

DRAFT
1/11/2023

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

**Financial Statements
and Supplemental
Information**

**Years Ended
June 30, 2022 and 2021**

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	5 - 6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 16
SUPPLEMENTAL INFORMATION	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	17 - 18
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	19 - 20
Schedule of Findings and Questioned Costs Federal Awards and State Financial Assistance	21 - 22
Schedule of Expenditures of Federal Awards and State Financial Assistance	23

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of the Early Learning Coalition of Northwest Florida, Inc. (the "Coalition"), which comprise the statements of financial position as of June 30, 2022, and 2021, 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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Coalition as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Coalition's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Coalition's ability to continue as a going concern for a reasonable period of time.

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

Supplementary 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 Division 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 schedule of expenditures of federal awards and state financial assistance 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 February 8, 2023 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 Early Learning Coalition of Northwest Florida, Inc. internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Early Learning Coalition of Northwest Florida, Inc. internal control over financial reporting and compliance.

Winter Park, Florida
February 8, 2023

STATEMENTS OF FINANCIAL POSITION

June 30, 2022 and 2021

ASSETS		2022	2021
CURRENT ASSETS			
Cash	\$	1,523,988	\$ 1,646,403
Accounts receivable		23,087	76,425
Due from the State of Florida		1,790,220	1,116,450
Prepaid expenses		140	3,140
Total current assets		3,337,435	2,842,418
PROPERTY AND EQUIPMENT, NET		9,039	22,471
TOTAL ASSETS	\$	3,346,474	\$ 2,864,889
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts payable and accrued expenses	\$	2,175,418	\$ 2,087,630
Due to the State of Florida		1,036,776	651,280
Unearned revenue		67,101	58,772
Deferred grant revenue		1,796	28,545
Total current liabilities		3,281,091	2,826,227
NET ASSETS			
Without donor restrictions		56,344	16,191
Invested in capital assets		9,039	22,471
Total net assets		65,383	38,662
TOTAL LIABILITIES AND NET ASSETS	\$	3,346,474	\$ 2,864,889

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, 2022 and 2021

DRAFT
1/11/2023

	<u>2022</u>	<u>2021</u>
REVENUES AND SUPPORT		
Public support		
Federal funding	\$ 24,842,186	\$ 22,731,562
State funding	<u>3,755,545</u>	<u>3,221,459</u>
Total public support	<u>28,597,731</u>	<u>25,953,021</u>
Other revenues		
Local match	81,164	193,369
Other income	96,101	97,209
Contribution of non-financial assets	<u>71,842</u>	<u>61,634</u>
Total revenues and support	<u>28,846,838</u>	<u>26,305,233</u>
EXPENSES		
Program services		
Direct child care	18,008,855	18,595,027
Non-direct child care	1,241,694	1,057,147
Quality initiatives	<u>8,439,018</u>	<u>5,594,175</u>
Total program expenses	27,689,567	25,246,349
Support services		
Management and general	<u>1,130,550</u>	<u>1,084,218</u>
Total expenses	<u>28,820,117</u>	<u>26,330,567</u>
Changes in net assets	26,721	(25,334)
NET ASSETS - BEGINNING OF YEAR	<u>38,662</u>	<u>63,996</u>
NET ASSETS - END OF YEAR	<u><u>\$ 65,383</u></u>	<u><u>\$ 38,662</u></u>

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

Early Learning Coalition of Northwest Florida, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2022

DRAFT
1/11/2023

	Program Services			Support Services	Total
	Direct Child Care	Non-Direct Child Care	Quality Initiatives	Management and General	
Contract for service payment to providers	\$ 18,008,855	\$ -	\$ -	\$ -	\$ 18,008,855
Quality enhancement	-	-	5,911,575	-	5,911,575
Salaries	-	1,032,972	929,148	742,010	2,704,130
Hurricane Michael disaster relief	-	-	956,785	-	956,785
Professional fees	-	51,595	368,208	138,505	558,308
Occupancy	-	84,489	71,490	72,837	228,816
Supplies	-	1,766	15,931	73,352	91,049
Match	-	15,421	48,698	17,045	81,164
Non-financial expenses	-	13,649	43,106	15,087	71,842
Travel	-	22,310	19,574	21,951	63,835
Outreach and awareness	-	-	41,076	-	41,076
Insurance	-	6,919	15,408	17,575	39,902
Computer software	-	10,441	10,797	16,578	37,816
Depreciation	-	-	341	13,091	13,432
Dues	-	2,121	6,699	2,345	11,165
Postage	-	11	182	174	367
Total expenses	<u>\$ 18,008,855</u>	<u>\$ 1,241,694</u>	<u>\$ 8,439,018</u>	<u>\$ 1,130,550</u>	<u>\$ 28,820,117</u>

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

Early Learning Coalition of Northwest Florida, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2021

DRAFT
1/11/2023

	Program Services				Support Services	
	Direct Child Care	Non-Direct Child Care	Quality Initiatives	Total	Management and General	Total
Contract for service payment to providers	\$ 18,595,027	\$ -	\$ -	\$ 18,595,027	\$ -	\$ 18,595,027
Quality enhancement	-	-	4,349,201	4,349,201	-	4,349,201
Salaries	-	865,014	778,072	1,643,086	621,362	2,264,448
Professional fees	-	27,776	198,222	225,998	74,563	300,561
Occupancy	-	96,898	81,989	178,887	83,534	262,421
Supplies	-	4,958	44,731	49,689	205,957	255,646
Match	-	22,014	69,518	91,532	24,332	115,864
Computer software	-	17,022	17,602	34,624	27,029	61,653
Non-financial expenses	-	11,710	36,981	48,691	12,943	61,634
Travel	-	8,571	7,520	16,091	8,433	24,524
Depreciation	-	-	516	516	19,809	20,325
Insurance	-	1,817	4,046	5,863	4,615	10,478
Dues	-	1,358	4,288	5,646	1,501	7,147
Outreach and awareness	-	-	1,343	1,343	-	1,343
Postage	-	9	146	155	140	295
Total expenses	<u>\$ 18,595,027</u>	<u>\$ 1,057,147</u>	<u>\$ 5,594,175</u>	<u>\$ 25,246,349</u>	<u>\$ 1,084,218</u>	<u>\$ 26,330,567</u>

