

**THE SCHOOL READINESS
COALITION OF SARASOTA
COUNTY, INC. d/b/a
EARLY LEARNING
COALITION OF
SARASOTA COUNTY**

**Financial Statements
and Supplemental
Information**

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

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INDEPENDENT AUDITOR’S REPORT

To the Board of Directors of
The School Readiness Coalition of Sarasota County, Inc.
Sarasota, Florida

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of The School Readiness Coalition of Sarasota County, Inc. (a nonprofit organization), d/b/a Early Learning Coalition of Sarasota County (the “Coalition”), which comprise the statements of financial position as of June 30, 2022, and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Coalition as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Coalition and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, State of Florida Chapter 10.650, *Rules of the Auditor General*, and special audit guidance provided by the Division of Early Learning, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2023 on our consideration of The School Readiness Coalition of Sarasota County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness The School Readiness Coalition of Sarasota County, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The School Readiness Coalition of Sarasota County, Inc.'s internal control over financial reporting and compliance.

Moss, Krusick & Associates, LLC

Winter Park, Florida
January 18, 2023

**The School Readiness Coalition of Sarasota County, Inc. d/b/a
Early Learning Coalition of Sarasota County**

STATEMENTS OF FINANCIAL POSITION

June 30, 2022 and 2021

	2022	2021
ASSETS		
Current assets		
Cash	\$ 2,514,275	\$ 1,892,618
Contracts and grants receivable	107,732	367,536
Prepaid assets	6,517	9,746
Total current assets	2,628,524	2,269,900
Furniture and equipment		
Furniture and equipment	25,165	25,165
Less accumulated depreciation	(25,165)	(25,165)
Total furniture and equipment	-	-
Total assets	\$ 2,628,524	\$ 2,269,900
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 1,750,817	\$ 1,006,833
Accrued payroll and benefits	91,544	61,228
Advances payable to grantor agency	330,527	808,703
Deferred revenue	127,477	81,148
Total current liabilities	2,300,365	1,957,912
Commitments and contingencies	-	-
Net assets		
Without donor restrictions	328,159	311,988
Total liabilities and net assets	\$ 2,628,524	\$ 2,269,900

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

**The School Readiness Coalition of Sarasota County, Inc. d/b/a
Early Learning Coalition of Sarasota County**

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended June 30, 2022 and 2021

Revenue:	2022	2021
Florida's Division of Early Learning		
School readiness services	\$ 13,411,988	\$ 10,143,972
Voluntary pre-kindergarten services	4,020,365	3,766,513
Sarasota County program funding	528,351	458,481
Local grants	56,538	44,461
Other income	216,856	82,554
Contribution of non-financial assets		
Donated space	29,610	29,610
Professional services	5,837	4,480
	18,269,545	14,530,071
 Expenses:		
Program services		
School readiness services	13,592,190	10,261,664
Voluntary pre-kindergarten services	3,951,429	3,688,879
Other quality programs	331,870	169,057
	17,875,489	14,119,600
Supporting services		
Administrative	377,885	394,688
	18,253,374	14,514,288
Changes in net assets	16,171	15,783
 NET ASSETS - BEGINNING OF YEAR	311,988	296,205
 NET ASSETS - END OF YEAR	\$ 328,159	\$ 311,988

