

**EARLY LEARNING  
COALITION OF OSCEOLA  
COUNTY, INC.**

**Financial Statements  
and Supplemental  
Information**

**Year ended June 30, 2024**

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## INDEPENDENT AUDITOR'S REPORT

### *Partners*

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To the Board of Directors  
Early Learning Coalition of Osceola County, Inc.  
Kissimmee, Florida

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of the Early Learning Coalition of Osceola County, Inc. (the "Coalition") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and change in net assets, functional expenses, and cash flows for the year 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, 2024, 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 27, 2025 on our consideration of Early Learning Coalition of Osceola County, 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 Osceola County, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Early Learning Coalition of Osceola County, Inc.'s internal control over financial reporting and compliance.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
February 27, 2025

Early Learning Coalition of Osceola County, Inc.

STATEMENT OF FINANCIAL POSITION

June 30, 2024

ASSETS

Cash and cash equivalents	\$	3,653,874
Grants receivable		1,206,476
Prepaid expenses		89,935
Intangible assets		418,501
		<hr/>
Total assets	\$	<u>5,368,786</u>

LIABILITIES AND NET ASSETS

Due to related parties	\$	1,525,973
Accounts payable and accrued expenses		2,910,007
Advances payable		307,051
Deferred revenue		95
		<hr/>
Total liabilities		4,743,126
Net assets:		
Without donor restrictions		<u>625,660</u>
		<hr/>
Total liabilities and net assets	\$	<u>5,368,786</u>

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

Early Learning Coalition of Osceola County, Inc.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

Year Ended June 30, 2024

**REVENUES AND SUPPORT**

Federal and state grants	\$ 36,136,082
Local grants	77,280
Other income	<u>86,902</u>
Total revenues and support	<u>36,300,264</u>

**EXPENSES**

Program services:	
School Readiness	25,388,992
Voluntary Pre-Kindergarten	9,245,876
Other	<u>152,562</u>
Total program services	34,787,430
Support services:	
Management and general	<u>988,199</u>
Total expenses	<u>35,775,629</u>

<b>CHANGE IN NET ASSETS</b>	524,635
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>101,025</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 625,660</u></u>

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

**Early Learning Coalition of Osceola County, Inc.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended June 30, 2024**

	<u>Program Services</u>			<u>Support Services</u>		
	<u>School Readiness</u>	<u>Voluntary Pre- Kindergarten</u>	<u>Other</u>	<u>Total</u>	<u>Management and General</u>	<u>Total</u>
Pass-through payments to sub-recipients	\$ 17,269,977	\$ 8,985,262	\$ 99,511	\$ 26,354,750	\$ 120,919	\$ 26,475,669
Salaries and benefits	2,184,644	254,478	32,227	2,471,349	608,530	3,079,879
Classroom supplies	2,333,216	-	-	2,333,216	-	2,333,216
Advertising	1,371,202	-	-	1,371,202	7,450	1,378,652
Outreach and awareness	636,624	-	-	636,624	1,687	638,311
Program enhancement	524,531	-	-	524,531	-	524,531
Training and development	513,459	-	599	514,058	90	514,148
Professional fees	295,026	4,980	320	300,326	126,574	426,900
Office expenses	156,812	-	3,343	160,155	36,587	196,742
Other expenses	26,202	-	16,211	42,413	49,121	91,534
Rent expense	49,193	-	-	49,193	16,751	65,944
Repairs and maintenance	18,585	-	-	18,585	6,877	25,462
Travel	9,521	1,156	351	11,028	13,613	24,641
	<u>\$ 25,388,992</u>	<u>\$ 9,245,876</u>	<u>\$ 152,562</u>	<u>\$ 34,787,430</u>	<u>\$ 988,199</u>	<u>\$ 35,775,629</u>

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

Early Learning Coalition of Osceola County, Inc.

STATEMENT OF CASH FLOWS

Year Ended June 30, 2024

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ 524,635
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Amortization of intangible assets	77,559
(Increase) decrease in assets:	
Grants receivable	(280,850)
Due from DEL	307,051
Prepays	(89,935)
Increase (decrease) in liabilities:	
Due to related parties	(2,140,158)
Deferred revenue	(171,475)
Accounts payable and accrued expenses	<u>2,398,503</u>
Net cash provided by operating activities	<u>625,330</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of intangible assets	<u>(496,060)</u>
Net cash used in investing activities	<u>(496,060)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	129,270
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>3,524,604</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>\$ 3,653,874</u></u>

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

Early Learning Coalition of Osceola County, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

**NOTE A – ORGANIZATION, NATURE OF ACTIVITIES, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

1. Organization and nature of activities

Early Learning Coalition of Osceola County, Inc. (the “Coalition”), previously known as Osceola County Coalition for School Readiness, Inc., was organized on September 6, 2000, as a Florida not-for-profit corporate 501(c)(3) entity. The Coalition was created by Florida Legislators, with the enactment of Section 411.01, Florida Statutes. The Coalition receives funding from federal and state grants through the Division of Early Learning, Florida Department of Education and local funding sources. The Coalition’s mission is to promote high quality school readiness services and after school care through community-responsive policy guidance and program outcome oversight. Led by a board of community leaders (the “Board”), the Coalition’s priority is to ensure that all eligible children, birth through twelve years of age, with a strong emphasis on birth through five, in Osceola County are afforded the opportunity for developmentally appropriate learning experiences leading to enhanced academic success, as funding permits, and to support the economic self-sufficiency of low income families in need of before and after school care.