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

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 26,721	\$ (25,334)
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation	13,432	20,325
Decrease (increase) in assets:		
Accounts receivable	53,338	(1,500)
Due from the State of Florida	(673,770)	1,834,139
Prepaid expenses	3,000	-
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	87,788	(1,875,628)
Due to the State of Florida	385,496	(100,550)
Unearned revenue	(18,420)	(112,421)
Net cash used in operating activities	<u>(122,415)</u>	<u>(260,969)</u>
Net decrease in cash	(122,415)	(260,969)
CASH - BEGINNING OF YEAR	<u>1,646,403</u>	<u>1,907,372</u>
CASH - END OF YEAR	<u><u>\$ 1,523,988</u></u>	<u><u>\$ 1,646,403</u></u>

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

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 the Division of Early Learning (DEL). 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, resource and referral services, and disaster relief services related to Hurricane Michael.
- Quality Initiatives – payments for directly incurred costs designed to enhance experiences for children, staff, or other early childhood professionals, and assistance to the community for Hurricane Michael disaster relief.

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.

**NOTE A – COALITION, PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)****2. Basis of Accounting and Financial Statement Presentation (continued)***Net Assets With Donor Restrictions (continued)*

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.

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 \$5,000 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.

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

The Coalition follows Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (ASC 606), which outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied, and ASU No. 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASC 958-605), which clarifies how transactions should be accounted for as contributions (nonreciprocal transactions) or exchange transactions and whether a contribution is conditional.

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, 2022. 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, 2022 and 2021. Revenues from grant proceeds are not recognized until expended.

9. 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.

10. 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 2020.

NOTES TO FINANCIAL STATEMENTS

1/11/2023

June 30, 2022

**NOTE A – COALITION, PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)****11. Reclassification**

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation.

12. Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (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. The Coalition is evaluating the potential effects ASU 2016-02 will have on its financial statements.

13. Recently Adopted Accounting Pronouncements

In September of 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Non-financial Assets*, requiring entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The Standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets an entity has received. The adoption has no significant impact on the Coalition's financial statements.

14. 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 February 8, 2023.

NOTE B – PROPERTY AND EQUIPMENT

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

	2022	2021
Furniture and equipment	\$ 365,944	\$ 365,943
Less: accumulated depreciation	(356,905)	(343,472)
Property and equipment, net	<u>\$ 9,039</u>	<u>\$ 22,471</u>

Depreciation expense for the years ended June 30, 2022 and 2021 was \$13,432 and \$20,325, respectively.

NOTES TO FINANCIAL STATEMENTS

1/11/2023

June 30, 2022

NOTE C – DEFERRED GRANT REVENUE

Deferred grant revenue at June 30, 2022 and 2021, of \$1,796 and \$28,545, respectively, 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.

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, the Owner of Along the Way Learning Center, Seabrook Family Daycare, and Jeanne Hitchcok, a member of St Johns Parish, a Board Member of New Bethel Baptist Church and Gulf Coast State College, relatives of Madelynne Eldridge, and the Child Care Director of St. John's Catholic School. For the years ended June 30, the Coalition made payments to and had outstanding payables to related parties as follows:

	2022	2021
Payments made:		
- Along the Way Learning Center	\$ 299,251	\$ 365,793
- St. John's Catholic School	42,035	-
- Madelynne Eldridge	23,550	10,850
- Seabrook Family Day Care	9,756	-
- Chipola Regional Workforce	4,355	4,751
- Jeanne Hitchcok	1,925	-
- New Bethel Baptist Church	-	100,507
- St Johns Parish	-	43,337
- Gulf Coast State College	-	290
Total payments	<u>\$ 380,872</u>	<u>\$ 525,528</u>
Payables at year end:		
- Along the Way Learning Center	\$ 11,883	\$ 13,239
- New Bethel Baptist Church	-	9,538
- Jeanne Hitchcok	300	-
Total payables	<u>\$ 12,183</u>	<u>\$ 22,777</u>

NOTE E – 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

1/11/2023

June 30, 2022

NOTE F – CONCENTRATIONS AND CREDIT RISK

For the years ended June 30, 2022 and 2021, the Coalition received 100% of public support from DEL. Funding received from the DEL is derived from both federal and state sources; 87% and 13%, respectively, for fiscal year 2022, and 88% and 12%, respectively, for fiscal year 2021.

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, 2022 and 2021, the Coalition exceeded the federally insured limit by \$1,391,087 and \$1,547,362, respectively. The Coalition has not experienced any losses in such accounts and believes there is little or no exposure to any significant credit risk.

NOTE G – COMMITMENTS AND CONTINGENCIES*Operating leases*

The Coalition leases office space and equipment under various noncancelable operating lease agreements that expire through June 2027. Future minimum lease commitments are as follows for the years then ended:

<u>Years Ending June 30,</u>	
2023	\$ 181,804
2024	186,463
2025	167,128
2026	167,185
2027	<u>86,100</u>
	<u>\$ 788,680</u>

Lease expense for the years ended June 30, 2022 and 2021, totaled \$136,813 and \$171,367, respectively, which is included in occupancy expense on the Statements of Functional Expenses.

Federal and state appropriated funds

In June 2021, the Coalition entered into a funding agreement with DEL for the period of July 1, 2022, through June 30, 2023. The DEL awarded the Coalition \$15,672,163 to be expended for School Readiness programs and services as prescribed in the Coalition's School Readiness Plan and \$4,364,175 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 DEL. 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.

NOTES TO FINANCIAL STATEMENTS

1/11/2023

June 30, 2022

NOTE H – 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 Coalition's contribution was \$70,094 and \$52,630 for the years ended June 30, 2022 and 2021, respectively.

