84,176	104,474
Hurricane Michael recovery assistance	-	94,729	-	454	95,183
Computer software	-	10,857	11,227	17,239	39,323
Travel	-	13,580	11,915	13,361	38,856
Depreciation	-	-	520	19,967	20,487
Dues	-	3,299	10,417	3,646	17,362
Insurance	-	1,869	4,162	4,748	10,779
Postage	-	8	124	118	250
Outreach and awareness	-	-	155	-	155
<b>Total expenses</b>	<b>\$ 17,531,396</b>	<b>\$ 941,707</b>	<b>\$ 2,362,894</b>	<b>\$ 781,581</b>	<b>\$ 21,617,578</b>

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

Early Learning Coalition of Northwest Florida, Inc.

DRAFT  
09/24/2021

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2019

	Program Services			Support	Total
	Direct Child Care	Non-Direct Child Care	Quality Initiatives	Management and General	
Contract for service payment to providers	\$ 14,129,366	\$ -	\$ -	\$ -	\$ 14,129,366
Salaries	-	734,604	660,769	527,686	1,923,059
In-kind	-	47,531	150,102	52,535	250,168
Occupancy	-	77,110	65,246	66,476	208,832
Quality enhancement	-	-	173,089	-	173,089
Computer software	-	27,568	28,507	43,771	99,846
Professional fees	-	8,217	58,640	22,058	88,915
Hurricane Michael recover assistance	-	84,731	-	-	84,731
Supplies	-	1,265	11,473	52,827	65,565
Travel	-	20,471	17,961	20,140	58,572
Dues	-	5,437	17,169	6,010	28,616
Depreciation	-	-	582	22,327	22,909
Outreach and awareness	-	-	9,600	-	9,600
Insurance	-	1,596	3,555	4,055	9,206
Postage	-	29	450	431	910
<b>Total expenses</b>	<b>\$ 14,129,366</b>	<b>\$ 1,008,559</b>	<b>\$ 1,197,143</b>	<b>\$ 818,316</b>	<b>\$ 17,153,384</b>

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



## STATEMENTS OF CASH FLOWS

Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (12,820)	\$ 52,385
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	20,487	22,909
Decrease (increase) in assets:		
Accounts receivable	(66,276)	1,181
Due from the State of Florida	(2,033,110)	113,021
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	2,631,660	36,341
Due to the State of Florida	704,549	47,281
Unearned revenue	<u>(117,333)</u>	<u>280,655</u>
Net cash provided by operating activities	<u>1,127,157</u>	<u>553,773</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of furniture and equipment	<u>-</u>	<u>(4,490)</u>
Net cash used in investing activities	<u>-</u>	<u>(4,490)</u>
Net increase in cash	1,127,157	549,283
<b>CASH - BEGINNING OF YEAR</b>	<u>780,215</u>	<u>230,932</u>
<b>CASH - END OF YEAR</b>	<u><u>\$ 1,907,372</u></u>	<u><u>\$ 780,215</u></u>

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

Early Learning Coalition of Northwest Florida, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

**NOTE A – COALITION, PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

1. Coalition and Purpose

The Early Learning Coalition of Northwest Florida, Inc. (the Coalition) was organized as a not-for-profit corporation under the laws of the State of Florida on September 26, 2005. The Coalition maintains offices in Bay, Calhoun, Franklin, Gulf, Holmes, Jackson, and Washington Counties in the State of Florida.

The Coalition is primarily funded by support from federal and state agencies contracted through Florida's Office of Early Learning (OEL). The purpose of the Coalition is to provide a coordinated delivery system of school readiness programs that will prepare children to enter the local kindergarten school systems. In addition, part of the Coalition's mission is to increase the availability, affordability and quality of child care services to children. The children who qualify for these programs are at-risk and/or from low-income families.

The Coalition operates three major programs:

- Direct Child Care – payments to approved providers for child care.
- Non-Direct Child Care – directly incurred costs for support of child care services such as eligibility determination, training for providers, and resource and referral services.
- Quality Initiatives – payments for directly incurred costs designed to enhance experiences for children, staff, or other early childhood professionals.

2. Basis of Accounting and Financial Statement Presentation

The accompanying financial statements and accompanying schedules have been prepared on the accrual basis of accounting. The Coalition reports information regarding its financial position and activities according to two classes of net assets as follows:

*Net Assets Without Donor Restrictions*

Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the "Board") and/or management for general operating purposes. From time to time the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

*Net Assets With Donor Restrictions*

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed restrictions, time and/or purpose restrictions.