The Coalition contracts with Community Coordinated Care for Children, Inc. (4C) to assist in providing eligible children and families’ access to Coalition funded services.

2. Basis of accounting and financial statement presentation

The accompanying financial statements and schedules have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. 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 and/or management for general operating purposes. From time to time, the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management’s discretion.

*Net Assets With Donor Restrictions*

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

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

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. As of June 30, 2024, the Coalition had no net assets with donor restrictions.

Early Learning Coalition of Osceola County, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

**NOTE A – ORGANIZATION, NATURE OF ACTIVITIES, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

3. Use of estimates

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

4. Cash and cash equivalents

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

5. Property and equipment

Property and equipment are carried at their historical cost if purchased, or at estimated market value if acquired by gift. The Coalition capitalizes expenditures in excess of \$1,000 and an estimated useful life greater than one year. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets, which range from three to five years. Property acquired with governmental 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 and the ownership of any proceeds are subject to applicable regulations. As of June 30, 2024, the Coalition did not have any property and equipment and recorded no depreciation expense for fiscal year 2024.

6. Revenue recognition

The Coalition follows Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Accounting Standards Codification (ASC) 606), which is based on principles that govern the recognition of revenue at an amount an entity expects to be entitled when contract performance obligations are met.

The Coalition also follows ASU 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 are 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, 2024. These amounts are reflected as without donor restricted revenue if received and expended in the same year. Revenue from program fees are recognized when the earnings process is substantially complete, and goods have been delivered or services performed. Revenues from program fees are recognized in the year to which they relate. As part of the Voluntary Pre-Kindergarten grants, the Coalition receives advances on revenue which are to be repaid to the state.

Early Learning Coalition of Osceola County, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

**NOTE A – ORGANIZATION, NATURE OF ACTIVITIES, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

7. Deferred revenue

Deferred revenue represents grant revenues collected but not yet earned as of June 30, 2024. Revenues from grant proceeds are not recognized until expended.

8. Grants receivable

Grants receivable at June 30, 2024 consisted of amounts due from a state agency and are recorded when services are provided. The Coalition's receivables as of June 30, 2024 are due in less than one year and management considers them to be fully collectible.

9. Intangible assets

Software subscriptions over \$5,000 are capitalized and stated at cost, and are amortized using the straight-line method over the term of the agreement, generally one to three years.

10. Functional allocation of expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the Statement of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the program and supporting services benefited. Support services include Other Cost Accumulators (OCA) codes 97BBA for School Readiness, VPADM for Voluntary Pre-Kindergarten and other administrative expenses. OCA codes are used by the Coalition as directed by grantor agencies.

11. 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.

Upon receipt of contributions of non-financial assets, a corresponding amount is recorded as an expense or is capitalized as property and equipment. During the year ended June 30, 2024, the Coalition did not receive any donated services, materials, and facilities.

12. Leases

The Coalition follows ASC 842 – *Leases*. The Coalition has elected to apply the short-term lease exception to all leases with a term of one year or less. Therefore, these leases have been exempt from capitalization.

13. Advertising Costs

The Coalition expenses all advertising costs as they are incurred. Advertising costs for the years ended June 30, 2024 totaled \$1,378,652.

Early Learning Coalition of Osceola County, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

**NOTE A – ORGANIZATION, NATURE OF ACTIVITIES, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

14. Income taxes

The Coalition is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code; therefore, no income tax provision is required in the accompanying financial statements. The Coalition is not classified as a private foundation. Contributions to the Coalition are qualified as deductions for charitable contributions. 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 that no accruals for tax liabilities are necessary. Therefore, no reserves for uncertain income tax positions have been recorded. The Coalition remains subject to examination by the Internal Revenue Service for the years ended June 30, 2022 through June 30, 2024.

15. Recent accounting pronouncements

Effective July 1, 2023, the Organization adopted FASB ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Organization's financial statements, but did change how the allowance for credit losses (i.e., doubtful accounts) is determined.

16. 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 27, 2025.

**NOTE B – CONCENTRATIONS**

1. Economic dependency

The Coalition received approximately 99.5% of its revenue from federal and state contracts during the year ended June 30, 2024. The continuance of state and federal funding is subject to annual legislative budgetary review.

