

**EARLY LEARNING COALITION
OF MANATEE COUNTY, INC.
AND AFFILIATE**

**Combined Financial
Statements
and Supplemental
Information**

**Years Ended June 30, 2021
and 2020**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Early Learning Coalition of Manatee County, Inc. and Affiliate
Palmetto, Florida

Report on the Financial Statements

We have audited the accompanying combined financial statements of Early Learning Coalition of Manatee County, Inc. (a nonprofit organization) and Affiliate, which comprise the combined statements of financial position as of June 30, 2021, and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these combined 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 audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

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

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

Opinion

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying schedule of expenditures of federal awards, state financial assistance and local awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and 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 combined financial statements. Also, the combining schedules are presented for purposes of additional analysis of the combined financial statements rather than to present the financial position and results of operations of the individual companies, and are not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the Early Learning Coalition of Manatee County, Inc. and Affiliate's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 3, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, 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 December 15, 2021, on our consideration of Early Learning Coalition of Manatee County, Inc. and Affiliate's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Early Learning Coalition of Manatee County, Inc. and Affiliate's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Early Learning Coalition of Manatee County, Inc. and Affiliate's internal controls over financial reporting and compliance.

Moss, Krusick & Associates, LLC

Winter Park, Florida
December 15, 2021

Early Learning Coalition of Manatee County, Inc. and Affiliate

COMBINED STATEMENTS OF FINANCIAL POSITION

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets:		
Cash and equivalents	\$ 2,252,923	\$ 1,644,401
Grants and accounts receivable, net	1,000,146	2,327,623
Prepaid expenses	<u>18,762</u>	<u>8,471</u>
Total current assets	3,271,831	3,980,495
Property and equipment, net	207,999	54,547
Deposits	<u>20,000</u>	<u>20,000</u>
Total assets	<u><u>\$ 3,499,830</u></u>	<u><u>\$ 4,055,042</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 2,106,179	\$ 3,337,626
Accrued salaries	101,299	85,058
Accrued benefits	224,260	160,149
Deferred revenue	<u>85,822</u>	<u>65,152</u>
Total current liabilities	<u>2,517,560</u>	<u>3,647,985</u>
Net assets:		
Without donor restrictions	977,298	378,046
With donor restrictions	<u>4,972</u>	<u>29,011</u>
Total net assets	<u>982,270</u>	<u>407,057</u>
Total liabilities and net assets	<u><u>\$ 3,499,830</u></u>	<u><u>\$ 4,055,042</u></u>

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

Early Learning Coalition of Manatee County, Inc. and Affiliate
COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2021
(with comparative totals for the year ended June 30, 2020)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2021	2020
REVENUES AND OTHER SUPPORT				
Federal and state grants	\$ 24,888,137	\$ -	\$ 24,888,137	\$ 21,671,800
Local grants	3,678,464	-	3,678,464	2,488,554
United Way	61,796	-	61,796	30,000
Shared services	-	-	-	90,877
Special events, net of related expense of \$12,844 and \$23,301, respectively	43,891	-	43,891	29,500
In-kind contributions	14,263	-	14,263	11,690
Magazine income	111,245	-	111,245	124,430
Contributions	36,030	-	36,030	21,310
Other income	109,296	-	109,296	110,412
Net assets released from restrictions	24,039	(24,039)	-	-
Total revenues and other support	28,967,161	(24,039)	28,943,122	24,578,573
EXPENSES				
Program services:				
School Readiness	19,004,626	-	19,004,626	14,370,997
Voluntary Pre-Kindergarten	5,261,882	-	5,261,882	6,702,852
Other	2,128,244	-	2,128,244	1,554,267
Shared services	-	-	-	103,151
NextGen	192,458	-	192,458	232,294
Moore Communications Group	24,040	-	24,040	33,513
Total program services	26,611,250	-	26,611,250	22,997,074
Supporting services:				
Management and general	1,756,659	-	1,756,659	1,690,225
Total expenses	28,367,909	-	28,367,909	24,687,299
Changes in net assets	599,252	(24,039)	575,213	(108,726)
Net assets, beginning of year	378,046	29,011	407,057	515,783
Net assets, end of year	\$ 977,298	\$ 4,972	\$ 982,270	\$ 407,057