The Coalition reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

**NOTE A – COALITION, PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(continued)**

2. Basis of Accounting and Financial Statement Presentation (continued)

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Coalition to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a Board approved spending policy.

3. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

4. Due from the State of Florida

Funds due from the State of Florida as reimbursement for contract services are considered past due if not received in accordance with contract terms. Management believes an allowance for doubtful accounts is not necessary based on the terms of these agreements and believes the total amount due is collectible in the next fiscal year.

5. Cash and Cash Equivalents

The Coalition considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

6. Property and Equipment

The Coalition capitalizes property and equipment with an original cost in excess of \$1,000 and a useful life greater than one year. If donated, property and equipment are recorded at fair market value at the date of the donation. Depreciation of property and equipment is computed using straight-line depreciation over the estimated useful lives of the assets, which is three to five years.

Property acquired with government funds is considered to be owned by the Coalition while used in the program for which it was purchased, or in future authorized programs. However, its disposition as well as the ownership of any proceeds from the sale of assets is subject to applicable regulations.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2020

**NOTE A – COALITION, PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(continued)**7. Revenue Recognition

In May 2014, the Financial Accounting Standards board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (ASC 606), which prescribes a single, common revenue standard to replace most existing revenue recognition guidance, including most industry-specific requirements. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied.

In June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASC 958), which clarifies how transactions should be accounted for as contributions (nonreciprocal transactions) or exchange transactions and whether a contribution is conditional.

The Coalition adopted ASC 606 and ASC 958 and all related amendments effective July 1, 2019. The adoption of the new standards had no significant impact on the Coalition's financial statements.

Revenue from government grants is recorded when earned, which is generally when the allowable costs of the specific grant provisions have been incurred or the performance of services rendered. Such revenue is subject to audit by the grantor and, if the examination results in a deficiency of allowable expenses, the Coalition will be required to refund any deficiencies. Management is of the opinion that all monies recognized as revenue have been earned as of June 30, 2020. These amounts are reflected as revenue without donor restrictions if received and expended in the same year.

Public support revenue from federal and state grants is recorded based upon the terms of the grantor agreement, which generally provides that revenue is earned when the allowable costs of the specific grant provisions have been incurred. The majority of public support is received on a reimbursement basis for costs already incurred. Revenue is recorded as without donor restriction when received.

8. Deferred Revenue

Deferred revenue represents grant revenues collected but not yet earned as of June 30, 2020 and 2019. Revenues from grant proceeds are not recognized until expended.

9. Donated Services, Materials, and Facilities

Donated services, materials, and facilities that are measurable are recorded as support at their fair values at the date of receipt by the Coalition. A corresponding amount is recorded as an expense or as property and equipment. Donated services, materials, and facilities aggregated to \$60,212 and \$56,505 for the years ended June 30, 2020 and 2019, respectively, and are included as income and expense in the accompanying statements of activities and changes in net assets at their estimated fair value at date of receipt.

## Early Learning Coalition of Northwest Florida, Inc.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2020

**NOTE A – COALITION, PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(continued)****10. Functional Allocation of Expenses**

The cost of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**11. Income Taxes**

The Coalition has been granted an exemption from income taxes under Internal Revenue Code Section 501(c)(3) as a not-for-profit corporation and is not a private foundation. Management has analyzed the Coalition's various federal and state filing positions and believes that its income tax filing positions and deductions are well documented and supported and no accruals for tax liabilities are necessary. Therefore, no reserves for uncertain income tax positions have been recorded. The Coalition is no longer subject to federal, state, or local income tax examination by tax authorities for fiscal years before 2018.

**12. Recent Accounting Pronouncements**

In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (Topic 958). The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. The new guidance was effective beginning in 2018 and the Coalition changed its presentation of net assets classes, included a statement of functional expenses, and expanded the footnote disclosures in these financial statements as required by ASU 2016-14.

In February 2016, the FASB issued ASU 2016-02, *Leases*, that requires lessees to put most leases on their balance sheets and recognize expenses on their income statements in a manner similar to today's capital lease accounting. For lessors, the guidance modifies the classification criteria for accounting for sales-type and direct financing leases. The new guidance is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Coalition is evaluating the potential effects ASU 2016-02 will have on its financial statements.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2020

**NOTE A – COALITION, PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(continued)**13. Subsequent Events

Management has evaluated the effect subsequent events would have on the financial statements through the date these financial statements were available to be issued on September 28, 2021.

