

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

**Financial Statements and
Supplemental Information**

**Year Ended
June 30, 2025**

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INDEPENDENT AUDITOR'S REPORT

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To the Board of Directors
Early Learning Coalition of Alachua County, Inc.
Gainesville, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Early Learning Coalition of Alachua County, Inc. (a nonprofit organization) (the "Coalition"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, 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, 2025, 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.

Report on Summarized Comparative Information

We have previously audited Early Learning Coalition of Alachua County, Inc.'s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 19, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2026 on our consideration of the Coalition's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Coalition's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Coalition's internal control over financial reporting and compliance.

Moss, Krusick & Associates, LLC

Winter Park, Florida
March 18, 2026

EARLY LEARNING COALITION OF ALACHUA COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2025 and 2024

	2025	2024
Assets		
Current assets		
Cash	\$ 389,672	\$ 1,953,569
Receivables		
Due from others	129,689	83,868
Due from providers	-	89,835
Due from other local governments	65,000	28,889
Due from State of Florida	1,211,352	432,293
Prepaid expenses	1,853	13,723
Total current assets	1,797,566	2,602,177
Fixed assets		
Leasehold improvements	-	28,126
Computer equipment	90,449	93,813
Office equipment and furniture	-	60,585
Total depreciable assets	90,449	182,524
Accumulated depreciation	(64,829)	(182,524)
Net fixed assets	25,620	-
Other assets		
Right of use asset - operating lease	2,093,720	307,104
Intangible assets, net	151,158	230,023
Utility deposit	8,291	8,291
Total assets	\$ 4,076,355	\$ 3,147,595
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 1,317,000	\$ 1,524,216
Accrued wages, taxes, and withholding	178,468	126,054
Due to State of Florida	142,168	871,949
Current portion of operating lease	124,992	115,548
Total current liabilities	1,762,628	2,637,767
Long-term liabilities		
Operating lease	1,968,728	183,265
Total liabilities	3,731,356	2,821,032
Net assets		
Without donor restrictions	344,999	326,563
Total net assets	344,999	326,563
Total liabilities and net assets	\$ 4,076,355	\$ 3,147,595

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

EARLY LEARNING COALITION OF ALACHUA COUNTY, INC.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2025

(with summarized comparative totals for the year ended June 30, 2024)

	<u>2025</u>	<u>2024</u>
Revenues, Gains, and Other Support		
Federal and state grants	\$ 19,049,967	\$ 21,525,127
Local grants	218,786	67,670
Contributions	8,953	33,397
Interest	33	168
Total revenues, gains, and other support	<u>19,277,739</u>	<u>21,626,362</u>
Expenses		
Program services		
School Readiness	14,203,068	16,936,898
Voluntary Pre-Kindergarten	4,200,319	3,861,737
Other	88,916	88,583
Total program services	<u>18,492,303</u>	<u>20,887,218</u>
Support services		
Management and general	<u>767,000</u>	<u>807,410</u>
Total expenses	<u>19,259,303</u>	<u>21,694,628</u>
Changes in net assets	18,436	(68,266)
Net assets at beginning of year	<u>326,563</u>	<u>394,829</u>
Net assets at end of year	<u>\$ 344,999</u>	<u>\$ 326,563</u>

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

EARLY LEARNING COALITION OF ALACHUA COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2025

(with summarized comparative totals for the year ended June 30, 2024)

	Program Services			Support Services	Total Expenses	
	School Readiness	Voluntary Pre-Kindergarten	Other	Management and General	2025	2024
Payments to providers	\$ 12,135,879	\$ 4,184,340	\$ 50,227	\$ 7,150	\$ 16,377,596	\$ 19,016,634
Salaries	1,538,421	12,506	38,689	582,794	2,172,410	2,086,336
Professional fees	134,147	818	-	76,253	211,218	192,104
Office supplies and expenses	119,033	1,441	-	42,095	162,569	210,993
Occupancy	123,039	1,080	-	32,172	156,291	126,849
Depreciation and amortization	90,136	-	-	-	90,136	6,582
Dues and subscriptions	14,762	76	-	15,502	30,340	9,224
Insurance	27,521	58	-	2,655	30,234	13,806
Travel	20,130	-	-	8,379	28,509	32,100
Total expenses	<u>\$ 14,203,068</u>	<u>\$ 4,200,319</u>	<u>\$ 88,916</u>	<u>\$ 767,000</u>	<u>\$ 19,259,303</u>	<u>\$ 21,694,628</u>