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

Federal expenditures – schedule of expenditures of federal awards and state financial assistance	\$ 24,839,186
Expenditures / reimbursements from 2020 – 2021 contract recognized in the 2022 financial statements	<u>(3,000)</u>
Federal expenditures – statements of activities and changes in net assets	<u>\$ 24,842,186</u>

NOTE J – CALCULATION OF MAXIMUM ADMINISTRATIVE EXPENSES

The following table compares administrative expenses incurred to expenses subject to the maximum administrative expenses allowed by DEL for the School Readiness and Voluntary Pre-Kindergarten programs for the years ended June 30, 2022 and 2021.

<u>2022</u>	<u>School Readiness</u>	<u>Voluntary Pre-Kindergarten</u>	<u>Total</u>
Total administrative expenses subject to 5% and 4% maximum	\$ 401,684	\$ 115,750	\$ 517,434
Maximum 5% and 4% administrative expenses allowable per DEL	<u>912,313</u>	<u>145,592</u>	<u>1,057,905</u>
Administrative expenses (under) maximum	<u>\$ (510,629)</u>	<u>\$ (29,842)</u>	<u>\$ (540,471)</u>

June 30, 2022

NOTE J – CALCULATION OF MAXIMUM ADMINISTRATIVE EXPENSES (continued)

<u>2021</u>	<u>School Readiness</u>	<u>Voluntary Pre-Kindergarten</u>	<u>Total</u>
Total administrative expenses subject to 5% and 4% maximum	\$ 428,210	\$ 99,824	\$ 528,034
Maximum 5% and 4% administrative expenses allowable per DEL	<u>953,932</u>	<u>124,716</u>	<u>1,078,648</u>
Administrative expenses (under) maximum	<u>\$ (525,722)</u>	<u>\$ (24,892)</u>	<u>\$ (550,614)</u>

NOTE K – 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>2022</u>	<u>2021</u>
Cash	\$ 1,523,988	\$ 1,646,403
Accounts receivable	23,087	76,425
Due from the State of Florida	<u>1,790,220</u>	<u>1,116,450</u>
Total financial assets available within one year	<u>3,334,295</u>	<u>2,839,278</u>
Less:		
Accounts payable and accrued expenses	2,175,418	2,087,630
Due to the State of Florida	1,036,776	651,280
Unearned revenue	67,101	58,772
Deferred grant revenue	<u>1,796</u>	<u>28,545</u>
Total amounts unavailable for general expenditures within one year	<u>3,281,091</u>	<u>2,826,227</u>
Total financial assets (deficit) available to management for general expenditure within one year	<u>\$ 53,204</u>	<u>\$ (13,051)</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 99% for the years ended June 30, 2022 and 2021 of its funding from federal and state grants passed through DEL which are on a reimbursable basis. Throughout the year, the Coalition receives advances and reimbursements each month to cover incurred expenses.

NOTES TO FINANCIAL STATEMENTS

1/11/2023

June 30, 2022

NOTE L – 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, and future results of operations. Management is actively monitoring the global situation.

NOTE M – CONTRIBUTED NON-FINANCIAL ASSETS

Contributed non-financial assets that are measurable are recorded as support at their fair values at the date of receipt by the Coalition. The contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Contributed non-financial assets that are measurable are recorded at their fair market values on the date of receipt by the Coalition. A corresponding amount is recorded as an expense or is capitalized as property and equipment. Donated space includes donated office space, professional services includes professional accounting services, and other includes donated advertising services.

For the years ended June 30, contributed non-financial assets recognized as revenue and expense within the Statements of Activities and Changes in Net Assets and Statements of Functional expenses included:

	2022	2021
Donated space	\$ 56,892	\$ 54,419
Professional services	8,000	4,000
Advertising	6,950	3,215
	<u>\$ 71,842</u>	<u>\$ 61,634</u>

DRAFT
1/11/2023

SUPPLEMENTAL INFORMATION

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

To the Board of Directors of
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, 2022, 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 February 8, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Coalition's internal control over financial reporting (internal control) as a basis for designing 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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
February 8, 2023

INDEPENDENT AUDITOR'S 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.
Stuart, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited the Early Learning Coalition of Northwest Florida, Inc.'s (the "Coalition") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, and special audit guidance provided by the Division 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, 2022. The Coalition's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Coalition 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, 2022.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); Chapter 10.650, *Rules of the Auditor General*, and special audit guidance provided by the Division of Early Learning. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Coalition and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the Coalition's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Coalition's federal programs and state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Coalition's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial

Auditor's Responsibilities for the Audit of Compliance (continued)

likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Coalition's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650 *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Coalition's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Coalition's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Coalition's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 and state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 and 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 and 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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
February 8, 2023

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

DRAFT
1/11/2023

June 30, 2022

Section I – Summary of Auditor’s Results

Financial Statements

- | | |
|---|---------------|
| 1. Type of auditor’s 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 auditor’s 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? | Yes |

Identification of major programs:

<u>Name of Federal Program</u>	<u>ALN</u>
Child Care and Development Block Grant	93.575
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596
Disaster Recovery Grant – Hurricane Michael of the Child Care Disaster Relief Fund	93.489
Temporary Assistance for Needy Families	93.558

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

DRAFT
1/11/2023

June 30, 2022

Section I – Summary of Auditor’s Results (continued)

State Financial Assistance

- | | |
|--|---------------|
| 1. Type of auditor’s 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, 2022 | Yes |
| 4. Audit work papers documenting verification of reconciliations available to DEL 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)