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

Early Learning Coalition of Manatee County, Inc. and Affiliate

COMBINED STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended June 30, 2021

(with comparative totals for the year ended June 30, 2020)

	Program Services					Supporting Services	Total Expenses		
	School Readiness	Voluntary Pre-Kindergarten	Other	NextGen	Moore Communications Group	Management and general	2021	2020	
Salaries	\$ 1,453,062	\$ 92,269	\$ 183,325	\$ 36,773	\$ 177	\$ 1,765,606	\$ 988,231	\$ 2,753,837	\$ 2,287,885
Fringe benefits	361,408	26,792	28,811	8,931	11	425,953	281,349	707,302	648,949
Total salaries and related expenses	1,814,470	119,061	212,136	45,704	188	2,191,559	1,269,580	3,461,139	2,936,834
Payments to providers	16,000,245	5,121,500	1,690,047	-	-	22,811,792	-	22,811,792	20,317,519
Supplies	582,726	369	86,649	2,358	4,986	677,088	64,980	742,068	185,512
Office expense	308,479	5,003	11,125	112,781	12,542	449,930	179,458	629,388	515,313
Occupancy	142,024	11,257	41,957	3,465	45	198,748	101,797	300,545	264,979
Professional fees	35,051	420	23,424	7,734	2,652	69,281	100,828	170,109	135,718
Payments to contractors and vendors	61,869	-	4,560	-	3,425	69,854	2,250	72,104	129,024
Travel and training	33,659	133	11,116	213	-	45,121	11,724	56,845	108,274
Promotional activities	14,391	2,736	4,869	6,401	16	28,413	4,844	33,257	22,000
Insurance	10,820	1,374	1,384	1,747	186	15,511	13,643	29,154	22,047
Other	892	29	7,737	792	-	9,450	7,555	17,005	33,934
In-kind expense	-	-	5,500	11,263	-	16,763	-	16,763	11,690
Total expenses before depreciation	19,004,626	5,261,882	2,100,504	192,458	24,040	26,583,510	1,756,659	28,340,169	24,682,844
Depreciation	-	-	27,740	-	-	27,740	-	27,740	4,455
Total expenses	\$ 19,004,626	\$ 5,261,882	\$ 2,128,244	\$ 192,458	\$ 24,040	\$ 26,611,250	\$ 1,756,659	\$ 28,367,909	\$ 24,687,299

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

Early Learning Coalition of Manatee County, Inc. and Affiliate

COMBINED STATEMENTS OF CASH FLOWS

Year Ended June 30, 2021, and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 575,213	\$ (108,726)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	27,740	4,455
Bad debt expense	5,222	1,500
(Increase) decrease in assets:		
Grants and accounts receivable	1,322,255	(1,415,440)
Prepaid expenses	(10,291)	9,755
Increase (decrease) in liabilities:		
Accounts payable	(1,231,447)	1,653,814
Accrued salaries	16,241	27,134
Accrued benefits	64,111	50,160
Deferred revenue	20,670	24,802
	789,714	247,454
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(181,192)	(44,868)
	(181,192)	(44,868)
Net increase in cash and equivalents	608,522	202,586
Cash and equivalents, beginning of year	1,644,401	1,441,815
Cash and equivalents, end of year	\$ 2,252,923	\$ 1,644,401
Noncash investing activities:		
Conversion of work in process to property and equipment	\$ 36,938	\$ -

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

Early Learning Coalition of Manatee County, Inc. and Affiliate

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2021

NOTE A – NATURE AND ACTIVITIES OF ORGANIZATION

Early Learning Coalition of Manatee County, Inc. (the “Coalition”) is a non-profit organization, organized under the laws of the State of Florida. The Coalition’s role is to develop and administer a comprehensive school readiness program and Voluntary Pre-Kindergarten (VPK) delivery system that prepares children to succeed in school and in life. This is an ongoing process that involves building on existing services, working in cooperation with other programs for young children, and coordinating and integrating program funding to achieve efficiency and effectiveness.