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

EARLY LEARNING COALITION OF ALACHUA COUNTY, INC.

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 18,436	\$ (68,266)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	90,136	6,582
Decrease (increase) in assets		
Due from others	(45,821)	34,654
Due from providers	89,835	16,546
Due from other local governments	(36,111)	(8,783)
Due from State of Florida	(779,059)	(240,510)
Prepaid expense	20,161	(1,639)
Increase (decrease) in liabilities		
Accounts payable	(207,216)	(356,595)
Accrued wages, taxes, and withholding	52,414	41,627
Due to State of Florida	(729,781)	6,295
	<u>(1,527,006)</u>	<u>(570,089)</u>
Net cash used in operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(36,891)	-
Purchase of intangible assets	-	(236,595)
	<u>(36,891)</u>	<u>(236,595)</u>
Net cash used in investing activities		
Net decrease in cash	(1,563,897)	(806,684)
Cash at beginning of year	<u>1,953,569</u>	<u>2,760,253</u>
Cash at end of year	<u>\$ 389,672</u>	<u>\$ 1,953,569</u>
SIGNIFICANT NON-CASH TRANSACTIONS - OPERATING LEASES		
Recognition of new lease agreements		
Operating lease right-of-use asset	\$ 2,093,720	\$ -
Operating lease liability	(2,093,720)	-
Lease terminations		
Operating lease right-of-use asset	\$ (298,813)	\$ -
Operating lease liability	298,813	-

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

EARLY LEARNING COALITION OF ALACHUA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

The Early Learning Coalition of Alachua County, Inc. (the "Coalition") is a Florida nonprofit corporation organized on June 22, 2000, for the purpose of providing opportunities for at risk, birth to kindergarten children and enhancing their chances for educational success. The Coalition was specifically formed to implement the provisions of the "Florida School Readiness Act" (Section 411, *Florida Statutes*) in Alachua County, Florida.

The Coalition is governed by a voluntary Board of Directors (the "Board").

The Coalition is primarily funded by grant contracts with the State of Florida Division of Early Learning (DEL), which includes State and Federal grant funding for childcare and school readiness programs. The Coalition primarily provides its School Readiness (SR) and Voluntary Pre-Kindergarten (VPK) services through contractual arrangements with childcare providers and the Alachua County School Board.

Revenues supporting the Coalition are primarily federal and state grants, contractual services, and contributions.

Basis of Accounting

The Coalition follows standards of accounting and financial reporting prescribed for voluntary health and welfare agencies. It uses the accrual basis of accounting, which recognizes revenues when earned and expenses as incurred. Federal, state and local government, and other public grants are recorded as support when performance occurs under the terms of the grant agreement.

The costs of providing the various programs and other activities have been detailed in the Statement of Functional Expenses and summarized on a functional basis in the Statement of Activities. Salaries and other expenses which are associated with a specific program are charged directly to that program. Salaries which benefit more than one program are allocated to the various programs based on employee time spent in each functional area. Other expenses which benefit more than one area are allocated based on the average employee time spent in the various cost centers.

Financial Statement Presentation

The financial statement presentation is presented as required by the Section 958, *Not for Profit Entities*, in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC).

Under the Codification, the Coalition is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction, which represents the expendable resources that are available for operations at management's discretion and net assets with donor restrictions which are restricted by the donor as to purpose or time.