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

**The School Readiness Coalition of Sarasota County, Inc. d/b/a
Early Learning Coalition of Sarasota County**

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2022

	Program Services			Total Program Expenses	Supporting Services	Total
	School Readiness Services	Voluntary Pre-Kindergarten Services	Other Quality Programs		Administrative	
Child care payments	\$ 6,953,683	\$ 3,910,214	\$ 13,938	\$ 10,877,835	\$ -	\$ 10,877,835
Grants to providers - CRRSA Act	2,971,118	-	-	2,971,118	-	2,971,118
Grants to providers - ARP Act	2,409,243	-	-	2,409,243	-	2,409,243
Salaries and wages, employee benefits and payroll costs	866,703	35,013	37,467	939,183	219,870	1,159,053
Provider training and Quality support	208,857	-	183,506	392,363	-	392,363
Professional fees	5,884	-	63,317	69,201	33,665	102,866
Building occupancy	64,329	2,681	-	67,010	11,030	78,040
Telephone and internet	33,221	1,412	116	34,749	8,231	42,980
Accounting fees	13,289	-	-	13,289	45,168	58,457
Parent education materials	15,830	-	30,739	46,569	1,715	48,284
Insurance expense	21,013	897	560	22,470	4,806	27,276
Printing and copying	14,426	644	-	15,070	2,797	17,867
Office supplies	6,149	275	595	7,019	1,033	8,052
Travel and training	2,653	41	28	2,722	1,093	3,815
Other expenses	715	34	1,562	2,311	3,017	5,328
Equipment	4,021	158	-	4,179	783	4,962
Membership and bank fees	-	-	-	-	8,065	8,065
Postage	1,056	60	42	1,158	1,165	2,323
Non-financial expense						
Donated space	-	-	-	-	29,610	29,610
Professional services	-	-	-	-	5,837	5,837
Total expenses	<u>\$ 13,592,190</u>	<u>\$ 3,951,429</u>	<u>\$ 331,870</u>	<u>\$ 17,875,489</u>	<u>\$ 377,885</u>	<u>\$ 18,253,374</u>

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

**The School Readiness Coalition of Sarasota County, Inc. d/b/a
Early Learning Coalition of Sarasota County**

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2021

	Program Services			Total Program Expenses	Supporting Services	Total
	School Readiness Services	Voluntary Pre-Kindergarten Services	Other Quality Programs		Administrative	
Child care payments	\$ 7,911,284	\$ 3,427,541	\$ 15,263	\$ 11,354,088	\$ -	\$ 11,354,088
Grants to providers - CRRSA Act	1,193,500	217,509	-	1,411,009	-	1,411,009
Salaries and wages, employee benefits and payroll costs	811,256	35,151	22,074	868,481	241,640	1,110,121
Provider training and Quality support	189,447	-	50,842	240,289	-	240,289
Professional fees	20,463	379	53,873	74,715	31,130	105,845
Building occupancy	61,111	2,977	-	64,088	13,108	77,196
Accounting fees	-	-	-	-	45,168	45,168
Telephone and internet	27,110	1,370	312	28,792	8,003	36,795
Parent education materials	6,507	2,020	23,257	31,784	1,394	33,178
Insurance expense	18,769	884	304	19,957	5,087	25,044
Printing and copying	13,660	625	-	14,285	3,253	17,538
Office supplies	4,707	211	564	5,482	1,060	6,542
Membership and bank fees	-	-	-	-	5,636	5,636
Other expenses	-	-	1,060	1,060	3,108	4,168
Postage	1,583	82	353	2,018	1,537	3,555
Equipment	808	73	1,120	2,001	182	2,183
Travel and training	1,459	57	35	1,551	292	1,843
Non-financial expense						
Donated space	-	-	-	-	29,610	29,610
Professional services	-	-	-	-	4,480	4,480
Total expenses	\$ 10,261,664	\$ 3,688,879	\$ 169,057	\$ 14,119,600	\$ 394,688	\$ 14,514,288

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

**The School Readiness Coalition of Sarasota County, Inc. d/b/a
Early Learning Coalition of Sarasota County**

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 16,171	\$ 15,783
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) decrease in assets:		
Contracts and grants receivable	259,804	1,076,749
Prepaid assets	3,229	(1,950)
Increase (decrease) in liabilities:		
Accounts payable	743,984	(714,132)
Accrued payroll and benefits	30,316	(4,258)
Advances payable to grantor agency	(478,176)	483,562
Deferred revenue	46,329	52,287
	621,657	908,041
Net cash provided by operating activities		
	621,657	908,041
Net increase in cash		
	1,892,618	984,577
CASH - BEGINNING OF YEAR		
	1,892,618	984,577
CASH - END OF YEAR		
	\$ 2,514,275	\$ 1,892,618