From Cradle to College Foundation, Inc. (the “Foundation”) was established on January 30, 2017 as a separate 501(c)(3) organization under the laws of the State of Florida to engage in any lawful activity for which nonprofit corporations are allowed under state law and to act as a supporting organization for the benefit of the Coalition. The Foundation began activity during the fiscal year ended June 30, 2018.

The Early Learning Coalition of Manatee County, Inc. and the From Cradle to College Foundation, Inc. (collectively the “Organization”) are combined due to the Coalition having controlling interest in the Foundation. The Foundation was organized to be a supporting organization of the Coalition. Therefore, the accompanying financial statements are presented on a combined basis. All significant intercompany accounts and transactions have been eliminated in the combination.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting and Financial Statement Presentation

The accompanying financial statements and accompanying schedules have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Organization reports information regarding its financial position and activities according to two classes of net assets as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board and/or management for general operating purposes. From time to time, the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management’s discretion.

Net Assets With Donor Restrictions

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

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

Some net assets with donor restrictions may include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a Board approved spending policy. See Note F and G for more information on the composition of net assets with donor restrictions and the release of restrictions, respectively.

Early Learning Coalition of Manatee County, Inc. and Affiliate

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2021

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Cash and Equivalents

For purposes of the statements of cash flows, the Organization considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

3. Property and Equipment

Equipment is stated at cost, if purchased, or at estimated fair value at the date of receipt if acquired by gift. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets, which range from 3 to 7 years. The Organization's policy is to capitalize property and equipment with a cost in excess of \$5,000. Maintenance, repairs and minor renewals are expensed as incurred. It is policy of the Organization to maintain all property and equipment in good condition.

Property acquired with governmental funds is considered to be owned by the Organization while used in the program for which it was purchased or in future authorized programs; however, its disposition as well as the ownership of any proceeds therefrom is subject to applicable regulations.

4. Accrued Benefits

Accrued benefits represent vested vacation leave. Vacation leave is charged as an expense in the period in which it is earned by the employee.

5. Functional Allocation of Expenses

Expenses are allocated between program services and management and general supporting services. Salaries are allocated based on actual time spent in these activities or administration of programs. Other expenses are allocated based on direct usage or management's estimates of the benefit derived by each activity.

6. Advertising Costs

The Organization expenses all advertising costs as they are incurred. Advertising costs for the years ended June 30, 2021 and 2020 totaled \$18,900 and \$4,400, respectively.

7. Use of Estimates

Management of the Organization has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities, as well as pro rata allocations in the recording of expenditures, to prepare the accompanying combined financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

8. Income Taxes

The Organization is a not-for-profit organization that is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue code.

Early Learning Coalition of Manatee County, Inc. and Affiliate

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2021

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

9. Uncertain Tax Positions

The Organization accounts for the effect of any uncertain tax positions based on a “more likely than not” threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefits are estimated based on a “cumulative probability assessment” that aggregates the estimated tax liability for all uncertain tax positions. The Organization has identified its tax status as a tax-exempt entity as its only significant tax position; however, the Organization has determined that such tax position does not result in the uncertainty requiring recognition. The Organization is not currently under examination by any taxing jurisdiction. The Organization’s federal returns are generally open for examination for three years following the date filed.

10. Revenue Recognition

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

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

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

Revenue from government grants is recorded when earned, which is generally when the allowable costs of the specific grant provisions have been incurred or the performance of services rendered. Such revenue is subject to audit by the grantor and, if the examination results in a deficiency of allowable expenses, the Organization 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, 2021 and 2020. 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 Organization receives advances on revenue which are to be repaid to the state.