In accordance with the above referenced Codification, contributions received are recorded as without donor restrictions or with donor restrictions.

EARLY LEARNING COALITION OF ALACHUA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Promises to Give/Contributions

Based on FASB ASC 958-605-25, contributions are recognized when the donor makes a promise to give to the Coalition, that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Cash Equivalents

As applicable, cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase. At June 30, 2025 and 2024, the Coalition had no investments, which it considered cash equivalents.

Property and Depreciation

The Coalition follows the practice of capitalizing all property and equipment expenditures in excess of \$5,000, at cost, or, if donated, at fair market value. The Coalition utilizes straight line depreciation with useful lives ranging from 5-7 years.

Property and equipment are valued at historical cost. Donated property and equipment are valued at estimated fair value at the date of donation. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose.

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Coalition reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Coalition reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Property and Equipment Acquired by Grants

All property and equipment purchased with funds provided by federal or state funded programs is the property of the federal government or the State of Florida. The Coalition uses the property and equipment in its operations and is required to maintain physical control over these assets. The title to the assets are held by the Coalition. Disposition of fixed assets exceeding established amounts requires prior approval by the federal pass-through agency, DEL.

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.

EARLY LEARNING COALITION OF ALACHUA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

The Coalition follows FASB Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (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 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, 2025 and 2024. These amounts are reflected as revenue without donor restrictions 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.

Estimates

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

Leases

The Coalition determines if an arrangement is or includes a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. Under ASU 2016-02, Topic 842 *Leases*, (Topic 842), a contract is or contains a lease when: (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Coalition also considers whether its service arrangements include the right to control the use of an asset.

The Coalition has elected to apply the short-term lease exception to all leases with a term of one year or less. For all other leases, the Coalition recognizes right-of-use (ROU) asset and lease liabilities based on the present value of lease payments over the lease term at the commencement date of the lease. The Coalition elected to use the risk-free discount rate for its leases. The risk-free discount rates were obtained using U.S. Treasury securities as posted on the Federal Reserve website.

EARLY LEARNING COALITION OF ALACHUA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

The Coalition made an accounting policy election to account for each separate lease component and the non-lease components associated with that lease component as a single lease component. Non-lease components that are variable in nature are recorded in variable lease expense in the period incurred.

Income Tax

The Coalition is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code; therefore, no income tax provision is required in the accompanying financial statements.

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, 2023 through June 30, 2025.

Prior Year Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not with functional detail. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Coalition's financial statements for the year ended June 30 of the prior year, from which the summarized information was derived.

Recently Adopted Accounting Pronouncements

Effective July 1, 2023, the Coalition adopted FASB ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326)*: Measurement of Credit Losses on Financial Instruments, as amended, which modified the measurement of expected credit losses on certain financial instruments. The Coalition adopted this new guidance as of July 1, 2023 utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Coalition's financial statements.

Reclassification

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

NOTE 2 – CASH

Cash includes amounts in demand deposits as well as short-term money market investment accounts. Cash in demand deposits is secured by federal depository insurance. There were no restrictions on the cash balances at June 30, 2025 and 2024.

At June 30, 2025 and 2024, the total bank balances were \$400,247 and \$1,953,069, of which \$250,000, was covered by the Federal Deposit Insurance Corporation (FDIC). The remaining balance is insured by the Bureau of Collateral Management, Florida Department of Financial Services.

EARLY LEARNING COALITION OF ALACHUA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 3 – DUE FROM STATE OF FLORIDA

Due from the State of Florida, consists of amounts owed to the Coalition for child care services provided prior to June 30, 2025. Management considers the amounts fully collectible. No provision for credit losses is provided for in the financial statements. All amounts were collected after year end. Due from the State of Florida as of June 30, consisted of the following:

	<u>2025</u>	<u>2024</u>
Federal grants - School Readiness	\$ 1,142,831	\$ 376,324
State grants - Voluntary Prekindergarten	<u>68,521</u>	<u>55,969</u>
	<u>\$ 1,211,352</u>	<u>\$ 432,293</u>

NOTE 4 – DUE FROM SCHOOL READINESS PROVIDERS

Due to a software upgrade, estimated amounts were paid to school readiness providers throughout the 2018-19 fiscal year. During the 2019-20 fiscal year, the Coalition corrected the estimated amounts and determined the balances that were owed to/by the Coalition and to/by various providers due to the under/overpayments (estimated vs. actual). The balances were also subjected to review and approval by the Providers. The amounts owed by Providers at June 30, 2025 and 2024, were \$0 and \$89,835, respectively.