Section V – Status of Prior Year Audit Findings

There were no prior year audit findings

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

1/11/2023

Year Ended June 30, 2022

Grantor/Program Title	ALN CSFA	Award Number	Expenditures
Federal Awards:			
U.S. Department of Health and Human Services			
<i>Passed through the Division of Early Learning</i>			
Child Care and Development Block Grant	93.575	EL342	\$ 8,468,231
Coronavirus Response and Relief Supplemental Appropriations Funds	93.575	EL342	3,762,808
Coronavirus Response and Relief Supplemental Appropriations Funds	93.575	EL343	90,122
Total Coronavirus Response and Relief Supplemental Appropriations Funds			3,852,930
American Rescue Plan Act	93.575	EL342	1,353,151
American Rescue Plan Act	93.575	EL343	444,592
Total American Rescue Plan Act			1,797,743
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	EL342	5,486,488
Disaster Recovery Grant - Hurricane Michael of the Child Care Disaster Relief Fund	93.489	DR341	2,165,608
Total Child Care and Development Fund Cluster			21,771,000
Temporary Assistance for Needy Families	93.558	EL342	2,932,034
Preschool Development Grant	93.434	EL342	73,040
Preschool Development Grant	93.434	EL343	33,438
Total Preschool Development Grant			106,478
Social Services Block Grant	93.667	EL342	6,364
U.S. Department of Education			
<i>Passed through the Division of Early Learning</i>			
Education Stabilization Fund	84.425D	EL342	23,310
Total Expenditures of Federal Awards			\$ 24,839,186
State Financial Assistance:			
State of Florida Department of Education			
<i>Passed through the Division of Early Learning</i>			
Voluntary Pre-Kindergarten Education Program	48.108	EL342	\$ 3,755,545
Total Expenditures of State Financial Assistance			\$ 3,755,545

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, 2022. 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 auditor's report.

February 8, 2023

Moss, Krusick & Associates, LLC
501 S. New York Ave, Suite 100
Winter Park, FL 32789

This representation letter is provided in connection with your audit of the financial statements of Early Learning Coalition of Northwest Florida, Inc. (the "Coalition"), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

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

We confirm, to the best of our knowledge and belief, as of February 8, 2023, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 6, 2022, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
- 8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the Coalition's accounts.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Significant estimates and material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- 11) Guarantees, whether written or oral, under which the Coalition is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

Information Provided

12) We have provided you with:

- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, other matters, and all audit or relevant monitoring reports, if any received from funding sources.
- b) Additional information that you have requested from us for the purpose of the audit.
- c) Unrestricted access to persons within the Coalition from whom you determined it necessary to obtain audit evidence.
- d) Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.

13) All material transactions have been recorded in the accounting records and are reflected in the financial statements, or the schedule of expenditures of federal awards and state financial assistance.

14) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

15) We have no knowledge of any fraud or suspected fraud that affects the Coalition and involves:

- a) Management,
- b) Employees who have significant roles in internal control, or
- c) Others where the fraud could have a material effect on the financial statements.

16) We have no knowledge of any allegations of fraud or suspected fraud affecting the Coalition's financial statements communicated by employees, former employees, grantors, regulators, or others.

17) We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.

18) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.

19) We have disclosed to you the names of all of the Coalition's related parties and all the related-party relationships and transactions, including any side agreements.

20) The Coalition has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

21) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.

22) The Coalition is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Coalition's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.

23) We acknowledge our responsibility for presenting the schedule of expenditures of federal awards and state financial assistance and schedule of findings and questioned costs in accordance with U.S. GAAP, and we believe the schedule of expenditures of federal awards and state financial assistance and schedule of findings and questioned costs, including their form and content, are fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the schedule of expenditures of federal awards and state financial assistance and schedule of findings and questioned costs have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

24) As part of your audit, you assisted with preparation of the financial statements and disclosures, schedule of expenditures of federal awards and state financial assistance and schedule of findings and questioned costs. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior

management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures and schedule of expenditures of federal awards and state financial assistance and schedule of findings and questioned costs.

25) With respect to federal award programs and state financial assistance projects:

- a) We are responsible for understanding and complying with, and have complied with the requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), State of Florida Chapter 10.650, *Rules of the Auditor General*, and special audit guidance provided by the Division of Early Learning, relating to preparation of the schedule of expenditures of federal awards and state financial assistance.
- b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards and state financial assistance (SEFA) and related disclosures in accordance with the requirements of the Uniform Guidance, State of Florida Chapter 10.650, *Rules of the Auditor General*, and special audit guidance provided by the Division of Early Learning and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance, State of Florida Chapter 10.650, *Rules of the Auditor General*, and special audit guidance provided by the Division of Early Learning. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
- c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
- d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal and state agencies in the form of federal awards and state financial assistance, federal and state cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e) We are responsible for understanding and complying with, and have complied with the requirements of federal and state statutes, regulations, and the terms and conditions of federal awards and state financial assistance related to each of our federal programs and state projects and have identified and disclosed to you the requirements of federal and state statutes, regulations, and the terms and conditions of federal awards and state financial assistance that are considered to have a direct and material effect on each major program and project.
- f) We are responsible for establishing, designing, implementing, and maintaining, and have established, designed, implemented, and maintained, effective internal control over compliance for federal programs and state projects that provides reasonable assurance that we are managing our federal awards and state financial assistance in compliance with federal and state statutes, regulations, and the terms and conditions of federal awards and state financial assistance that could have a material effect on our federal programs and state projects. We believe the internal control system is adequate and is functioning as intended.
- g) We have made available to you all federal awards and state financial assistance (including amendments, if any) and any other correspondence with federal or state agencies or pass-through entities relevant to federal programs and state projects and related activities.
- h) We have received no requests from a federal or state agency to audit one or more specific programs or projects as a major program or project.
- i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and the *Department of Financial Services' State Projects Compliance Supplement* relating to state financial assistance and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards or state financial assistance.

- j) We have disclosed any communications from federal or state awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
 - k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
 - l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).
 - m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
 - n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program and state projects financial reports and claims for advances and reimbursements.
 - o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
 - p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
 - q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance subsequent to the period covered by the auditors' report.
 - r) Federal program and state project financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
 - s) The copies of federal program and state project financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal or state agency or pass-through entity, as applicable.
 - t) We have charged costs to federal awards and state financial assistance in accordance with applicable cost principles.
 - u) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal or state awarding agencies and pass-through entities, including all management decisions.
 - v) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
 - w) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
 - x) We are responsible for and have accurately prepared the Florida Auditor General's Florida Single Audit Act – Nonprofit and For-profit Entities Financial Reporting Package submittal checklist.
 - y) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.
- 26) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives of the audit and whether related recommendations have been implemented.
- 27) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 28) In regard to the financial statement and tax preparation services performed by you, we have—
- a) Assumed all management responsibilities.