**NOTE B – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of June 30:

	<u>2020</u>	<u>2019</u>
Furniture and equipment	\$ 365,943	\$ 365,943
Less: accumulated depreciation	<u>(323,147)</u>	<u>(302,660)</u>
Property and equipment, net	<u>\$ 42,796</u>	<u>\$ 63,283</u>

Depreciation expense for the years ended June 30, 2020 and 2019 was \$20,487 and \$22,909, respectively.

**NOTE C – DEFERRED GRANT REVENUE**

Deferred grant revenue at June 30, 2020 and 2019, of \$36,416, represents unspent grant proceeds received from the Department of Education in 2001, originally intended to support the cost of board of directors training and startup expenses in Washington and Holmes Counties.

## Early Learning Coalition of Northwest Florida, Inc.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2020

## NOTE D – RELATED PARTY TRANSACTIONS

As mandated by Chapter 1002, Part VI School Readiness Program; and 1002.83 Early Learning Coalitions, certain members of the Coalition's Board of Directors are considered related parties. The related party members include the Executive Director of Chipola Regional Workforce, a private child care representative for Kids World of Chipley and Kids World of Panama City, a relative of the pastor of Trinity Pentecostal Tabernacle, and a Board Member of New Bethel Academy. For the years ended June 30, 2020 and 2019, the Coalition made payments to and had outstanding payables to related parties as follows:

	<u>2020</u>	<u>2019</u>
Payments made:		
- Chipola Regional Workforce	\$ 4,754	\$ 4,750
- Kid's World of Chipley	452,012	307,570
- Kids World of Panama City	6,817	151,810
- Trinity Pentecostal Tabernacle	-	1,200
- New Bethel Academy	<u>117,726</u>	<u>84,260</u>
Total payments	<u>\$ 581,309</u>	<u>\$ 549,590</u>
Payables at year end:		
- Kid's World of Chipley	\$ 103,827	\$ 22,014
- New Bethel Academy	31,948	4,751
- Kids World of Panama City	6,817	658
- Chipola Regional Workforce	<u>-</u>	<u>1,242</u>
Total payables	<u>\$ 142,592</u>	<u>\$ 28,665</u>

## NOTE E – CONCENTRATIONS AND CREDIT RISK

For the years ended June 30, 2020 and 2019, the Coalition received 100% of public support from OEL. Funding received from the OEL is derived from both federal and state sources; 81% and 19%, respectively, for fiscal year 2020, and 77% and 23%, respectively, for fiscal year 2019.

The Coalition maintains its cash accounts in a local financial institution, the balances of which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2020 and 2019, the Coalition exceeded the federally insured limit by \$1,570,221 and \$729,210, respectively. The Coalition has not experienced any losses in such accounts and believes there is little or no exposure to any significant credit risk.

Early Learning Coalition of Northwest Florida, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

**NOTE F – COMMITMENTS AND CONTINGENCIES**

*Operating leases*

The Coalition leases office space and equipment under various noncancelable operating lease agreements that expire through June 2022. Future minimum lease commitments are as follows for the years then ended:

<u>Years Ending June 30,</u>	
2021	\$ 160,715
2022	<u>92,808</u>
	<u>\$ 253,523</u>

Lease expense for the years ended June 30, 2020 and 2019, totaled \$172,705 and \$124,224, respectively, which is included in occupancy expense on the Statement of Functional Expenses.

*Federal and state appropriated funds*

In June 2020, the Coalition entered into a funding agreement with the OEL for the period of July 1, 2020, through June 30, 2021. The OEL awarded the Coalition \$16,064,440 to be expended for School Readiness programs and services as prescribed in the Coalition's School Readiness Plan and \$3,398,980 to be expended for Voluntary Pre-Kindergarten (VPK) programs and services as prescribed in the Coalition's VPK Plan. The Coalition's School Readiness and Voluntary Pre-Kindergarten Plans provide for a comprehensive program of readiness services that enhance the cognitive, social, and physical development of children to achieve the performance standards outcome measures as specified by OEL. These amounts received from federal and state agencies are subject to audit and adjustment at the discretion of those entities. If expenditures are disallowed as a result of these audits, the claims for reimbursement would be a liability of the Coalition.