NOTE 5 – DUE FROM LOCAL GOVERNMENTS AND OTHERS

Contributions are made from other local governments and nonprofit organizations to assist and promote child care within Alachua County, Florida. The amounts are provided via contract or grant award.

At June 30, the following amounts were owed to the Coalition:

Contributor	<u>2025</u>	<u>2024</u>
Children's Trust of Alachua County	\$ 121,604	\$ 65,297
Alachua County Community Support Services	8,085	11,324
Other	<u>-</u>	<u>7,247</u>
Total due from others	<u>129,689</u>	<u>83,868</u>
City of Gainesville	<u>65,000</u>	<u>28,889</u>
Total due from other local governments	<u>65,000</u>	<u>28,889</u>
Total	<u>\$ 194,689</u>	<u>\$ 112,757</u>

EARLY LEARNING COALITION OF ALACHUA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 6 – FIXED ASSETS AND DEPRECIATION

Depreciation of fixed assets is provided over the estimated useful lives of the respective assets on a straight-line basis. In accordance with the Coalition’s policy, assets costing less than \$5,000 are generally fully expensed in their year of acquisition.

Fixed assets as of June 30, consisted of the following:

	<u>2025</u>	<u>2024</u>	<u>Depreciable life</u>
Leasehold improvements	\$ -	\$ 28,126	7
Computer equipment	90,449	93,813	5
Office equipment and furniture	-	60,585	5
Total fixed assets	<u>90,449</u>	<u>182,524</u>	
Accumulated depreciation	<u>(64,829)</u>	<u>(182,524)</u>	
Net fixed assets	<u>\$ 25,620</u>	<u>\$ -</u>	

Depreciation expense for the years ended June 30, 2025 and 2024, was \$11,271 and \$10, respectively.

NOTE 7 – INTANGIBLE ASSETS

Intangible assets presented on the statement of financial position at June 30, 2025, consist of the following:

<u>Amortized intangible asset</u>	<u>Remaining Term</u>	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>	<u>Net Carrying Amount</u>
MarcoPolo Educator and Family App Platform	23 Months	<u>\$ 236,595</u>	<u>\$ (85,437)</u>	<u>\$ 151,158</u>

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

Years ending June 30,	
2026	\$ 78,865
2027	<u>72,293</u>
	<u>\$ 151,158</u>

Amortization expense for the years ended June 30, 2025 and 2024 totaled \$78,865 and \$6,572, respectively.

During the year ended June 30, 2024, with approval from DEL, the Coalition purchased software subscriptions 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.

EARLY LEARNING COALITION OF ALACHUA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 8 – NET ASSETS

Net assets released from donor restrictions for the years ended June 30, 2025 and 2024 totaled \$0 and \$54,366, respectively, after satisfaction of purpose or time.

NOTE 9 – OPERATING LEASE

The Coalition rented administrative offices at 4424 NW 13th Street Gainesville, Florida, from W. B Properties. In January 2022, the Coalition executed the lease which continued for a five-year period with an option to extend for an additional five-year period under the same terms. The lease agreement called for fixed monthly rental payments of \$10,545 (annual total \$126,539). A monthly reimbursement for utility fees was paid in an amount of \$1,152.

As of September 2025, the Coalition terminated the lease. As a result, no right-of-use asset or lease liability is recorded on the June 30, 2025 Statement of Financial Position for this lease.