- b) Designated an individual within senior management who has suitable skill, knowledge, or experience to oversee the services.
 - c) Evaluated the adequacy and results of the services performed.
 - d) Accepted responsibility for the results of the services.
 - e) Ensured that the Coalition's data and records are complete and received sufficient information to oversee the services.
- 29) We have analyzed our various federal and state filing positions and believe that our income tax filing positions and deductions are well documented and supported, and that no accruals for tax liabilities are necessary. Therefore, no reserves for uncertain income tax positions have been recorded for the years ended June 30, 2020 through June 30, 2022.
- 30) We have performed an analysis of our revenue recognition policy in accordance with ASU 606 and for contributions received and contributions made with ASU 958. The disclosures in the notes to the financial statements accurately reflect our revenue recognition and contributions received and contributions made.
- 31) Other than as disclosed in Note L to the financial statements, no other impacts from the COVID-19 outbreak are necessary to be reflected in those financial statements.

Signed: _____

Signed: _____

Title: _____

Title: _____

Signed: _____

Title: _____

February 8, 2023

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

We have audited the financial statements of Early Learning Coalition of Northwest Florida, Inc. (the "Coalition") for the year ended June 30, 2022, and we will issue our report thereon dated February 8, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, State of Florida Chapter 10.650, *Rules of the Auditor General*, and special audit guidance by Division of Early Learning, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 6, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Coalition are described in Note A to the financial statements. As described in Note A, the Coalition changed accounting policies related to the change in disclosures for in-kind contributions by adopting FASB ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Accordingly, the accounting change has been retrospectively applied to prior periods presented as if the policy had always been used. We noted no transactions entered into by the Coalition during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate for the allocation of functional expenses between programs is based upon actual time spent and direct usage in program areas. We evaluated the key factors and assumptions used to develop the methodology in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole. Material audit adjustments were made for recognition of unrecorded match revenue and expense, accrued payroll, and DEL revenue classification, however, these adjustments were known by management prior to the start of the audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 8, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Coalition's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Coalition's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of Early Learning Coalition of Northwest Florida, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Winter Park, Florida

EARLY LEARNING COALITION OF NORTHWEST FL
FINAL TB REPORT
06/30/2022

Code	Account	Description	Workpaper_Reference	Adjusted 6/30/2021	Unadjusted 6/30/2022	Adjusting JE 6/30/2022	Adjusted 6/30/2022
100		CASH & EQUIVALENTS					
100, No Subcode							
	1000	Operating Account	2002	71,451.00	103,064.00	0.00	103,064.00
	1010	Regions UNR	2003	27,341.00	29,589.00	0.00	29,589.00
	1015	Money Market Account	2001	1,547,362.00	1,391,087.00	0.00	1,391,087.00
	1100	Petty Cash	590	249.00	248.00	0.00	248.00
100, No Subcode Total				1,646,403.00	1,523,988.00	0.00	1,523,988.00
100 Total				1,646,403.00	1,523,988.00	0.00	1,523,988.00
110		ACCOUNTS RECEIVABLE					
110, No Subcode							
	1150	Due from Provider	590	1,500.00	1,500.00	0.00	1,500.00
	1200	Accounts Receivable	2302	74,986.00	1,613,969.00	-1,592,320.00	21,649.00
	2600	Funder Advance VPK		-61.00	-62.00	0.00	-62.00
110, No Subcode Total				76,425.00	1,615,407.00	-1,592,320.00	23,087.00
110 Total				76,425.00	1,615,407.00	-1,592,320.00	23,087.00
115		DUE FROM THE STATE OF FL					
115, No Subcode							
	1450	VPK Prvdr Advance	2304	254,812.00	194,900.00	0.00	194,900.00
	MKA01	DUE FROM STATE OF FL	2302	861,638.00	0.00	1,595,320.00	1,595,320.00
115, No Subcode Total				1,116,450.00	194,900.00	1,595,320.00	1,790,220.00
115 Total				1,116,450.00	194,900.00	1,595,320.00	1,790,220.00
130		PREPAID EXPENSES					
130, No Subcode							
	1400	Prepaid Expenses	2601	3,140.00	3,140.00	-3,000.00	140.00
130, No Subcode Total				3,140.00	3,140.00	-3,000.00	140.00
130 Total				3,140.00	3,140.00	-3,000.00	140.00
135		OTHER ASSETS					
135, No Subcode							
135, No Subcode Total				0.00	0.00	0.00	0.00
135 Total				0.00	0.00	0.00	0.00
150		FIXED ASSETS					
150, No Subcode							
	1300	Fixed Assets	3201	365,943.00	365,944.00	0.00	365,944.00
	1350	Accumulated Depreciation	3201	-343,472.00	-343,473.00	-13,432.00	-356,905.00
150, No Subcode Total				22,471.00	22,471.00	-13,432.00	9,039.00
150 Total				22,471.00	22,471.00	-13,432.00	9,039.00
200		ACCOUNTS PAYABLE					
200, No Subcode							
	2000	Accounts Payable	4102	-2,035,992.00	-2,039,718.00	0.00	-2,039,718.00
200, No Subcode Total				-2,035,992.00	-2,039,718.00	0.00	-2,039,718.00
200 Total				-2,035,992.00	-2,039,718.00	0.00	-2,039,718.00
205		ACCRUED EXPENSES					
205, No Subcode							
	2050	Accrued Expenses		17,871.00	60,926.00	-63,255.00	-2,329.00
	2100	Payroll Liabilities	4302	-63,255.00	-190,243.00	122,840.00	-67,403.00
	2101	Accrued PTO	4302	0.00	0.00	-59,585.00	-59,585.00
	2105	EE Withholdings-Other		-6,254.00	-6,383.00	0.00	-6,383.00
205, No Subcode Total				-51,638.00	-135,700.00	0.00	-135,700.00
205 Total				-51,638.00	-135,700.00	0.00	-135,700.00
215		DUE TO STATE OF FL					