2. Concentration of credit risks

Financial instruments, which potentially expose the Coalition to concentrations of credit risk, consist principally of cash bank deposits. The Coalition's policy is to place its cash investments with high quality financial institutions that are Federal Deposit Insurance Corporation insured, and which provide coverage on balances up to \$250,000 per depositor, per institution. The Coalition has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and equivalents. At June 30, 2024, the Coalition held \$3,685,050 in excess of federally insured limits.

**Early Learning Coalition of Osceola County, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024**

**NOTE C – RELATED PARTY TRANSACTIONS**

Certain non-voting members of the Board are mandated in the “Early Learning Act.” For the year ended June 30, 2024, \$26,475,668 was incurred for services provided by 4C, whose Central Agency Administrator and Head Start Director are members of the Coalition’s Board. At June 30, 2024, the Coalition had an amount due to 4C, related party, of \$1,525,973.

The Coalition contracts with State Housing & Development, Inc., a leasing company, for its primary office location in Kissimmee, Florida. A member of the Coalition’s Board is the Property Manager for the building. Payments to the leasing company for the year ended June 30, 2024 were \$56,461. No amounts were due to the leasing company as of June 30, 2024.

The Coalition contracts with a family member of the Coalition’s management team for website maintenance and development services, making them a related party. Total amounts paid to the family member was \$13,660 for the year ended June 30, 2024.

**NOTE D – COMMITMENTS AND CONTINGENCIES**

1. Operating leases

The Coalition has non-cancelable operating lease agreements with a related party for the rental of office space for one-year terms through 2025. The Coalition has elected to apply the short-term lease exception to all leases with a term of one year or less. Therefore, these leases have been exempt from the adoption of FASB ASU 2016-02 included in Note A. Lease expense for the year ended June 30, 2024 was \$65,945.

As of the date of the financial statements, the Coalition is in a month to month lease and is negotiating lease terms for a new building location.

2. Federal and state appropriated funds

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 to the agency would be a liability of the Coalition.

**NOTE E – INDIVIDUAL RETIREMENT ACCOUNTS**

The Coalition established a 401(k) plan (the “Plan”) effective March 23, 2006 for all qualifying employees. All employees after 90 days of employment and over 21 years of age are eligible to participate in the Plan. The Coalition’s Plan includes a 401(k) match fund for participating employees at a rate of up to 3% of the employee’s salary, as funding permits.

The Coalition’s contributions to employee retirement plans are not guaranteed from fiscal year to fiscal year and contribution percentages may vary based on availability of funds. The Coalition contributed a total of \$41,435 to the Plan for the year ended June 30, 2024.

**Early Learning Coalition of Osceola County, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024**

**NOTE F – 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 Coalition utilizes other cost accumulators codes (“OCA”) to allocate expenses to appropriate program and support service categories. Salaries are allocated based on actual time spent in these activities or administration of programs. Other expenses are allocated based on direct usage or management’s estimates of the benefit derived by each activity.

**NOTE G – CALCULATION OF MAXIMUM ADMINISTRATIVE EXPENSES**

The following table compares administrative expenses incurred to the maximum 5% and 4% administrative expenses for the School Readiness program and Voluntary Pre-Kindergarten program, respectively, allowed by the Division of Early Learning (“DEL”):

	<u>School Readiness</u>	<u>Voluntary Pre-Kindergarten</u>	<u>Total</u>
Total administrative expenses subject to 5% and 4% maximum	\$ 713,765	\$ 352,834	\$ 1,066,599
Maximum 5% and 4% administrative expenses allowable per DEL	<u>1,335,288</u>	<u>357,497</u>	<u>1,692,785</u>
Administrative expenses under maximum	<u>\$ (621,523)</u>	<u>\$ (4,663)</u>	<u>\$ (626,186)</u>

**NOTE H – 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:

Cash and cash equivalents	\$ 3,653,874
Grants receivable	<u>1,206,476</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 4,860,350</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 as they come due. The Coalition receives approximately 99.5% of 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.

Early Learning Coalition of Osceola County, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE I – INTANGIBLE ASSETS

Intangible assets of \$375,000 presented on the statement of financial position at June 30, 2024 consist of the following:

Amortized intangible asset	Remaining Term	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
MarcoPolo software subscription	36 Months	\$ 450,000	\$ (75,000)	\$ 375,000
Torsch software subscription	36 Months	46,060	(2,559)	43,501
Total		<u>\$ 496,060</u>	<u>\$ (77,559)</u>	<u>\$ 418,501</u>

Estimated amortization expense over the remaining terms of the intangible assets are as follows:

Years ending June 30:

2025	\$ 165,353
2026	165,353
2027	<u>87,795</u>
	<u>\$ 418,501</u>

During the year ended June 30, 2024, with approval from DEL, the Coalition purchased a software subscription through MarcoPolo for their providers and teachers. The Coalition's future cash flows are not materially impacted by its ability to extend or renew agreements related to its amortizable intangible assets.