11. Accounts and Grant Receivables

Accounts and grant receivables at June 30, 2021 and 2020, consisted of amounts due from state and local agencies and were recorded when services were provided. The Organization’s receivables as of June 30, 2021 and 2020, are due in less than one year and are considered fully collectible. Bad debt expense for the years ended June 30, 2021 and 2020, totaled \$5,222 and \$1,500, respectively.

Early Learning Coalition of Manatee County, Inc. and Affiliate

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2021

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

12. In-Kind Contributions

In-kind contributions are recognized as revenue in the period received at their fair value. During the fiscal years ended June 30, 2021 and 2020, Charter Communications (Spectrum) and several other vendors donated their professional services to the Organization with an estimated fair value of \$14,263 and \$11,690, respectively. These amounts are included in the accompanying combined statements of activities as in-kind revenue and general and administrative expenses.

13. Concentration of Credit Risk

Financial instruments, which potentially expose the Organization to concentrations of credit risk, consist principally of cash bank deposits. The Organization's policy is to place its cash investments in accounts with high quality financial institutions which are Federal Deposit Insurance Corporation insured, which provide coverage on balances up to \$250,000 per depositor per institution.

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits.

At June 30, 2021 and 2020, the Organization had \$1,866,706 and \$1,590,853, respectively, in excess of the federally insured limit. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and equivalents. The Organization acknowledges that balances over the insured amount are subject to risk.

14. Summarized Financial Information

The combined financial statements include certain prior-year summarized information in total but not by net asset class or function. Such information does not constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2020 from which the summarized information was derived.

15. Recent Accounting Pronouncements

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

16. Subsequent Events

Management has evaluated the effect subsequent events would have on the combined financial statements through the date of these combined financial statements were available to be issued on December 15, 2021.

Early Learning Coalition of Manatee County, Inc. and Affiliate

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2021

NOTE C – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30:

	2021	2020
Equipment	\$ 332,469	\$ 136,687
Leasehold improvements	31,348	9,000
Work in process	-	36,938
Less: accumulated depreciation	(155,818)	(128,078)
	\$ 207,999	\$ 54,547

Depreciation expense for the years ended June 30, 2021 and 2020, totaled \$27,740 and \$4,455, respectively.

NOTE D – LINE OF CREDIT

The Coalition has a \$400,000 revolving line of credit with BMO Harris Bank N.A. Advances on the credit line carry an interest rate of 4.25%. The Coalition decreased its credit line from \$1,000,000 to \$400,000 in 2016 that previously was for covering the shortfall related to the timing of the Child Care Executive Partnership (CCEP) funds from the State of Florida, Division of Early Learning (DEL). The credit line is secured by substantially all assets of the Coalition and expires March 2022. As of June 30, 2021 and 2020, there was no outstanding balance on the line of credit.

NOTE E – MOORE COMMUNICATIONS GROUP (“MCG”)

In 2015, the Coalition was granted \$250,000 plus an additional \$40,000 for each of the following fiscal years from the Stanley G. Tate Florida Prepaid College Board for the production and distribution of a combined calendar for both Florida Prepaid College and VPK Family Activities. The program was previously known as “From Cradle to College” and was renamed as Moore Communications Group after the formation of the From Cradle to College Foundation, Inc. as described in Note A. See below for a summary on the revenue received and the direct expenditures that were spent towards the program each year:

	2021	2020
Florida Prepaid College Board	\$ -	\$ 9
Program expenses	(24,039)	(33,514)
MCG net income	\$ (24,039)	\$ (33,505)

Early Learning Coalition of Manatee County, Inc. and Affiliate

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2021

NOTE F – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, consist of the following:

	<u>2021</u>	<u>2020</u>
MCG	<u>\$ 4,972</u>	<u>\$ 29,011</u>

See Note E for purpose of the above donor restricted net assets.