EARLY LEARNING COALITION OF NORTHWEST FL
FINAL TB REPORT
06/30/2022

Code	Account	Description	Workpaper_Reference	Adjusted 6/30/2021	Unadjusted 6/30/2022	Adjusting JE 6/30/2022	Adjusted 6/30/2022
215, No Subcode							
	2010	Due to Provider		-38,673.00	-38,673.00	0.00	-38,673.00
	2025	Due to OEL		-70,712.00	-72,153.00	0.00	-72,153.00
	2150	Due to OEL VPK Provider Advances		0.00	15,945.00	0.00	15,945.00
	2625	Funder Advance OEL Other		-541,895.00	-941,895.00	0.00	-941,895.00
215, No Subcode Total				-651,280.00	-1,036,776.00	0.00	-1,036,776.00
215 Total				-651,280.00	-1,036,776.00	0.00	-1,036,776.00
240		DEFERRED REVENUE					
240, No Subcode							
	2005	Unearned Revenue	4400	-58,772.00	-67,101.00	0.00	-67,101.00
	2500	Grant Refundable	4401	-28,545.00	-1,796.00	0.00	-1,796.00
240, No Subcode Total				-87,317.00	-68,897.00	0.00	-68,897.00
240 Total				-87,317.00	-68,897.00	0.00	-68,897.00
300		NET ASSETS - UNRESTRICTED					
300, No Subcode							
	3000	Net Assets	5401	-21,200.00	60,634.00	-76,825.00	-16,191.00
	3100	Asset: State Funded	5401	-42,796.00	-99,296.00	76,825.00	-22,471.00
300, No Subcode Total				-63,996.00	-38,662.00	0.00	-38,662.00
300 Total				-63,996.00	-38,662.00	0.00	-38,662.00
310		NET ASSETS - TEMP RESTRIC					
310, No Subcode							
310, No Subcode Total				0.00	0.00	0.00	0.00
310 Total				0.00	0.00	0.00	0.00
400		STATE & FEDERAL GRANT REV					
400, 01		FEDERAL FUNDING					
	4001	CARES	6703.1	-4,774,798.00	-3,455,972.00	-423,268.00	-3,879,240.00
	4005	Disaster Relief Grant Opn Kaleidoscope	6703.3	-1,965,131.00	-2,164,696.00	-912.00	-2,165,608.00
	4010	SR Revenue	6703.1	-15,991,633.00	-19,231,166.00	433,828.00	-18,797,338.00
400, 01 Total				-22,731,562.00	-24,851,834.00	9,648.00	-24,842,186.00
400, 02		STATE FUNDING					
	4020	VPK Revenue	6703.1	-3,221,459.00	-3,771,498.00	15,953.00	-3,755,545.00
400, 02 Total				-3,221,459.00	-3,771,498.00	15,953.00	-3,755,545.00
400, No Subcode							
400, No Subcode Total				0.00	0.00	0.00	0.00
400 Total				-25,953,021.00	-28,623,332.00	25,601.00	-28,597,731.00
410		LOCAL MATCH					
410, No Subcode							
	4300	Match: Cash		-77,505.00	-5,000.00	0.00	-5,000.00
	4401	Match: Other Funders		-115,864.00	-16,916.00	-59,248.00	-76,164.00
410, No Subcode Total				-193,369.00	-21,916.00	-59,248.00	-81,164.00
410 Total				-193,369.00	-21,916.00	-59,248.00	-81,164.00
420		OTHER SUPPORT					
420, No Subcode							
	4000	Grant Revenue		0.00	-20,520.00	0.00	-20,520.00
	4100	Program Revenue		-13,477.00	-25,071.00	0.00	-25,071.00
	4200	Contributions		-7,079.00	-7,206.00	3,000.00	-4,206.00
	4900	Other Revenue		-76,653.00	-17,703.00	-28,601.00	-46,304.00
420, No Subcode Total				-97,209.00	-70,500.00	-25,601.00	-96,101.00
420 Total				-97,209.00	-70,500.00	-25,601.00	-96,101.00
430		INTEREST INCOME					
430, No Subcode							