**NOTE G – 401(K) PLAN**

The Coalition has a 401(k) retirement plan that provides an employer match of each employee's contribution up to 6% of their salary. The contribution was \$41,584 and \$45,359 for the years ended June 30, 2020 and 2019, respectively.

**NOTE H – FUNCTIONAL EXPENSES**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, quality enhancement, occupancy, computer software, professional fees, travel, and other expenses, which are allocated on the basis of estimates of time and effort.



NOTES TO FINANCIAL STATEMENTS

June 30, 2020

**NOTE I – SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**

The schedule of expenditures of federal awards and state financial assistance follows the accrual basis of accounting. Accounting principles generally accepted in the United States of America require recognition of the expenditures in the period incurred and recognition of the corresponding reimbursement once the amount is earned and collection is certain. Reconciliations of the schedule of expenditures of federal awards and state financial assistance to federal and state expenditures included in the statements of activities and changes in net assets are as follows

2020

Federal expenditures – schedule of expenditures of federal awards and state financial assistance	\$ 17,060,345
Expenditures / reimbursements from 2020 – 2021 contract recognized in the 2020 financial statements	<u>132,206</u>
Federal expenditures – statements of activities and changes in net assets	<u>\$ 17,192,551</u>
State expenditures – schedule of expenditures of federal awards and state financial assistance	\$ 3,976,686
Expenditures / reimbursements from 2019 – 2020 contract to be recognized in the 2021 financial statements	<u>(6,875)</u>
State expenditures – statements of activities and changes in net assets	<u>\$ 3,969,811</u>

2019

Federal expenditures – schedule of expenditures of federal awards and state financial assistance	\$ 13,210,117
Expenditures / reimbursements from 2018 – 2019 contract recognized in the 2018 financial statements	<u>(276,986)</u>
Federal expenditures – statements of activities and changes in net assets	<u>\$ 12,933,131</u>

## NOTES TO FINANCIAL STATEMENTS

June 30, 2020

## NOTE J – CALCULATION OF MAXIMUM ADMINISTRATIVE EXPENSES

The following table compares administrative expenses incurred to expenses subject to the maximum administrative expenses allowed by OEL for the School Readiness and Voluntary Pre-Kindergarten programs for the years ended June 30, 2020 and 2019.

2020

	<u>School Readiness</u>	<u>Voluntary Pre-Kindergarten</u>	<u>Total</u>
Total administrative expenses subject to 5% and 4% maximum	\$ 354,654	\$ 151,989	\$ 506,643
Maximum 5% and 4% administrative expenses allowable per OEL	<u>851,774</u>	<u>152,669</u>	<u>1,004,443</u>
Administrative expenses (under) maximum	<u>\$ (497,120)</u>	<u>\$ (680)</u>	<u>\$ (497,800)</u>

2019

	<u>School Readiness</u>	<u>Voluntary Pre-Kindergarten</u>	<u>Total</u>
Total administrative expenses subject to 5% and 4% maximum	\$ 337,753	\$ 145,796	\$ 483,549
Maximum 5% and 4% administrative expenses allowable per OEL	<u>630,235</u>	<u>147,815</u>	<u>778,050</u>
Administrative expenses (under) maximum	<u>\$ (292,482)</u>	<u>\$ (2,019)</u>	<u>\$ (294,501)</u>

## NOTE K – RISK AND UNCERTAINTY

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Coalition’s financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and global responses to curb its spread, the Coalition is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021.

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

NOTE L – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Coalition’s financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	<u>2020</u>	<u>2019</u>
Cash	\$ 1,907,372	\$ 780,215
Accounts receivable	74,925	8,649
Due from the State of Florida	<u>2,950,589</u>	<u>917,479</u>
Total financial assets available within one year	<u>4,932,886</u>	<u>1,706,343</u>
Less:		
Accounts payable and accrued expenses	3,963,258	1,331,598
Due to the State of Florida	751,830	47,281
Unearned revenue	163,322	280,655
Deferred grant revenue	<u>36,416</u>	<u>36,416</u>
Total amounts unavailable for general expenditures within one year	<u>4,914,826</u>	<u>1,695,950</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 18,060</u>	<u>\$ 10,393</u>

As part of the Coalition’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Coalition receives approximately 98% of its funding from federal and state grants passed through OEL which are on a reimbursable basis. Throughout the year, the Coalition receives advances and reimbursements each month to cover incurred expenses. To help manage unanticipated liquidity needs, the Coalition at times receives advances from OEL.

