Early Learning Coalition of St. Lucie County, Inc.

FINANCIAL STATEMENTS

June 30, 2021

Early Learning Coalition of St. Lucie County, Inc.

FINANCIAL STATEMENTS

June 30, 2021

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REPORT OF INDEPENDENT AUDITORS

The Board of Directors
Early Learning Coalition of St. Lucie County, Inc.
Fort Pierce, Florida

Report on the Financial Statements

We have audited the accompanying statement of financial position of Early Learning Coalition of St. Lucie County, Inc. (the "Coalition") as of June 30, 2021 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

To the Board of Directors
Early Learning Coalition of St. Lucie County, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Early Learning Coalition of St. Lucie County, Inc., as of June 30, 2021, and the activities and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures for federal awards and state projects is presented for purposes of additional analysis as required by Title 2 U.S. Code of *Federal Regulations (CFR)*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards ("Uniform Guidance")* and the Florida Department of Financial Services Projects Compliance Supplement and is not a required part of the basic financial statements.

The accompanying schedule of expenditures of federal awards and state projects 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Berger, Toombs, Elam,
Gaines & Frank
Certified Public Accountants PL

To the Board of Directors
Early Learning Coalition of St. Lucie County, Inc.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2022 on our consideration of Early Learning Coalition of St. Lucie 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Early Learning Coalition of St. Lucie County, Inc.'s internal control over financial reporting and compliance.

Berger Toombs Elam
Gaines & Frank

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants, PL
Fort Pierce, Florida

November 2, 2022

EARLY LEARNING COALITION OF ST. LUCIE COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2021

Assets		
Current Assets		
Cash and cash equivalents	$	1,251,635
Accounts receivable		1,003,497
Prepaid expenses		200,323
Total Current Assets		2,455,455
Property and Equipment		
Property and equipment		45,747
Accumulated depreciation		(45,388)
Total Property and Equipment, Net		359
Total Assets	$	2,455,814
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$	1,910,827
Accrued expenses		88,773
Deferred revenues		2,975
Total Current Liabilities		2,002,575
Net Assets		
Without donor restrictions - board designated furniture replacement fund		71,411
Without donor restrictions		381,828
Total Net Assets		453,239
Total Liabilities and Net Assets	$	2,455,814

See accompanying notes to financial statements.

EARLY LEARNING COALITION OF ST. LUCIE COUNTY, INC.
STATEMENT OF ACTIVITIES
For the Year Ended
June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Grants:			
Florida Office of Early Learning	$ 20,001,942	$ -	$ 20,001,942
Local Support			
Children's Services Council of St. Lucie County	551,938	-	551,938
Others	98,785	25,699	124,484
Net assets released from restrictions	56,245	(56,245)	-
Total Support and Revenues	20,708,910	(30,546)	20,678,364
Expenses			
Program Services			
School Readiness	15,838,231	-	15,838,231
Voluntary Pre-kindergarten	4,377,561	-	4,377,561
Total Programs Services	20,215,792	-	20,215,792
Supporting Services			
General and administrative	575,616	-	575,616
Total Expenses	20,791,408	-	20,791,408
Change in Net Assets	(82,498)	(30,546)	(113,044)
Net Assets, July 1, 2020	535,737	30,546	566,283
Net Assets, June 30, 2021	$ 453,239	$ -	$ 453,239

See accompanying notes to financial statements.

EARLY LEARNING COALITION OF ST. LUCIE COUNTY, INC.
STATEMENT OF CASH FLOWS
For the Year Ended
June 30, 2021

Cash Flows From Operating Activities	
Change in Net Assets	$ (113,044)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	1,078
(Increase)/decrease in:	
Accounts receivable	1,321,174
Prepaid expenses	(97,598)
Increase/(decrease) in:	
Accounts payable	(720,845)
Accrued expenses	14,777
Deferred revenues	1,750
Net Cash Provided by Operating Activities	407,292
Net Increase in Cash	407,292
Cash July 1, 2020	844,343
Cash June 30, 2021	$ 1,251,635

See accompanying notes to financial statements.