**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**

*Partners*

W. Ed Moss, Jr.  
Joe M. Krusick  
Ric Perez  
Cori G. Novinich  
Renee C. Varga

To the Board of Directors  
Early Learning Coalition of Osceola County, Inc.  
Kissimmee, 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 Osceola County, Inc. (the "Coalition") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and change 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 27, 2025.

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**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.

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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.

N. Palm Beach, FL 33408  
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Phone: 561-848-9300

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.

Miami Lakes, FL 33016  
7900 NW 155th Street  
Phone: 305-445-7956

**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*.

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11450 Interchange Circle  
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**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.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
February 27, 2025



**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**

*Partners*

W. Ed Moss, Jr.  
Joe M. Krusick  
Ric Perez  
Cori G. Novinich  
Renee C. Varga

To the Board of Directors  
Early Learning Coalition of Osceola County, Inc.  
Kissimmee, 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 Osceola County, 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, 2024. 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, 2024.

***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*; Chapter 10.650, *Rules of the Auditor General* (Uniform Guidance), 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.

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## **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, 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 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*, and the Uniform Guidance, 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, 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. Accordingly, this report is not suitable for any other purpose.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
February 27, 2025

**Early Learning Coalition of Osceola County, Inc.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**

**June 30, 2024**

**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                            | \$803,171     |
| 5. Auditee qualified as low-risk auditee?   | Yes           |

Identifications of major programs:

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

**Early Learning Coalition of Osceola County, Inc.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**

**June 30, 2024**

**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 Education Program	48.108

**Section II – Enhanced Fields System (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, 2024 | 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

**Early Learning Coalition of Osceola County, Inc.**

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

**Year ended June 30, 2024**

Grantor/Program Title	ALN CSFA	Award Number	Expenditures	Transfer to Sub-recipient
<b>Federal Awards:</b>				
<b>U.S. Department of Health and Human Services</b>				
<i>Passed through Division of Early Learning</i>				
Child Care and Development Block Grant	93.575	EL384	\$ 7,666,513	\$ 4,959,356
Child Care and Development Block Grant	93.575	EL385	10,881	7,039
Total Child Care and Development Block Grant			7,677,394	4,966,395
Coronavirus Response and Relief Supplemental Appropriations Funds	93.575	EL384	557,242	360,472
American Rescue Plan Act	93.575	EL384	10,881,028	7,038,778
American Rescue Plan Act	93.575	EL385	159,749	103,339
Total American Rescue Plan Act			11,040,777	7,142,117
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	EL384	4,103,408	2,654,435
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	EL385	1,037	671
Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund			4,104,445	2,655,106
Total Child Care Cluster			23,379,858	15,124,090
Temporary Assistance for Needy Families	93.558	EL384	3,384,572	2,189,430
Temporary Assistance for Needy Families	93.558	EL385	740	479
Total Temporary Assistance for Needy Families			3,385,312	2,189,909
Social Services Block Grant	93.667	EL384	7,206	4,661
Total U.S Department of Health and Human Services			26,772,376	17,318,660
Total Expenditures of Federal Awards			\$ 26,772,376	\$ 17,318,660
<b>State Financial Assistance:</b>				
<b>State of Florida Department of Education</b>				
<i>Passed through Division of Early Learning</i>				
Voluntary Pre-Kindergarten Education Program	48.108	EL384	\$ 9,320,697	\$ 9,015,835
Voluntary Pre-Kindergarten Education Program	48.108	EL385	41,441	40,086
Total Voluntary Pre-Kindergarten Education Program			9,362,138	9,055,921
State General Revenue Unrestricted 2023-2024	-	2023-24 SGU	1,568	1,568
Total State of Florida Department of Education			9,363,706	9,057,489
Total Expenditures of State Financial Assistance			\$ 9,363,706	\$ 9,057,489
Total Expenditures of Federal Awards and State Financial Assistance			\$ 36,136,082	\$ 26,376,149

**Early Learning Coalition of Osceola County, Inc.**

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

**June 30, 2024**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards and state financial assistance (the “schedule”) 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 Financial Services' State Projects Compliance Supplement* (Chapter 10.650). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.650 wherein certain types of expenditures are not allowed or are limited as to reimbursement.

**NOTE 3 – DE MINIMIS INDIRECT COST RATE ELECTION**

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, 2024. The indirect costs rates used on the Coalition's federal programs and state projects are determined by the relevant federal or state agency.

**NOTE 4 – SUBRECIPIENTS**

The Coalition passed through awards of \$26,376,149 to Community Coordinated Care for Children, Inc. during the year ended June 30, 2024.