During fiscal 2025, the Coalition executed a new 10 year lease agreement at 201 SE 2nd Avenue, Gainesville, Florida, from GNV City Center LLC. The lease contains two separate five year renewal options. The Coalition does not consider any additional renewal periods to be reasonably certain of being exercised, as comparable locations could generally be identified within the same area for comparable lease rates.

The lease agreement calls for fixed monthly rental payments of \$19,691 (annual total \$236,292) with a three percent annual increase thereafter.

As of June 30, 2025, the right-of-use (ROU) asset had a balance of \$2,093,720, as shown in the statements of financial position; the lease liability is included in current liabilities (\$124,992) and non-current liabilities (\$1,968,728).

Additional information about the Coalition's leases are as follows:

Lease costs (included in occupancy):

Operating lease cost	\$ 126,539
Total lease cost	<u>\$ 126,539</u>

Other information:

Cash paid for amounts included in measuring operating lease liability:

Operating cash flows from operating lease	\$ 126,539
Total cash paid for amounts included in measuring operating lease liability	<u>\$ 126,539</u>

Remaining lease terms (years)	10.33
Discount rate	5.74%

EARLY LEARNING COALITION OF ALACHUA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 9 – OPERATING LEASE (continued)

Maturities of operating lease liabilities as of June 30, 2025 are as follows:

2026	\$ 236,292
2027	243,381
2028	250,682
2029	258,203
2030	265,949
Thereafter	<u>1,560,168</u>
Total lease payments	2,814,675
Less: interest	<u>(720,955)</u>
Present value of lease liability	<u>\$ 2,093,720</u>

NOTE 10 – LINE-OF-CREDIT ARRANGEMENTS

In February 2020, the Coalition executed a revolving line of credit with SouthState Bank in the amount of \$95,000. The line is unsecured and bears a variable interest rate based on Wall Street Journal prime (the Wall Street Journal prime rate was 7.50% and 8.5% for the years ended June 30, 2025 and 2024, respectively) rate. The line is due on demand and expires in March 31, 2026. The Organization owed \$0 at June 30, 2025 and 2024.

NOTE 11 – RETIREMENT

The Coalition adopted a 401(k)-retirement savings plan. The plan is available to all employees who have completed 1,040 hours of employment. Under the plan, the Coalition makes a contribution of six percent of the employee's wages.

For the years ending June 30, 2025 and 2024, the Coalition incurred \$76,816 and \$69,594 in retirement expense, respectively.

NOTE 12 – CONTINGENCIES

Federal and state appropriated funds

There is a contingent liability because all the Coalition's audits/monitoring's have not been completed for the fiscal year ended June 30, 2025. Under provisions of the funding agreements, any expenditure determined not in compliance with grant regulations would be subject to repayment by the Coalition.

The Coalition's administration believes that all expenditures were significantly in compliance with grant regulations.

EARLY LEARNING COALITION OF ALACHUA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 12 – CONTINGENCIES (continued)

Litigation

In the normal course of conducting its operations, the Coalition occasionally becomes party to various legal actions and proceedings. At this time, management is not aware of any claims or legal action or any pending or threatened litigation that might have material impact on the Coalition's financial position, results of operations or cash flows. While management believes that the Coalition has adequate general and professional liability coverage, current or subsequent claims could result in additional costs to the Coalition.

Subsequent to the financial statement date, the Coalition settled a legal matter with a prior employee for less than \$100,000. The Coalition's insurance provider handled the matter with no financial impact to the Coalition.

NOTE 13 – CONCENTRATION OF CREDIT RISK

Financial instruments which subject the Coalition to concentrations of credit risk consist primarily of cash and cash equivalents in a local bank which at times may exceed the FDIC limits. However, because of the classification as public funds, any amounts that exceed FDIC coverage are insured through the Bureau of Collateral Management, Division of Treasury, and Department of Financial Services.

The Coalition has no policy requiring collateral or other security to support its receivables.