Early Learning Coalition of St. Lucie County, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Early Learning Coalition of St. Lucie County, Inc. (the "Coalition") was incorporated on March 1, 2000 in the State of Florida for the purpose of providing childcare assistance for qualifying participants at contracted childcare centers and educating parents about the importance of their involvement in their children's learning. The Coalition prepares children from birth to age 5 or until the child enters kindergarten through a comprehensive program of readiness services. These programs provide assistance and opportunities for children to develop physically, intellectually, socially, emotionally and creatively through child centered active learning environments and also provides parental support programs.

Significant Accounting Policies

The Coalition prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit Coalitions. The significant accounting and reporting policies used by the Coalition are described subsequently to enhance the usefulness and understandability of the financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. The Coalition's management believes that the estimates and assumptions are reasonable under the circumstances; however, the actual results could differ from those estimates.

Financial Statement Presentation

The financial statements are presented in accordance with FASB ASC 958 *Financial Statements of Not-For-Profit Organizations*. Under ASC 958, the Coalition is required to report information regarding its financial position and activities according to two classes of net assets (net assets with donor restrictions, and net assets without donor restrictions) based upon the existence or absence of donor-imposed restrictions.

As required by the FASB ASC 958, *Revenue Recognition*, the Coalition accounts for contributions received as with donor restrictions or without donor restrictions support depending on the existence and/or nature of any donor restrictions.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting for the nature of the Coalition, the environment in which it operates, the purposes specified in it corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets With Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Coalition must continue to use the resources in accordance with the donor's instructions.

The Coalition's unspent contributions are included in this class if the donor limited their use, as are its donor restricted endowment funds and its beneficial interest in a perpetual charitable trust held by a bank trustee.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Coalition, unless the donor provides more specific directions about the period of its use.

Classification of Transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions. Net gains on endowment investments increase net assets with donor restrictions, and net losses on endowment investments reduce that net asset class.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash and cash equivalents are defined as short-term, highly liquid investments that are both: (a) readily convertible to known amounts of cash, and (b) so near their maturity (three months or less) that they present insignificant risk of changes in value because of changes in interest rates. Cash and cash equivalents include savings and checking accounts, money market funds and certificates of deposits with an original maturity of less than 90 days.

Accounts Receivable

The Coalition's accounts receivable is comprised of grants receivable which are balances considered to be fully collectible. Accordingly, accounts receivable does not include an allowance for doubtful accounts.

Fair Value Measurements

The Coalition reports its financial assets and liabilities using a three level hierarchy that prioritizes the inputs used to measure fair value as required by FASB ASC 820, *Fair Value Measurements and Disclosures*. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements), and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of inputs used to measure fair value are as follows:

Level 1 – Quoted prices for identical assets or liabilities in active markets to which the Coalition has access at the measurement date.

Level 2 – Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets in markets that are not active;
- observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
- inputs derived principally from, or corroborated by, observable market data, observable market data by correlation or by other means.

Level 3 – Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

The primary uses of fair value measurement in the Coalitions' financial statements are:

- Initial measurement of non-cash gifts, including gifts of investment assets and unconditional promises to give.
- Recurring measurement of short term investments.
- Recurring measurement of endowment investments.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Donated property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contribution is recorded as restricted. In the absence of such stipulations, contributions are recorded as unrestricted. When assets are retired or otherwise disposed of, the asset's cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in the period. Maintenance and repairs are charged to expense as incurred; significant renewals and betterments are capitalized. Depreciation is provided for property, plant and equipment using the straight-line method based on estimated useful lives of 2-5 years. It is the Coalition's policy to capitalize property, plant and equipment over $5,000 and depreciate using the straight-line method.