**SUPPLEMENTAL INFORMATION**

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

To the Board of Directors of  
Early Learning Coalition of Northwest Florida, Inc.  
Panama City, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Early Learning Coalition of Northwest Florida, Inc. (a nonprofit organization) (the "Coalition"), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 28, 2021.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

Winter Park, Florida  
September 28, 2021

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

To the Board of Directors of  
Early Learning Coalition of Northwest Florida, Inc.  
Panama City, Florida

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

We have audited Early Learning Coalition of Northwest Florida, Inc.'s (the "Coalition") compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, and special audit guidance provided by the Office of Early Learning that could have a direct and material effect on each of the Coalition's major federal programs and state projects for the year ended June 30, 2020. The Coalition's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal programs and state projects.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Coalition's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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); State of Florida Chapter 10.650, *Rules of the Auditor General*, and special audit guidance provided by the Office of Early Learning. Those standards and the Uniform Guidance 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 on compliance for each major federal program and state project. However, our audit does not provide a legal determination of Early Learning Coalition of Northwest Florida, Inc.'s compliance.

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

In our opinion, Early Learning Coalition of Northwest Florida, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended June 30, 2020.

## Report on Internal Control Over Compliance

Management of Early Learning Coalition of Northwest Florida, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Coalition's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the 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 a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Winter Park, Florida  
September 28, 2021



**Early Learning Coalition of Northwest Florida, Inc.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE**

**June 30, 2020**

**Section I – Summary of Auditors’ Results**

**Financial Statements**

- |   |               |
|---|---------------|
| 1. Type of auditors’ report issued:   | Unmodified    |
| 2. Internal control over financial reporting:   |               |
| a. Material weakness(es) identified?  | No            |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | None reported |
| 3. Noncompliance material to financial statements noted?                                  | No            |

**Federal Awards**

- |   |               |
|---|---------------|
| 1. Type of auditors’ report issued on compliance for major programs:                                  | Unmodified    |
| 2. Internal control over major programs:  |               |
| a. Material weakness(es) identified?  | No            |
| b. Significant deficiencies identified that are not considered to be material weaknesses?             | None reported |
| 3. Audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? | No            |
| 4. Dollar threshold used to distinguish between Type A and Type B programs                            | \$750,000     |
| 5. Auditee qualified as low-risk auditee?   | No            |

Identification of major programs:

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

**Early Learning Coalition of Northwest Florida, Inc.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE**

**June 30, 2020**

**Section I – Summary of Auditors’ Results (continued)**

**State Financial Assistance**

- |  |               |
|--|---------------|
| 1. Type of auditors’ report issued on compliance for major projects:   | Unmodified    |
| 2. Internal control over major projects:   |               |
| a. Material weakness(es) identified?   | No            |
| b. Significant deficiencies identified that are not considered to be material weaknesses?  | None reported |
| 3. Audit findings disclosed that are required to be reported in accordance with the Florida Single Audit Act and Chapter 10.650, <i>Rules of the Auditor General</i> |               |
|  | No            |
| 4. Dollar threshold used to distinguish between Type A and Type B projects   |               |
|  | \$750,000     |

Identification of major projects:

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

**Section II – Enhanced Fields System Modernization (EFS Mod) monthly reconciliation**

- |  |     |
|--|-----|
| 1. EFS Mod reconciled monthly  | Yes |
| 2. Processes in place to identify and correct errors during monthly reconciliations to EFS Mod                 |     |
|  | Yes |
| 3. Coalition’s financial records reconcile and agree to EFS Mod records as of program year ended June 30, 2020 |     |
|  | Yes |
| 4. Audit work papers documenting verification of reconciliations available to OEL staff                        |     |
|  | Yes |

**Section III – Financial Statement Findings**

No current year findings (no corrective action plan or management letter required)

**Section IV – Federal Award and State Projects Findings and Questioned Costs**

None (there are no items related to Federal Awards and State financial assistance required to be reported in the management letter, therefore no management letter issued)

Early Learning Coalition of Northwest Florida, Inc.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE

June 30, 2020

**Section V – Status of Prior Year Audit Findings**

**Findings and Questioned Costs – Major Federal Programs**

2019-001 – Statewide Reporting System Failure

Federal Programs: CFDA 93.575/93.596 and 93.558

**Criteria:** In accordance with the grant agreement, the Coalition shall ensure that its financial records for provider payments are reconciled to the Statewide Information System on a monthly basis.