EARLY LEARNING COALITION OF NORTHWEST FL
FINAL TB REPORT
06/30/2022

Code	Account	Description	Workpaper_Reference	Adjusted 6/30/2021	Unadjusted 6/30/2022	Adjusting JE 6/30/2022	Adjusted 6/30/2022
430, No Subcode Total				0.00	0.00	0.00	0.00
430 Total				0.00	0.00	0.00	0.00
440		IN KIND REVENUE					
440, No Subcode							
4350		Match: Non-Cash	5100	-54,419.00	0.00	-56,892.00	-56,892.00
4450		In-Kind Revenue	6006	-7,215.00	-14,950.00	0.00	-14,950.00
440, No Subcode Total				-61,634.00	-14,950.00	-56,892.00	-71,842.00
440 Total				-61,634.00	-14,950.00	-56,892.00	-71,842.00
500		PAYMENTS TO PROVIDERS					
500, No Subcode							
5500		Direct Services (slots)		90,448.00	-65,176.00	0.00	-65,176.00
5501		SR Provider Payment		15,347,187.00	14,416,900.00	0.00	14,416,900.00
5505		VPK Provider Payment		3,157,392.00	3,657,131.00	0.00	3,657,131.00
500, No Subcode Total				18,595,027.00	18,008,855.00	0.00	18,008,855.00
500 Total				18,595,027.00	18,008,855.00	0.00	18,008,855.00
505		SALARIES					
505, No Subcode							
5000		Wages Expense	6102	1,787,558.00	2,111,149.00	0.00	2,111,149.00
5002		Payroll Taxes		145,480.00	157,057.00	0.00	157,057.00
5003		Reemployment Assistance Taxes		7,072.00	16,036.00	0.00	16,036.00
5005		Retirement Expense		52,630.00	70,094.00	0.00	70,094.00
5011		Health Dental Vision		218,271.00	285,408.00	0.00	285,408.00
5012		Life Disability Other		7,798.00	0.00	0.00	0.00
5020		Tuition Expense		0.00	22,751.00	0.00	22,751.00
5025		Professional Development		41,169.00	40,296.00	0.00	40,296.00
5030		Other employee related expense		4,470.00	1,339.00	0.00	1,339.00
505, No Subcode Total				2,264,448.00	2,704,130.00	0.00	2,704,130.00
505 Total				2,264,448.00	2,704,130.00	0.00	2,704,130.00
510		OCCUPANCY					
510, No Subcode							
5200		Occupancy Costs	5100	171,367.00	136,813.00	0.00	136,813.00
5205		Utilities Expense		31,904.00	23,244.00	0.00	23,244.00
5210		Repairs & Maintenance		70.00	3,722.00	0.00	3,722.00
5216		Workers' Compensation Insurance		5,064.00	2,861.00	0.00	2,861.00
5220		Telephone Expense		2,677.00	18,709.00	0.00	18,709.00
5225		Internet/Broadband Expense		12,759.00	4,877.00	0.00	4,877.00
5230		Cell Phone Expense		24,531.00	25,407.00	0.00	25,407.00
5300		Equipment Rental	5100	388.00	315.00	0.00	315.00
5305		Prof'l Services- Repairs/ Maintenance		11,613.00	11,055.00	0.00	11,055.00
5345		Printing & Publications		2,048.00	1,813.00	0.00	1,813.00
510, No Subcode Total				262,421.00	228,816.00	0.00	228,816.00
510 Total				262,421.00	228,816.00	0.00	228,816.00
515		QUALITY ENHANCEMENTS					
515, No Subcode							
5601		Quality and Classroom Materials		920,363.00	300,333.00	0.00	300,333.00
5605		Training Materials and Space, Other Qlty		6,602.00	6,182.00	0.00	6,182.00
5615		Grants to Providers		3,208,293.00	5,225,440.00	0.00	5,225,440.00
5670		Provider Stipends		19,134.00	61,023.00	0.00	61,023.00
5675		Teacher Stipends		85,742.00	289,825.00	0.00	289,825.00
5680		Teacher Scholarships/Educ Assistance		7,963.00	6,370.00	0.00	6,370.00
5800		Infant/Toddler Expenditures		2,448.00	358.00	0.00	358.00
5900		Inclusion Expenditures		98,656.00	22,044.00	0.00	22,044.00
515, No Subcode Total				4,349,201.00	5,911,575.00	0.00	5,911,575.00
515 Total				4,349,201.00	5,911,575.00	0.00	5,911,575.00
520		SUPPLIES					

EARLY LEARNING COALITION OF NORTHWEST FL
FINAL TB REPORT
06/30/2022

Code	Account	Description	Workpaper_Reference	Adjusted 6/30/2021	Unadjusted 6/30/2022	Adjusting JE 6/30/2022	Adjusted 6/30/2022
520, No Subcode							
	5310	Office Supplies		8,431.00	14,247.00	0.00	14,247.00
	5315	Janitorial Supplies		4,939.00	165.00	0.00	165.00
	5320	Child Supplies		28,445.00	9,463.00	0.00	9,463.00
	5325	Parent Supplies		0.00	1,203.00	0.00	1,203.00
	5330	Provider Supplies		111,367.00	29,110.00	0.00	29,110.00
	7250	Non-OEL Exp/Local/Private Funding		25.00	-19.00	0.00	-19.00
	7301	Equipment >or = \$1000		91,626.00	11,728.00	0.00	11,728.00
	7302	Equipment <\$1000		10,813.00	25,152.00	0.00	25,152.00
520, No Subcode Total				255,646.00	91,049.00	0.00	91,049.00
520 Total				255,646.00	91,049.00	0.00	91,049.00
525		TRAVEL					
525, No Subcode							
	5400	Conference Fees		4,515.00	3,274.00	0.00	3,274.00
	5405	Travel In-State		550.00	23,620.00	0.00	23,620.00
	5425	Travel: Mileage Local		19,459.00	36,941.00	0.00	36,941.00
525, No Subcode Total				24,524.00	63,835.00	0.00	63,835.00
525 Total				24,524.00	63,835.00	0.00	63,835.00
530		PROFESSIONAL FEES					
530, No Subcode							
	5100	Profession Fees-Other		78,088.00	87,961.00	0.00	87,961.00
	5105	Prof. Fees- Accounting/Audit		0.00	1,140.00	0.00	1,140.00
	5110	Professional Fees-Legal		3,222.00	488.00	0.00	488.00
	5115	Prof Fees-Consultants/Contractual		120,856.00	361,233.00	0.00	361,233.00
	5120	Professional Fees- Information Technology Services		98,395.00	107,486.00	0.00	107,486.00
530, No Subcode Total				300,561.00	558,308.00	0.00	558,308.00
530 Total				300,561.00	558,308.00	0.00	558,308.00
535		OUTREACH AND AWARENESS					
535, No Subcode							
	5700	Outreach Expenditures		1,343.00	41,076.00	0.00	41,076.00
535, No Subcode Total				1,343.00	41,076.00	0.00	41,076.00
535 Total				1,343.00	41,076.00	0.00	41,076.00
540		DUES					
540, No Subcode							
	5103	Bank Fees		157.00	31.00	0.00	31.00
	5335	Dues & Subscriptions		6,990.00	11,134.00	0.00	11,134.00
540, No Subcode Total				7,147.00	11,165.00	0.00	11,165.00
540 Total				7,147.00	11,165.00	0.00	11,165.00
545		INSURANCE					
545, No Subcode							
	5215	Insurance Expense		10,478.00	39,902.00	0.00	39,902.00
545, No Subcode Total				10,478.00	39,902.00	0.00	39,902.00
545 Total				10,478.00	39,902.00	0.00	39,902.00
550		COMPUTER SOFTWARE					
550, No Subcode							
	5235	Information Systems Supplies		1,171.00	8,252.00	0.00	8,252.00
	7605	Application Software and Licenses and Support		55,968.00	29,019.00	0.00	29,019.00
	7610	Web Service/hosting, support back-up svs and maint		4,514.00	545.00	0.00	545.00
550, No Subcode Total				61,653.00	37,816.00	0.00	37,816.00
550 Total				61,653.00	37,816.00	0.00	37,816.00
555		POSTAGE					