Accounting for Contributions

In accordance with FASB ASC 958-605-15, *Revenue Recognition – Contributions Received*, contributions received are recorded as with donor restrictions or without donor restrictions support depending on the existence and/or nature of any donor restrictions.

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises to give with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as with donor restrictions until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises to give, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses (Continued)

The cost of providing the Coalition's programs and other activities is summarized on a functional basis. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited. Support expenses include those costs that are not directly identifiable with any specific program, but which provide the overall support and direction of the Coalition.

Tax Status

The Coalition is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purpose (unless that income is otherwise excluded by the IRC). The Coalition is not classified as a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(VI). The Coalition's open audit periods are for the years ended June 30, 2018, 2019 and 2020. The Coalition has adopted the provisions of FASB ASC 740-10 (formerly known as FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes)*. Under this section, an entity must recognize the tax benefit associated with tax taken for tax return purposes when it is more likely than not the position will be sustained. There was no impact to the Coalition's financial statements as a result of the implementation of ASC 740-10.

Promises to Give

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 with 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. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as reported on the Statement of Financial Position, includes the following:

Checking	$ 218,392
Petty cash	20
Money market	1,033,223
Total Cash	$ 1,251,635

As of June 30, 2021, the Coalition had $1,251,615 on deposits at various financial institutions, of which $965,180 was not insured by the Federal Deposit Insurance Corporation (FDIC). The Coalition has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on cash.

NOTE 3 – PROPERTY AND EQUIPMENT

An analysis of property and equipment for the year is as follows:

	July 1, 2020	Additions	Deletions	June 30, 2021
Property and equipment	$ 45,747	$ -	$ -	$ 45,747
Less: accumulated depreciation	(44,310)	(1,078)	-	(45,388)
Property and Equipment, net	$ 1,437	$ (1,078)	$ -	$ 359

Depreciation expense for the year was $1,078.

NOTE 4 – CONCENTRATION OF RISK

The Coalition received $20,001,942 of funding from the Florida Office of Early Learning that individually comprises over ninety percent of total revenue and support for the year ended June 30, 2021. As of June 30, 2021, the Coalition had receivables from the Florida Office of Early Learning of $869,444.

NOTE 5 – ACCOUNTS RECEIVABLE

Accounts receivable is mainly comprised of grants receivable. The entire receivable balance is considered collectible and accordingly, no allowance for doubtful accounts has been recorded. All of the accounts receivable balances at June 30, 2021 had been outstanding less than 30 days.

NOTE 6 – PROVIDER PAYMENTS

The Coalition has contracted for services with various agencies to provide child care services to pre-school children on a subcontract basis. Provider payments amount to $18,804,784 inclusive of Voluntary Pre-Kindergarten (VPK) and School Readiness (SR) programs.

NOTE 7 – DEFERRED REVENUES

Deferred revenues at June 30, 2021, consists primarily of funds received from the Florida Office of Early Learning to be used towards next year's program.

NOTE 8 – OPERATING LEASES

The Coalition leases office space and three copiers under various operating leases. A summary of future minimum lease payments for the years following June 30, 2021 is as follows:

Fiscal year ending June 30	Copiers	Office	Total
2022	$ 9,260	$ 147,934	$ 157,194
2023	9,260	150,615	159,875
2024	9,260	153,350	162,610
2025	9,260	156,139	165,399
2026	6,945	158,985	165,930
Thereafter	-	437,965	437,965
Total	$ 43,985	$ 1,204,988	$ 1,248,973

NOTE 9 – RETIREMENT PLAN

The Coalition has a defined contribution annuity plan. The plan's eligibility requirements are that a participant must have completed one year of service. The contributions made by the Coalition include elected deferral amounts of salary made by the employee, a matching amount paid by the Coalition not to exceed 3%, plus a discretionary non-matching amount determined by the Coalition on a yearly basis. The employer contributed $54,458 for the year ended June 30, 2021.