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

**The School Readiness Coalition of Sarasota County, Inc. d/b/a
Early Learning Coalition of Sarasota County**

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE A - ORGANIZATION

The School Readiness Coalition of Sarasota County, Inc. (the Coalition), d/b/a Early Learning Coalition of Sarasota County, is a not-for-profit organization incorporated in the State of Florida in 2000. The Coalition's purpose is to provide administration and oversight of federal, state and local funds that ensure an integrated school readiness program offering a broad range of services to enhance the overall system of quality childcare and early education services for preschool children in Sarasota County. This includes state and local funds for financial assistance for income eligible families under the original Florida School Readiness Act of 1999, the Voluntary Pre-Kindergarten (VPK) program for all 4-year-olds, implemented by the Florida Legislature in 2005 in response to the Constitutional Amendment passed by the state's citizens in 2002, and Child Care Resource and Referral services providing information regarding quality child care for all families, regardless of income. The Coalition is also responsible for the coordination of local efforts to ensure that young children are prepared for success in school and that child care providers educate and care for preschool children in appropriate, high quality early learning environments that meet legislative mandates.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Functional allocation of expenses

The cost of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Administration: This designation includes the functions necessary to maintain the Coalition's programs and activities; to provide coordination and articulation of the Coalition's program strategy through oversight of an executive director; to secure the proper administrative functioning of the board of directors (the "Board"); and to manage the financial and budgetary responsibilities of the Coalition.

Programs: The following programs are included in the accompanying financial statements: School Readiness - programs to provide financial scholarships for child care for eligible parents and to empower parents as a child's first teacher and help them prepare their children to be ready for school. Voluntary Pre-Kindergarten - program available for every four-year-old in Florida for 540 hours of care in either a traditional school year or a summer program. Quality Improvement System (QIS) - program which oversees the implementation of a local Quality Rating System for child care providers to support high quality early learning environments. A portion of the School Readiness program funds designated for quality expenses also go toward QIS activities.

**The School Readiness Coalition of Sarasota County, Inc. d/b/a
Early Learning Coalition of Sarasota County**

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Use of estimates

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

3. 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 and include all funds and activities over which the Board of the Coalition has oversight and financial responsibility.

The Coalition reports information regarding its financial position and activities according to two classes of net assets as follows:

Net Assets Without Donor Restrictions

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

Net Assets With Donor Restrictions

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

The Coalition reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statement of activities and changes in net assets 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 Coalition to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy.

**The School Readiness Coalition of Sarasota County, Inc. d/b/a
Early Learning Coalition of Sarasota County**

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Revenue recognition

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

Revenue from government grants are recorded when earned, which is generally when the allowable costs of the specific grant provisions have been incurred or the performance of services rendered. Such revenue is subject to audit by the grantor and, if the examination results in a deficiency of allowable expenses, the Coalition will be required to refund any deficiencies. Management is of the opinion that all monies recognized as revenue without donor restrictions have been earned as of June 30, 2022 and 2021. These amounts are reflected as revenue if received and expended in the same year. Revenue from program fees are recognized when the earnings process is substantially complete, and goods have been delivered or services performed. Revenues from program fees are recognized in the year to which they relate.

The Coalition received advance funding on several program awards, which qualify as deferred revenue under generally accepted accounting principles until the related services are delivered. The total amount of all deferred revenue was \$127,477 and \$81,148 at June 30, 2022 and 2021, respectively.

5. Credit risk

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

The Coalition maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Coalition has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents. The Coalition acknowledges that balances over the insured amount are subject to risk.

6. Contracts and grants receivable

Accounts receivable, which consists principally of grants due from federal and state governmental agencies, are recorded when services are provided. The Coalition's receivables as of June 30, 2022 and 2021 are due in less than one year and management believes all receivables are fully collectible.

**The School Readiness Coalition of Sarasota County, Inc. d/b/a
Early Learning Coalition of Sarasota County**

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Furniture and equipment

The Coalition's policy is to capitalize furniture and equipment with a cost in excess of \$5,000 and a useful life greater than one year. Depreciation is provided on a straight-line basis over the estimated useful lives of three to five years.

Furniture and equipment acquired with governmental funds is considered to be owned by the Coalition while used in the program for which it was purchased or in future authorized programs; however, its disposition as well as the ownership of any proceeds from the sale of assets there from is subject to applicable regulations.

8. Income taxes

The Coalition is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code; therefore, no income tax provision is required in the accompanying financial statements. The Coalition is not classified as a private foundation. Contributions to the Coalition are qualified as deductions for charitable contributions.