NOTE G – NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors. The net assets released from restrictions for the years ended June 30, were as follows:

	<u>2021</u>	<u>2020</u>
MCG	<u>\$ 24,039</u>	<u>\$ 33,514</u>

NOTE H – RETIREMENT PLANS

The Coalition established a 403(b) retirement plan (the “Plan”) for its employees on February 1, 2009. All employees who have performed six months of credited service and are at least age 21, are eligible to participate. Employees are fully vested after six years of service. The percentage of employer contributions is approved annually by the Board of Directors. For the years ended June 30, 2021 and 2020, the Coalition funded the Plan at a rate of 5% of eligible gross salaries. The total contributions to the Plan for each year were \$130,672 and \$95,267, respectively.

The Foundation established a Simplified Employee Pension Plan (SEP Plan) for its employees on January 8, 2019. All employees who have performed three months of credited service and are at least age 21, are eligible to participate. The percentage of employer contributions is approved annually by the Foundation’s Board of Directors. For the years ended June 30, 2021 and 2020, the Foundation funded employee plans at a rate of 7% of eligible gross salaries. The total contributions to the SEP Plan for each year were \$10,248 and \$10,789, respectively.

NOTE I – FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The Organization utilizes other cost accumulators codes (“OCA”) to allocate expenses to appropriate program and support service categories. Salaries are allocated based on actual time spent in these activities or administration of programs. Other expenses are allocated based on direct usage or management’s estimates of the benefit derived by each activity.

Early Learning Coalition of Manatee County, Inc. and Affiliate

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2021

NOTE J – COMMITMENTS AND CONTINGENCIES

Operating leases

The Organization leases its office space under an operating lease with an unrelated party that expires in fiscal year 2024. The Organization has the option to cancel its office space lease if more than 10% of the Organization's primary funding is eliminated by the Organization's funding sources. The Organization also leases copiers, postage meter, vehicle, and server that are included in the following schedule of future minimum lease commitments:

Years ending June 30,	
2022	\$ 305,577
2023	293,511
2024	<u>1,705</u>
Total minimum lease payments	<u>\$ 600,793</u>

Lease expense for the years ended June 30, 2021 and 2020, totaled \$298,828 and \$262,173, respectively, which is included in occupancy expense on the Combined Statements of Functional Expenses.

Federal and state appropriated funds

The Organization may be subject to audit examination by funding sources to determine compliance with grant conditions. In the event that expenditures would be disallowed, repayment could be required. Management believes the Organization is in compliance with the terms of its grant agreements.

NOTE K – RENTAL INCOME

The Foundation entered into a sublease agreement with the Coalition for use of its facilities for office and storage space beginning April 2020 and has renewed annually through March 2022. Monthly rental payments were made to the Coalition in the amount of \$250. Rental payments totaled \$2,750 for the year ended June 30, 2021 and are included within the Coalition's other income of the Combining Schedule of Activities and Changes in Net Assets and eliminated.

NOTE L – CONCENTRATION

Approximately 85% and 88% of the Organization's revenue is provided by DEL for June 30, 2021 and 2020. A significant decline in funding to the Organization could adversely affect the operating results of the Organization. The continuance of state and federal funding is subject to annual legislative budgetary review.

Early Learning Coalition of Manatee County, Inc. and Affiliate

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 2021

NOTE M – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets available within one year of the combined statements of financial position date for general expenditures are as follows:

	<u>2021</u>	<u>2020</u>
Cash and equivalents	\$ 2,252,923	\$ 1,644,401
Grants and accounts receivable, net	1,000,146	2,327,623
Total financial assets available within one year	<u>3,253,069</u>	<u>3,972,024</u>
Less:		
Amounts unavailable for general expenditures within one year:		
Accounts payable	(2,106,179)	(3,337,626)
Accrued liabilities	(325,559)	(245,207)
Deferred revenue	<u>(85,822)</u>	<u>(65,152)</u>
Total amounts unavailable for general expenditures within one year	<u>(2,517,560)</u>	<u>(3,647,985)</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 735,509</u>	<u>\$ 324,039</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations as they come due. The Organization receives approximately 85% and 85% for the years ended June 30, 2021 and 2020, respectively, of its funding from federal and state grants passed through DEL which are on a reimbursable basis. Throughout the year, the Organization receives advances and reimbursements each month to cover incurred expenses. To help manage unanticipated liquidity needs, the Organization at times receives advances from DEL. In addition, to help manage unanticipated liquidity needs, the Organization has a committed line of credit of \$400,000 for the years ended June 30, 2021 and 2020, which it may draw upon.