NOTE 10 – FUNCTIONAL EXPENSES

Expenses have been allocated between program expenses and supporting services as follows:

	School Readiness	Voluntary Pre Kindergarten	Total Program Services	Supporting Services: General and Administrative	Total Expenses
Provider payments	$ 14,427,223	$ 4,377,561	$ 18,804,784	$ -	$ 18,804,784
Salaries and wages	1,027,178	-	1,027,178	433,355	1,460,533
Professional services	95,877	-	95,877	41,742	137,619
Program Supplies	68,965	-	68,965	4,958	73,923
Occupancy	115,135	-	115,135	47,475	162,610
Supplies	9,711	-	9,711	7,419	17,130
Licenses and other fees	16,783	-	16,783	6,987	23,770
Travel	2,092	-	2,092	1,000	3,092
Staff development	23,039	-	23,039	112	23,151
Telephone	15,269	-	15,269	6,377	21,646
Miscellaneous expense	13,373	-	13,373	3,678	17,051
Insurance	11,951	-	11,951	4,873	16,824
Small equipment	8,534	-	8,534	4,477	13,011
Depreciation	-	-	-	1,078	1,078
Advertising and marketing	3,079	-	3,079	12,064	15,143
Postage and printing	22	-	22	21	43
	$ 15,838,231	$ 4,377,561	$ 20,215,792	$ 575,616	$ 20,791,408

NOTE 11 – RELATED PARTY

The Coalition contracted with other entities that had individuals associated with those entities who also served on the Board of Directors of the Coalition. The total amount paid to some of these agencies for the fiscal year include:

	Included in Expenses	Payable at Year End
Agricultural and Labor Program, Inc (ALPI)	$ 509,237	$ -
CareerSource Research Coast	7,125	-
Community United Methodist Preschool	261,408	18,358
Indian River State College	32,956	210
St. Lucie County Chamber of Commerce	975	-
St. Lucie County Health Department	54,329	-
St. Lucie County School Board	893,920	5,906
Sunrise Country Preschool I & II	812,229	76,233
Total	$ 2,572,179	$ 100,707

Services provided by these agencies include coordinated childcare, nursing salaries, computer support, and other inclusion services among others.

NOTE 12 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2021 are:

Cash	$ 1,251,635
Accounts receivable	1,003,497
Prepaid expenses	200,323
Less Board designated amounts	(71,411)
Total financial assets available for general expenditure	$ 2,384,044

NOTE 13 – RESTRICTED NET ASSETS AND RELEASE OF RESTRICTED NET ASSETS

Net assets were released from donor or grant restrictions by incurring expenses satisfying the restricted purpose by donors or grantees as follows:

	June 30, 2021
Purpose restriction accomplished:	
School Readiness	$ 56,245

NOTE 14 – BOARD DESIGNATED FURNITURE REPLACEMENT FUND

During fiscal year 2018, the Coalition received insurance proceeds of $100,000 for the loss of furniture and equipment during Hurricane IRMA. These funds were designated by the Board to be used towards replacement furniture and equipment once a permanent headquarters can be established. In March 2019, the Coalition established a permanent headquarters and spent funds of $28,589 towards replacement furniture, leaving a $71,411 balance as of June 30, 2021.

NOTE 15 – MANGEMENT REVIEW

Subsequent events has been evaluated through November 2, 2022 which is the date the financial statements were available to be issued. Events occurring after the date have not been evaluated to determine whether a change in the financial statements would be required.