NOTE 14 – EXPENSES BY FUNCTION

Expenses by function have been allocated among program and supporting services classifications on the basis of employee time records based on personal activity reports (PARs). Hours by function are entered on a spreadsheet and an average by department is computed. The average by department is totaled by function and multiplied by the total number of employees. The average by employee is used to allocate those costs that are not directly charged. The process is updated on a monthly basis. The plan was approved by DEL.

NOTE 15 – CONCENTRATION OF REVENUE SOURCES

Approximately 99% of the Coalition's revenues for the years end June 30, 2025 and 2024 are derived from one state grant contract which must be renewed annually.

EARLY LEARNING COALITION OF ALACHUA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 16 – DONATED SERVICES

The Coalition receives contributed services from various individuals in all programs. Volunteer services for each program are recorded in accordance with FASB ASC 958-605-25-16 if they: (1) create or enhance nonfinancial assets or (2) require specialized skills and are provided by the individuals possessing those skills, and would typically need to be purchased if not provided by donation.

The fair market value of the unrecorded donated services has not been estimated.

The contributed services provided to the Coalition during the years ending June 30, 2025 and 2024, did not meet the revenue recognition criteria above and were not recorded.

NOTE 17 – QUALITATIVE AND QUANTITATIVE INFORMATION

Qualitative Information

Donor Restrictions

The Coalition has the responsibility to maintain resources due to donor restrictions at June 30, 2025.

Goals for Maintaining Financial Assets

The Coalition’s goals for maintaining financial assets are indicated in its Financial Policy and Procedures: “a budget is designed and prepared to direct the most efficient and prudent use of the Coalition’s financial and human resources . . . on a monthly basis, financial reports comparing actual year-to-date revenues and expenses with budgeted year-to-date amount shall be produced . . . and distributed to each Department Director.”

Policies for Investing Excess Cash

The Coalition’s policy for maintaining financial assets is indicated in its Financial Policy and Procedures: “Coalition’s investment objectives are the preservation and protection of the Coalition’s assets, as well as the maintenance of liquid reserves to meet obligations arising from unanticipated activities, by earning an appropriate return on investments.”

Line of Credit

Due to advances provided by DEL, the Coalition has not required any short-term funding via a line of credit or other means.

Quantitative Information

Financial assets at year-end:

Cash	\$ 389,672
Receivables	<u>1,406,041</u>
Financial assets/awards available to meet general expenses within one year	<u>\$ 1,795,713</u>

EARLY LEARNING COALITION OF ALACHUA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE 18 – 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 statement of activities are as follows:

Federal and State expenditures – schedule of expenditures of federal awards and state financial assistance	\$ 19,091,515
Refunds and adjustments	<u>(41,548)</u>
Federal and State expenditures – statements of activities and changes in net assets	<u>\$ 19,049,967</u>

NOTE 19 – RELATED PARTY TRANSACTIONS

The composition of the Coalition's Board of Directors includes ten board members associated with SR and VPK providers who received payments from the Coalition during the year ended June 30, 2025.

For the year ended June 30, 2025, the Coalition made payments to and had outstanding payables to related parties as follows:

<u>Related Party</u>	<u>Amount</u>	<u>Payables</u>
O2B Kids	\$ 3,568,962	\$ 226,987
Santa Fe Little School	104,079	7,505
Alachua County Public Schools	868,105	-
Episcopal Children's Services	189,046	808
Cuddly Kids Academy	<u>594,852</u>	<u>21,462</u>
	<u>\$ 5,325,044</u>	<u>\$ 256,762</u>

The terms of these contracts were the same as for other child care providers.

NOTE 20 – SUBSEQUENT EVENTS

The Coalition's management has evaluated subsequent events through March 18, 2026, the date which the financial statements were available for issuance and reports the following:

Grant Award

On July 1, 2026, DEL awarded the Coalition grant #EL065 in the amount of \$19,558,153 (as amended).