NOTE N – RISK AND UNCERTAINTY

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

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation.

SUPPLEMENTAL INFORMATION



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

Partners

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American Institute of
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Florida Institute of
Certified Public
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To the Board of Directors of
Early Learning Coalition of Manatee County, Inc. and Affiliate
Palmetto, 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 combined financial statements of the Early Learning Coalition of Manatee County, Inc. (the "Coalition") and the From Cradle to College Foundation, Inc. (the "Foundation") (nonprofit organizations) (collectively the "Organization"), which comprise the combined statement of financial position as of June 30, 2021, and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated December 15, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's combined 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 combined financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Moss, Krusick & Associate, LLC

Winter Park, Florida
December 15, 2021



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

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To the Board of Directors of
Early Learning Coalition of Manatee County, Inc. and Affiliate
Palmetto, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the Early Learning Coalition of Manatee County's, Inc. (the "Coalition") and the From Cradle to College Foundation, Inc. (the "Foundation") (nonprofit organizations) (collectively the "Organization") 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*, and special audit guidance provided by the Division of Early Learning that could have a direct and material effect on each of the Organization's major federal programs and state projects for the year ended June 30, 2021. The Organization's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization'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; 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), and Chapter 10.650, *Rules of the Auditor General* and special guidance provided by the Division of Early Learning. Those standards and 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 Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program and State Project

In our opinion, the Organization 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 Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance, and Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Moss, Krusick & Associates, LLC

Winter Park, Florida
December 15, 2021

Early Learning Coalition of Manatee County, Inc. and Affiliate

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

June 30, 2021

Section I – Summary of Auditors’ Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

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

Early Learning Coalition of Manatee County, Inc. and Affiliate

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

June 30, 2021

Section I – Summary of Auditors’ Results (continued)

State Financial Assistance

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

Identification of major projects:

<u>Name of State Project</u>	<u>CSFA Number</u>
Voluntary Pre-Kindergarten 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, 2021 | Yes |
| 4. Audit work papers documenting verification of reconciliations available to OEL staff | Yes |

Section III – Financial Statement Findings

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

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

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

Section V – Status of Prior Year Audit Findings

There were no prior year audit findings

Early Learning Coalition of Manatee County, Inc. and Affiliate

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

Year Ended June 30, 2021

<u>Grantor/Program Title</u>	<u>ALN CSFA #</u>	<u>Award Number</u>	<u>Expenditures</u>
Federal Awards:			
U.S. Department of Health and Human Services			
<i>Passed through Division of Early Learning</i>			
Child Care and Development Block Grant	93.575	EL311	\$ 8,295,222
Child Care and Development Block Grant - CARES Act	93.575	EL311	4,304,538
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	EL311	<u>3,416,191</u>
Total Child Care Cluster			16,015,951
Temporary Assistance for Needy Families	93.558	EL311	3,055,276
Preschool Development Grant	93.434	EL311	73,539
Social Services Block Grant	93.667	EL311	8,152
U.S. Department of Treasury			
<i>Passed through Manatee County</i>			
Coronavirus Relief Fund	21.019	Y2264	<u>306,348</u>
Total Expenditures of Federal Awards			<u>\$ 19,459,266</u>
State Financial Assistance:			
State of Florida Department of Education			
<i>Passed through Division of Early Learning</i>			
Voluntary Pre-Kindergarten Education Program	48.108	EL311	\$ 5,326,024
Voluntary Pre-Kindergarten Education Program Outreach & Awareness	48.108	OA311	8,347
Preschool Emergency Alert Response Learning System	48.142	SR505	<u>94,500</u>
Total Expenditures of State Financial Assistance			<u>\$ 5,428,871</u>
Local Awards:			
Manatee County Early Care and Education Program			\$ 3,474,129
Manatee County - Whatever It Takes			135,188
United Way of Manatee County			61,796
CareerSource Suncoast			14,975
Manatee Community Foundation			14,867
School Board of Manatee County - Teen Parent Program			14,729
Manatee Education Foundation			11,303
The Auto Club Group (AAA)			8,000
Service Club of Manatee County			3,473
MSC Foundation			<u>1,800</u>
Total Expenditures of Local Awards			<u>\$ 3,740,260</u>
Total Expenditures of Federal Awards, State Financial Assistance, and Local Awards			<u>\$ 28,628,397</u>