EARLY LEARNING COALITION OF NORTHWEST FL
FINAL TB REPORT
06/30/2022

Code	Account	Description	Workpaper_Reference	Adjusted 6/30/2021	Unadjusted 6/30/2022	Adjusting JE 6/30/2022	Adjusted 6/30/2022
555, No Subcode							
	5340	Postage & Shipping		295.00	367.00	0.00	367.00
555, No Subcode Total				295.00	367.00	0.00	367.00
555 Total				295.00	367.00	0.00	367.00
560		IN KIND EXPENSES					
560, No Subcode							
	6050	Inkind Expense	5100	61,634.00	14,950.00	56,892.00	71,842.00
560, No Subcode Total				61,634.00	14,950.00	56,892.00	71,842.00
560 Total				61,634.00	14,950.00	56,892.00	71,842.00
565		MATCH					
565, No Subcode							
	6000	Match Expense		115,864.00	21,916.00	59,248.00	81,164.00
565, No Subcode Total				115,864.00	21,916.00	59,248.00	81,164.00
565 Total				115,864.00	21,916.00	59,248.00	81,164.00
570		DEPRECIATION					
570, No Subcode							
	MKA03	DEPRECIATION EXPENSE	3201	20,325.00	0.00	13,432.00	13,432.00
570, No Subcode Total				20,325.00	0.00	13,432.00	13,432.00
570 Total				20,325.00	0.00	13,432.00	13,432.00
580		DRG					
580, No Subcode							
	7280	Provider RCVRY Equipment and Supplies		0.00	956,785.00	0.00	956,785.00
580, No Subcode Total				0.00	956,785.00	0.00	956,785.00
580 Total				0.00	956,785.00	0.00	956,785.00
585		PAYROLL EXPENSES					
585, No Subcode							
585, No Subcode Total				0.00	0.00	0.00	0.00
585 Total				0.00	0.00	0.00	0.00
Grouping Schedule 1				0.00	0.00	0.00	0.00
	Net Income (Loss)			-25,334.00	40,153.00		26,721.00
	Total Assets			2,864,950.00	3,359,968.00	-13,432.00	3,346,536.00
	Total Liabilities			-2,826,288.00	-3,281,153.00	59,585.00	-3,221,568.00
	Total Equity			-63,996.00	-38,662.00	0.00	-38,662.00
	Total Revenue			-26,305,233.00	-28,730,698.00	-116,140.00	-28,846,838.00
	Total Expense			26,330,567.00	28,690,545.00	129,572.00	28,820,117.00

EARLY LEARNING COALITION OF NORTHWEST FL

FINAL AJE REPORT

06/30/2022

Account	Description	Workpaper Reference	Debit	Credit	Net Income Effect
AJE01		5401			
To roll equity					
3100	Asset: State Funded		76,825.00	0.00	
3000	Net Assets		0.00	76,825.00	
Total			76,825.00	76,825.00	0.00
AJE02		1101			
MKA ONLY ENTRY - to update MKA unadj. balances to match 1/11/23 PBC TB					
1200	Accounts Receivable		3,000.00	0.00	
1400	Prepaid Expenses		0.00	3,000.00	
4001	CARES		0.00	3,000.00	
4200	Contributions		3,000.00	0.00	
4401	Match: Other Funders		0.00	59,248.00	
6000	Match Expense		59,248.00	0.00	
Total			65,248.00	65,248.00	0.00
AJE03		4301			
To reverse PY payroll accrual					
2100	Payroll Liabilities		63,255.00	0.00	
2050	Accrued Expenses		0.00	63,255.00	
Total			63,255.00	63,255.00	0.00
AJE04		3201			
To record depreciation expense FY22 and true up accumulated depreciation					
MKA03	DEPRECIATION EXPENSE		13,432.00	0.00	
1350	Accumulated Depreciation		0.00	13,432.00	
Total			13,432.00	13,432.00	-13,432.00
AJE05		5100			
To record in-kind rent FY22					
4350	Match: Non-Cash		0.00	56,892.00	
6050	Inkind Expense		56,892.00	0.00	
Total			56,892.00	56,892.00	0.00
AJE06		6703.3			
To true up DRG revenue to match DEL confirm					
4900	Other Revenue		912.00	0.00	
4005	Disaster Relief Grant Opn Kaleidoscope		0.00	912.00	
Total			912.00	912.00	0.00
AJE07		6703.1			
To reclass DEL revenues to correct accounts and true up to revenue confirm					
4010	SR Revenue		433,828.00	0.00	
4020	VPK Revenue		15,953.00	0.00	
4001	CARES		0.00	420,268.00	
4900	Other Revenue		0.00	29,513.00	
Total			449,781.00	449,781.00	0.00
MKA01		2302			
To reclass AR from DEL to due from State of Florida					
MKA01	DUE FROM STATE OF FL		1,595,320.00	0.00	
1200	Accounts Receivable		0.00	1,595,320.00	
Total			1,595,320.00	1,595,320.00	0.00
MKA02		4302			
To reclass PTO accrual FY21-22					
2100	Payroll Liabilities		59,585.00	0.00	
2101	Accrued PTO		0.00	59,585.00	

EARLY LEARNING COALITION OF NORTHWEST FL

FINAL AJE REPORT

06/30/2022

Account	Description	Workpaper Reference	Debit	Credit	Net Income Effect
Total			59,585.00	59,585.00	0.00
GRAND TOTAL			2,381,250.00	2,381,250.00	-13,432.00