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
Rich J. Cassidy
Justin R. Cabral

To the Board of Directors
Early Learning Coalition of Alachua County, Inc.
Gainesville, 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 the Early Learning Coalition of Alachua County, Inc. (the “Coalition”) (a nonprofit organization) which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, 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 March 18, 2026.

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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a significant deficiency.

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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*.

Coalition's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Coalition's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Coalition's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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
March 18, 2026

EARLY LEARNING COALITION OF ALACHUA COUNTY, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Year Ended June 30, 2025

Federal Grantor/Pass through Grantor/Program, Project, or Cluster Title	ALN CSFA	Award Number	Expenditures
Federal Financial Assistance:			
U.S. Department of Health and Human Services <i>Passed through Florida's Division of Early Learning</i>			
Temporary Assistance for Needy Families	93.558	EL065	\$ 2,740,775
Temporary Assistance for Needy Families	93.558	EL066	<u>11,218</u>
Total Temporary Assistance for Needy Families			2,751,993
Child Care and Development Block Grant *	93.575	EL065	7,301,883
Child Care and Development Block Grant *	93.575	EL066	1,128,457
Childcare Mandatory and Matching Funds *	93.596	EL065	3,704,637
Childcare Mandatory and Matching Funds *	93.596	EL066	<u>2,888</u>
Total Child Care and Development Fund Cluster			12,137,865
Social Services Block Grant	93.667	EL065	<u>6,255</u>
Total U.S. Department of Health and Human Services			<u>14,896,113</u>
Total Expenditures of Federal Awards			<u>\$ 14,896,113</u>
State Financial Assistance:			
State of Florida Department of Education <i>Passed through Florida's Division of Early Learning</i>			
Voluntary Pre-Kindergarten Education Program	48.108	EL065	4,187,478
Voluntary Pre-Kindergarten Education Program	48.108	EL066	<u>825</u>
Total Voluntary Pre-Kindergarten Education Program			4,188,303
State General Revenue Unrestricted - School Readiness Plus	N/A	2024 - 2025 SGU	6,830
State General Revenue Unrestricted - School Readiness Plus	N/A	2025 - 2026 SGU	<u>269</u>
Total State General Revenue Unrestricted - School Readiness Plus			7,099
Total Expenditures of State Financial Assistance			<u>\$ 4,195,402</u>
Total Expenditures of Federal Awards and State Financial Assistance			<u>\$ 19,091,515</u>

* Cluster of programs

See independent auditor's report.

EARLY LEARNING COALITION OF ALACHUA COUNTY, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

June 30, 2025

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the federal and state grant/contract activity for the Early Learning Coalition of Alachua County, Inc., under programs of the federal and state governments for the year ended June 30, 2025. 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) and State of Florida, *Rules of the Auditor General* 10.650. Because the Schedule presents only a selected portion of the operations of the Early Learning Coalition of Alachua County, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Early Learning Coalition of Alachua County, Inc.

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, wherein certain types of expenditures are not allowable or are limited as to reimbursement. When applicable, negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenses in prior years.

NOTE 3 – DE MINIMIS INDIRECT COST RATE ELECTION

The Early Learning Coalition of Alachua County, Inc., did not elect to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



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
Early Learning Coalition of Alachua County, Inc.
Gainesville, 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 Alachua 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, 2025. 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, 2025.

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, the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General, will always detect material noncompliance when it exists.

Partners

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

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*, 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 or 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 or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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.

Moss, Krusick & Associates, LLC

Winter Park, Florida
March 18, 2026

EARLY LEARNING COALITION OF ALACHUA COUNTY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

June 30, 2025

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? | Yes |
| 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 a 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
Temporary Assistance for Needy Families	93.558

EARLY LEARNING COALITION OF ALACHUA COUNTY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

June 30, 2025

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 Projects</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, 2025 | Yes |
| 4. Audit work papers documenting verification of reconciliations available to DEL staff | Yes |

Section III – Financial Statement Findings

Finding 2025-001: Monthly Bank Reconciliations

Criteria: Bank reconciliations should be prepared and reviewed on a monthly basis.