SUPPLEMENTARY INFORMATION

EARLY LEARNING COALITION OF ST. LUCIE COUNTY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE PROJECTS
For the Year Ended June 30, 2021

DESCRIPTION	Assistance Listing No	Contract/ Grant Number	Expenditures
FEDERAL AWARDS:			
US DEPARTMENT OF HEALTH & HUMAN SERVICES			
Passed Through Florida Office of Early Learning			
Temporary Assistance for Needy Families (TANF)	93.558	SR481	$ 2,573,221
Child Care and Development Fund Cluster (CCDF)			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	SR481	1,709,563
Child Care and Development Block Grant	93.575	SR481	7,882,453
COVID-19 - Child Care and Development Block Grant	93.575	SR481	3,244,218
Total Child Care and Development Fund Cluster (CCDF)			12,836,234
Preschool Development Grant	93.434	SR481	41,598
Social Services Block Grant	93.667	SR481	6,164
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 15,457,217
STATE PROJECTS:			
FLORIDA DEPARTMENT OF EDUCATION			
Passed Through Florida Office of Early Learning			
Voluntary Pre-kindergarten Education Program	48.108	SV481	$ 4,538,114
TOTAL EXPENDITURES OF STATE PROJECTS			$ 4,538,114

See accompanying notes to schedule of expenditures of federal awards and state projects.

EARLY LEARNING COALITION OF ST. LUCIE COUNTY, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE PROJECTS
For the Year Ended June 30, 2021

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state projects includes the federal award and state project activity of the Early Learning Coalition of St. Lucie County, Inc. under programs of the federal government for the year ended June 30, 2021. 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)*. Because the Schedule presents only a selected portion of the operations of the Early Learning Coalition of St. Lucie 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 St. Lucie 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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Early Learning Coalition of St. Lucie County, Inc. has elected not to use the 10-percent indirect de minimis rate allowed under Uniform Guidance.

NOTE 3 – PROGRAM CLUSTERS

The Uniform Guidance defines a cluster of programs as a grouping of closely related programs that share common compliance requirements. According to this definition, similar programs deemed to be a cluster of programs are considered to be one program and are tested accordingly.

NOTE 4 – SUB-RECIPIENT MONITORING

The Early Learning Coalition of St. Lucie County, Inc. has provided no federal awards to subrecipients.

NOTE 5 – CONTINGENCIES

Amounts received, or receivable, from grantor agencies are subject to audit and adjustment by grantor agencies. If any expenditures are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Early Learning Coalition of St. Lucie County, Inc. In the opinion of Management, any such adjustment would not be significant.

Early Learning Coalition of St. Lucie County, Inc.
Schedule of Findings and Questioned Costs –
Federal Programs and State Projects
For the Year Ended June 30, 2021

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	____ Yes	__X__ No
Significant deficiency(ies) identified?	____ Yes	__X__ None reported
Noncompliance material to financial statements noted?	____ Yes	__X__ No

Federal Awards and State Projects

Internal Control over major programs/projects:		
Material weakness(es) identified?	____ Yes	__X__ No
Significant deficiency(ies) identified?	____ Yes	__X__ None reported
Type of auditor's report issued on compliance for major federal programs and state projects:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a) or Chapter 10.656?	____ Yes	__X__ No

Identification of major programs/projects:

Assistance Listing Number(s)	Name of Federal Program(s) or Cluster
93.575/93.596	Child Care and Development Fund Cluster
93.575	COVID-19 Child Care and Development Block Grant
93.558	Temporary Assistance for Needy Families

CSFA Number(s)	Name of State Project(s)
48.108	Voluntary Pre-kindergarten Education Program

Dollar threshold used to distinguish between Type A and B Federal Programs:	$750,000
Dollar threshold used to distinguish between Type A and B State Programs:	$750,000

Auditee qualified as low-risk auditee Pursuant to the Uniform Guidance?	____ Yes	__X__ No

Early Learning Coalition of St. Lucie County, Inc.
Schedule of Findings and Questioned Costs –
Federal Programs and State Projects
For the Year Ended June 30, 2021

FINDINGS – FINANCIAL STATEMENTS

There are no findings related to the financial statements in the current year which are required to be reported in accordance with *Government Auditing Standards*.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS

There were no audit findings related to federal programs in the current year required to be reported by Section 2 CFR 200.516(a), *Uniform Guidance*.