**Condition:** During our audit, we found that the Coalition was not able to reconcile its School Readiness monthly financial records for provider payments to the Statewide Information System (EFS Mod) on a monthly basis.

**Cause:** OEL transitioned from the prior statewide reporting system (EFS Legacy) to the EFS Mod system effective July 1, 2018. The Legacy system was no longer supported and the EFS Mod system was not fully functional.

**Effect:** The Coalition implemented a contingency operation in lieu of the EFS Mod system, by estimating the amounts to be paid to the providers monthly, based on prior payments and in some cases using sign-in/sign-out sheets to calculate the estimated payment, because attendance, bill codes and parent reimbursement amounts were not available from the EFS Mod System. The actual amounts paid were not reconciled to the EFS Mod system until after the end of the fiscal year, due to the lack of functionality and accuracy of the EFS Mod system during the fiscal year.

**Recommendation:** The Coalition continues its internal accounting process to calculate the amounts earned by each provider and reconcile with the EFS Mod system identifying and correcting differences on a monthly basis.

**Management's Response:** Responsibility for these findings lies entirely with the State of Florida's Office of Early Learning (OEL), not the Coalition. In July 2018, OEL deployed a flawed new version of the Single Statewide Information System (EFS Mod) that lacked critical functionality needed to comply with OEL and the State of Florida's own requirements for monthly provider payment processing. The Coalition was prevented from carrying out the necessary reconciliations because this functionality was not available in the OEL system for all twelve months of the fiscal year.

**Resolution:** The Coalition utilized the EFS Mod system for all amounts earned by providers during Fiscal 2020, as instructed by OEL. Provider over and under payments manually calculated during Fiscal 2019 were reconciled with the EFS Mod system. The provider under payments were paid to each provider and any over payments are in the process of being collected under payment plans. As of June 30, 2020, the Organization's unresolved variance between the amount earned and paid to providers and the EFS Mod system is \$7,616, which is related to EFS Mod system calculation errors. In addition, during Fiscal 2020, the Coalition obtained a grant agreement addendum to allow for the use of alternative support to reconcile provider payments to EFS Mod.

Early Learning Coalition of Northwest Florida, Inc.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE

June 30, 2020

**Section V – Status of Prior Year Audit Findings (continued)**

**Findings and Questioned Costs – Major Federal Programs (continued)**

2019-002 Late submission of June 30, 2019 audit report – federal filing

**Criteria:** The Coalition is required to file its audit report each year to the Federal Audit Clearinghouse within 9 months after the fiscal year end.

**Condition:** The Coalition failed to file its report to the Federal Audit Clearinghouse within the 9 month deadline in accordance with report submission requirements as set forth by Uniform Guidance.

**Cause:** The Coalition experienced a natural disaster in October 2018, high management turnover subsequent to the natural disaster, and issues related to a statewide reporting system failure which delayed completion of the Coalition's financial statements.

**Effect:** The Coalition did not meet the extended deadline submission requirement as set forth by Uniform Guidance.

**Recommendation:** We recommend the Coalition more closely monitor this important submission deadline to avoid missing the deadline.

**Management's Response:** Management will take corrective action to make sure the audit report is submitted to the Federal Audit Clearinghouse in compliance of the submission requirements.

**Resolution:** Resolved. The Coalition has submitted the fiscal 2020 audit in accordance with federal submission deadline requirements.

**Findings and Questioned Costs – Major State Projects**

2019-003 – Statewide Reporting System Failure

State Projects: CSFA: 48.108

**Criteria:** In accordance with the grant agreement, the Coalition shall ensure that its financial records for provider payments are reconciled to the Statewide Information System on a monthly basis.

**Condition:** During our audit, we found that the Coalition was not able to reconcile its monthly financial records for Voluntary Pre-Kindergarten provider payments to the Statewide Information System (EFS Mod) on a monthly basis.

**Cause:** OEL transitioned from the prior statewide reporting system (EFS Legacy) to the EFS Mod system effective July 1, 2018. The Legacy system was no longer supported and the EFS Mod system was not fully functional.