Condition: Bank reconciliations were not prepared on a timely basis. The bank accounts for the first nine months of the year were not reconciled until April 2025.

Cause: The Coalition did not follow its accounting policy for completing bank reconciliations at month end.

EARLY LEARNING COALITION OF ALACHUA COUNTY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

June 30, 2025

Section III – Financial Statement Findings (continued)

Finding 2025-001: Monthly Bank Reconciliations (continued)

Effect: The lack of timely bank reconciliations resulted in a lack of compliance with the Coalition established accounting policies.

Recommendation: The Coalition should follow its accounting policy to complete bank reconciliations by the end of the subsequent month.

Management Response: The Coalition had turnover in the accounting department causing significant delays in reconciliation of the bank accounts. Prior to the start of the audit, all bank reconciliations prior to March 31, 2025 were completed and all subsequent reconciliations were completely timely.

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

Finding 2024-001: Timely Remittance of Earned Interest

Federal Programs ALN: 93.575, 93.596, 93.558, and 93.667

Criteria: The Organization is required to remit all interest earned on federally funded advances to DEL within 30 days after the fiscal year end per DEL Program Guidance 240.01 *Cash Management* and 2 CFR 200.305(9).

Condition: The Organization failed to remit all earned interest to DEL within the 30 day deadline in accordance with the grant agreement.

Cause: The Organization experienced high management turnover which delayed the calculation of interest earned and remittance to DEL.

Effect: The Organization did not meet the remittance submission deadline requirement as set forth by DEL Program Guidance 240.01 *Cash Management* and 2 CFR 200.305(9). The earned interest was remitted on March 11, 2025.

Status: Resolved.

EARLY LEARNING COALITION OF ALACHUA COUNTY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

June 30, 2025

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

Finding 2024-002: Timely Remittance of Earned Interest

State Project CFSA: 48.108

Criteria: The Organization is required to remit all interest earned on federally funded advances to DEL within 30 days after the fiscal year end per DEL Program Guidance 240.01 *Cash Management* and 2 CFR 200.305(9).

Condition: The Organization failed to remit all earned interest to DEL within the 30 day deadline in accordance with the grant agreement.

Cause: The Organization experienced high management turnover which delayed the calculation of interest earned and remittance to DEL.

Effect: The Organization did not meet the remittance submission deadline requirement as set forth by DEL Program Guidance 240.01 *Cash Management* and 2 CFR 200.305(9). The earned interest was remitted on March 11, 2025.

Status: Resolved.



MANAGEMENT'S CORRECTIVE ACTION PLAN


Finding 2025-001: Monthly Bank Reconciliation

Responsible Party: Xaviera White, Chief Executive Officer

Anticipated Completion Date: 03/19/2026

Management response: Concur.

Corrective Action Plan: Coalition management will make sure that measures are in place to ensure all bank reconciliations are prepared and reviewed in accordance with Coalition accounting policies.

Signature: 
Title: Chief Executive Officer
Date: March 18, 2026

BOARD MEMBERS

Tammy Prince
Board Chair

Heather Doles
Santa Fe Little School

Marsha Kiner
Children's Trust of Alachua County

Dr. Crystal Marull
University of Florida

Dr. Patricia Snyder
University of Florida

Michael Williams
SouthGate Bank

Xaviera White
Chief Executive Officer

Nannette Dell
Alachua County Public Schools

Ray Holt
C Bar Ranch

Dr. Renee Lawson
Episcopal Children's Services

Stephen Pennypacker
Private Citizen

April Tisher
Santa Fe College Foundation

Joyce Yurchisin
Alachua County Health Department

George Dix
Passages Educational Enterprises

Eva Jallah
Department of Children & Families

Phyllis Marty
CareerSource MCF

Jennifer Ringersen
ODS Kids

Melissa Walker
Department Children & Families