Basis of Presentation

The accompanying schedule of expenditures of federal awards, state financial assistance, and local awards is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), State of Florida Chapter 10.650, *Rules of the Auditor General*, and the *Department of Financial Services' State Projects Compliance Supplement*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic combined financial statements.

Indirect Cost Rates

The Organization has elected to not use the 10% de minimis indirect cost rate for its federal programs and state projects for the year ended June 30, 2021. The indirect cost rates used on the Organization's federal programs and state projects are determined by the relevant federal or state agency.

See independent auditors' report.

Early Learning Coalition of Manatee County, Inc. and Affiliate
COMBINING SCHEDULE FOR STATEMENT OF FINANCIAL POSITION

June 30, 2021

	Early Learning Coalition of Manatee County, Inc.	From Cradle to College Foundation, Inc.	Eliminations	Total
ASSETS				
Current assets:				
Cash and equivalents	\$ 2,086,796	\$ 166,127	\$ -	\$ 2,252,923
Grants and accounts receivable, net	1,039,105	9,722	(48,681)	1,000,146
Prepaid expenses	18,762	-	-	18,762
Total current assets	3,144,663	175,849	(48,681)	3,271,831
Property and equipment, net	71,527	136,472	-	207,999
Deposits	20,000	-	-	20,000
Total assets	<u>\$ 3,236,190</u>	<u>\$ 312,321</u>	<u>\$ (48,681)</u>	<u>\$ 3,499,830</u>
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	\$ 2,109,814	\$ 45,046	\$ (48,681)	\$ 2,106,179
Accrued salaries	101,299	-	-	101,299
Accrued benefits	203,650	20,610	-	224,260
Deferred revenue	24,740	61,082	-	85,822
Total current liabilities	2,439,503	126,738	(48,681)	2,517,560
Net assets:				
Without donor restrictions	791,715	185,583	-	977,298
With donor restrictions	4,972	-	-	4,972
Total net assets	796,687	185,583	-	982,270
Total liabilities and net assets	<u>\$ 3,236,190</u>	<u>\$ 312,321</u>	<u>\$ (48,681)</u>	<u>\$ 3,499,830</u>

See independent auditors' report.

Early Learning Coalition of Manatee County, Inc. and Affiliate
COMBINING SCHEDULE FOR STATEMENT OF FINANCIAL POSITION

June 30, 2020

	Early Learning Coalition of Manatee County, Inc.	From Cradle to College Foundation, Inc.	Eliminations	Total
ASSETS				
Current assets:				
Cash and equivalents	\$ 1,526,408	\$ 117,993	\$ -	\$ 1,644,401
Grants and accounts receivable, net	2,323,861	11,500	(7,738)	2,327,623
Prepaid expenses	8,471	-	-	8,471
	3,858,740	129,493	(7,738)	3,980,495
Property and equipment, net	54,547	-	-	54,547
Deposits	20,000	-	-	20,000
	Total assets	\$ 3,933,287	\$ (7,738)	\$ 4,055,042
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	\$ 3,336,880	\$ 8,484	\$ (7,738)	\$ 3,337,626
Accrued salaries	85,058	-	-	85,058
Accrued benefits	160,149	-	-	160,149
Deferred revenue	21,070	44,082	-	65,152
	Total current liabilities	3,603,157	(7,738)	3,647,985
Net assets:				
Without donor restrictions	301,119	76,927	-	378,046
With donor restrictions	29,011	-	-	29,011
	Total net assets	330,130	-	407,057
	Total liabilities and net assets	\$ 3,933,287	\$ (7,738)	\$ 4,055,042

See independent auditors' report.