**Effect:** The Coalition implemented a contingency operation in lieu of the EFS Mod system, by estimating the amounts to be paid to the providers monthly, based on prior payments and in some cases using sign-in/sign-out sheets to calculate the estimated payment, because attendance, bill codes and parent reimbursement amounts were not available from the EFS Mod System. The actual amounts paid were not reconciled to the EFS Mod system until after the end of the fiscal year, due to the lack of functionality and accuracy of the EFS Mod system during the fiscal year.

**Recommendation:** The Coalition continues its internal accounting process to calculate the amounts earned by each provider and reconcile with the EFS Mod system identifying and correcting differences on a monthly basis.

Early Learning Coalition of Northwest Florida, Inc.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE

June 30, 2020

**Section V – Status of Prior Year Audit Findings (continued)**

**Findings and Questioned Costs – Major State Projects (continued)**

**2019-003 – Statewide Reporting System Failure (continued)**

**Management’s Response:** Responsibility for these findings lies entirely with the State of Florida’s Office of Early Learning (OEL), not the Coalition. In July 2018, OEL deployed a flawed new version of the Single Statewide Information System (EFS Mod) that lacked critical functionality needed to comply with OEL and the State of Florida’s own requirements for monthly provider payment processing. The Coalition was prevented from carrying out the necessary reconciliations because this functionality was not available in the OEL system for all twelve months of the fiscal year.

**Resolution:** The Coalition utilized the EFS Mod system for all amounts earned by providers during Fiscal 2020, as instructed by OEL. Provider over and under payments manually calculated during Fiscal 2019 were reconciled with the EFS Mod system. The provider under payments were paid to each provider and any over payments are in the process of being collected under payment plans. In addition, during Fiscal 2020, the Coalition obtained a grant agreement addendum to allow for the use of alternative support to reconcile provider payments to EFS Mod.

**2019-004 Late submission of June 30, 2019 audit report – state filing**

**Criteria:** The Coalition is required to file its audit report each year with the Florida Auditor General within 9 months after the fiscal year end.

**Condition:** The Coalition failed to file its report to the Florida Auditor General within the 9 month deadline in accordance with state statutes.

**Cause:** The Coalition experienced a natural disaster in October 2018, high management turnover subsequent to the natural disaster, and issues related to a statewide reporting system failure which delayed completion of the Coalition’s financial statements.

**Effect:** The Coalition did not meet the extended deadline submission requirement as set forth by State Statutes.

**Recommendation:** We recommend the Coalition more closely monitor this important submission deadline to avoid missing the deadline.

**Management’s Response:** Management will take corrective action to make sure the audit report is submitted to the Florida Auditor General in compliance of the submission requirements.

**Resolution:** Resolved. The Coalition has submitted the fiscal 2020 audit in accordance with state submission deadline requirements.

Early Learning Coalition of Northwest Florida, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Year Ended June 30, 2020

Grantor/Program Title	CFDA CSFA	Award Number	Expenditures
Federal Awards:			
<b>U.S. Department of Health and Human Services</b>			
<i>Passed through Florida's Office of Early Learning</i>			
Child Care and Development Block Grant	93.575	EL340	\$ 7,381,876
Child Care and Development Block Grant - CARES Act	93.575	EL340	1,373,780
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	EL340	<u>5,495,171</u>
Total Child Care Cluster			14,250,827
Temporary Assistance for Needy Families	93.558	EL340	2,779,152
Preschool Development Grant	93.434	EL340	24,858
Social Services Block Grant	93.667	EL340	<u>5,508</u>
Total Expenditures of Federal Awards			<u>\$ 17,060,345</u>
State Financial Assistance:			
<b>State of Florida Department of Education</b>			
<i>Passed through Florida's Office of Early Learning</i>			
Voluntary Pre-Kindergarten Education Program	48.108	EL340	<u>\$ 3,976,686</u>
Total Expenditures of State Awards			<u>\$ 3,976,686</u>

**Basis of Presentation**

The accompanying schedule of expenditures of federal awards and state financial assistance is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), State of Florida Chapter 10.650, *Rules of the Auditor General*, and the Department of Fiscal Services' *State Projects Compliance Supplement*. 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 Rates**

The Coalition has elected to not use the 10% de minimis indirect cost rate for its federal programs and state projects for the year ended June 30, 2020. The indirect cost rates used on the Coalition's federal programs and state projects are determined by the relevant federal or state agency.

See independent auditors' report.