FINDINGS AND QUESTIONED COSTS – MAJOR STATE PROJECTS

There were no audit findings related to state projects in the current year required to be reported by Chapter 10.650, *Rules of the Auditor General*.

OTHER ISSUES – SUMMARY OF PRIOR AUDIT FINDINGS

There is no Summary of Prior Audit Findings or Corrective Action Plan required to be reported under Federal or Florida Single Audit Acts, as there were no prior year audit findings related to Federal programs or State projects.

OTHER MATTERS

We confirm that the Coalition staff performs the monthly reconciliation of its financial records to the statewide data and reporting systems (EFS) monthly; the Coalition has processes in place to identify and correct errors noted during the monthly reconciliation process; and the Coalition's financial records and the EFS records were reconciled and in agreement as of the annual program year end. The Audit work papers include documentation to verify that these tasks have been performed and such work papers are available for review by the Florida Office of Early Learning staff upon request.

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

The Board of Directors
Early Learning Coalition of St. Lucie County, Inc.
Fort Pierce, 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 of America, the financial statements of the Early Learning Coalition of St. Lucie County, Inc., which comprise the statement of financial position as of June 30, 2021 and the related statements of activities and cash flows for the year then ended, and the related notes to financial statements and have issued our report thereon dated November 2, 2022.

Internal Control over Financial Reporting

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

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The Board of Directors
Early Learning Coalition of St. Lucie County, Inc.

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 over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Berger Toombs Elam Gaines & Frank

Berger, Toombs, Elam, Gaines & Frank
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Fort Pierce, Florida

November 2, 2022

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

The Board of Directors
Early Learning Coalition of St. Lucie County, Inc.
Fort Pierce, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Early Learning Coalition of St. Lucie County, Inc.'s (the "Coalition") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the *Department of Financial Services*' State Projects Compliance Supplement, that could have a direct and material effect on each of the Early Learning Coalition of St. Lucie County, Inc.'s major Federal programs and State projects for the year ended June 30, 2021. The Early Learning Coalition of St. Lucie County, Inc.'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.

Management's Responsibility

Management is responsible for compliance with Federal and State statutes, regulations, and the terms and conditions of its Federal awards and State projects applicable to its Federal programs and State projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Coalition's major Federal programs and State projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance")* and Chapter 10.650, Rules of the Auditor General. Those standards, the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program or State project occurred. An audit includes examining, on a test basis, evidence about the Coalition's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

The Board of Directors
Early Learning Coalition of St. Lucie County, Inc.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program and State project. However, our audit does not provide a legal determination of the Coalition's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, Early Learning Coalition of St. Lucie County, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs and State projects for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Early Learning Coalition of St. Lucie County, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the Early Learning Coalition of St. Lucie County, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program or State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major Federal program and State project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Early Learning Coalition of St. Lucie County, Inc.'s internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

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The Board of Directors
Early Learning Coalition of St. Lucie County, Inc.

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.

Berger Toombs Elam
Gaines & Frank

Berger, Toombs, Elam, Gaines & Frank
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November 2, 2022

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MANAGEMENT LETTER

To the Board of Directors
Early Learning Coalition of St. Lucie County, Inc.
Fort Pierce, Florida

Report on the Financial Statements

We have audited the financial statements of the Early Learning Coalition of St. Lucie County, Inc., as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated November 2, 2022.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and Chapter 10.650, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance in accordance with the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General.

Additional Matters

Section 10.654(1)(e), *Rules of the Auditor General*, requires that we communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements or State project amounts that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Berger, Toombs, Elam,
Gaines & Frank
Certified Public Accountants PL

To the Board of Directors
Early Learning Coalition of St. Lucie County, Inc.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Please contact J. W. Gaines should you have any questions concerning this letter. We greatly appreciate the opportunity to be of service to Early Learning Coalition of St. Lucie County, Inc.

Berger Toombs Elam Gaines & Frank

Berger, Toombs, Elam, Gaines & Frank
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Fort Pierce, Florida

November 2, 2022