Early Learning Coalition of Manatee County, Inc. and Affiliate
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended June 30, 2021

	Early Learning Coalition of Manatee County, Inc.	From Cradle to College Foundation, Inc.	Eliminations	Total
REVENUES AND OTHER SUPPORT				
Federal and state grants	\$ 24,487,289	\$ 400,848	\$ -	\$ 24,888,137
Local grants	3,543,276	135,188	-	3,678,464
United Way	61,796	-	-	61,796
Special events, net of related expense of \$12,844 and \$23,301, respectively	-	43,891	-	43,891
In-kind contributions	16,763	-	(2,500)	14,263
Magazine income	111,245	-	-	111,245
Contributions	21,350	4,930	9,750	36,030
Other income	369,303	31	(260,038)	109,296
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues and other support	28,611,022	584,888	(252,788)	28,943,122
EXPENSES				
Program services:				
School Readiness	19,004,626	-	-	19,004,626
Voluntary Pre-Kindergarten	5,261,882	-	-	5,261,882
Other	1,970,542	387,872	(230,170)	2,128,244
NextGen	192,458	-	-	192,458
Moore Communications Group	24,040	-	-	24,040
	<hr/>	<hr/>	<hr/>	<hr/>
Total program services	26,453,548	387,872	(230,170)	26,611,250
Supporting services:				
Management and general	1,690,917	88,360	(22,618)	1,756,659
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	28,144,465	476,232	(252,788)	28,367,909
Changes in net assets	466,557	108,656	-	575,213
Net assets, beginning of year	330,130	76,927	-	407,057
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets, end of year	\$ 796,687	\$ 185,583	\$ -	\$ 982,270
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See independent auditors' report.

Early Learning Coalition of Manatee County, Inc. and Affiliate
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2020

	Early Learning Coalition of Manatee County, Inc.	From Cradle to College Foundation, Inc.	Eliminations	Total
REVENUES AND OTHER SUPPORT				
Federal and state grants	\$ 21,429,217	\$ 242,583	\$ -	\$ 21,671,800
Local grants	2,488,554	-	-	2,488,554
United Way	30,000	-	-	30,000
Shared services	90,877	-	-	90,877
Special events, net of related expense of \$23,301 and \$13,805, respectively	-	13,734	15,766	29,500
In-kind contributions	12,790	-	(1,100)	11,690
Magazine income	124,430	-	-	124,430
Contributions	20,131	10,679	(9,500)	21,310
Other income	180,823	-	(70,411)	110,412
	<u>24,376,822</u>	<u>266,996</u>	<u>(65,245)</u>	<u>24,578,573</u>
Total revenues and other support				
EXPENSES				
Program services:				
School Readiness	14,370,997	-	-	14,370,997
Voluntary Pre-Kindergarten	6,702,852	-	-	6,702,852
Other	1,419,270	179,549	(44,552)	1,554,267
Shared services	103,151	-	-	103,151
NextGen	232,294	-	-	232,294
Moore Communications Group	33,513	-	-	33,513
	<u>22,862,077</u>	<u>179,549</u>	<u>(44,552)</u>	<u>22,997,074</u>
Total program services				
Supporting services:				
Management and general	1,681,281	29,637	(20,693)	1,690,225
	<u>1,681,281</u>	<u>29,637</u>	<u>(20,693)</u>	<u>1,690,225</u>
Total expenses				
	<u>24,543,358</u>	<u>209,186</u>	<u>(65,245)</u>	<u>24,687,299</u>
Changes in net assets	(166,536)	57,810	-	(108,726)
Net assets, beginning of year	496,666	19,117	-	515,783
Net assets, end of year	<u>\$ 330,130</u>	<u>\$ 76,927</u>	<u>\$ -</u>	<u>\$ 407,057</u>

See independent auditors' report.