Management has analyzed the Coalition's various federal and state filing positions and believes that its income tax filing positions and deductions are well documented and supported and that no accruals for tax liabilities are necessary. Therefore, no reserves for uncertain income tax positions have been recorded. The Coalition remains subject to examination by the Internal Revenue Service for the years ended June 30, 2020 through June 30, 2022.

9. Advances payable to grantor agency

The Coalition receives advances on grant awards to meet its cash flow needs. As a result, these amounts are recorded as advances payable to the grantor agency in the statement of financial position until the amounts are paid back to the grantor agency as part of the agreement. Amounts not paid back at the end of the period are considered liabilities until paid back or forgiven by the grantor agency.

10. Recent accounting pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases*, that requires lessees to put most leases on their balance sheets and recognize expenses on their income statements in a manner similar to today's capital lease accounting. For lessors, the guidance modifies the classification criteria for accounting for sales-type and direct financing leases. The new guidance is effective for fiscal years beginning after December 15, 2021. The Coalition is evaluating the potential effects ASU 2016-02 will have on its financial statements.

**The School Readiness Coalition of Sarasota County, Inc. d/b/a
Early Learning Coalition of Sarasota County**

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

11. Accounting pronouncements implemented

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Non-financial Assets*, which requires the monitoring and tracking of gifts in kind by asset category, while also noting any donor-imposed restrictions. The Coalition adopted ASU No. 2020-07 effective July 1, 2021. The adoption has no significant impact on the Coalition's financial statements.

12. Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

13. Subsequent events

Subsequent events have been evaluated through January 18, 2023, which is the date the financial statements were available to be issued.

NOTE C - CONTRACTS AND GRANTS RECEIVABLE

Contracts and grants receivable consisted of the following amounts at June 30:

	<u>2022</u>	<u>2021</u>
Sarasota County Program	\$ 54,265	\$ 77,889
Florida's Division of Early Learning	28,439	260,618
Community Foundation	13,208	6,154
Other	7,470	22,500
University of Florida	4,350	-
The Florida Center for EC	<u>-</u>	<u>375</u>
Total contracts and grants receivable	<u>\$ 107,732</u>	<u>\$ 367,536</u>

NOTE D - MATCH REQUIREMENTS

From the funds in General Appropriations Act, Specific Appropriation 85, \$30,000,000 is provided to expand the provision of services to low income families at or below 200 percent of the federal poverty level as long as the income does not exceed 85 percent of the state median income. To be eligible for funding, the Coalition must match the state funds on a dollar-for-dollar basis and the local match must comply with federal Child Care and Development Block Grant matching requirements. During the years ended June 30, 2022 and 2021, the local matching requirements were met.

**The School Readiness Coalition of Sarasota County, Inc. d/b/a
Early Learning Coalition of Sarasota County**

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE E - COMMITMENTS AND CONTINGENCIES

1. Federal and state appropriated funds

The Coalition received 95% and 96% of its support from the federal and state governments in the form of grants for the years ended June 30, 2022 and 2021, respectively. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the Coalition's programs and activities.

Government grants require the fulfillment of certain conditions as set forth in applicable laws, rules and regulations and in the grant agreements. Failure to fulfill the conditions could result in the return of the funds to the grantor. Management believes such disallowances, if any, would not be material.

2. Operating lease

The Coalition has entered into a non-cancelable operating lease agreement for its administrative offices. The Coalition has also entered into operating leases for equipment and storage. Future minimum annual rent payments for the operating leases are as follows for the fiscal years ending June 30,

2023	\$ 80,880
2024	39,722
2025	36,735
2026	<u>13,952</u>
	<u>\$ 171,289</u>

Rent expense, included in building occupancy in the Statement of Functional Expenses, for the years ended June 30, 2022 and 2021 was \$67,537 and \$65,262 for leased office and storage space, respectively. Rent expense for leased equipment included in printing and copying in the Statement of Functional Expenses for the years ended June 30, 2022 and 2021 totaled \$16,920 and \$16,920, respectively.

NOTE F - 401K PLAN

The Coalition provides a 401(k) retirement plan for its employees. All regular full-time employees who are at least 21 years of age or older and have performed six months of credited service are eligible to participate. The Coalition matches participants' contribution to the retirement plan up to 5% of the individual participant's annual pay. For the years ended June 30, 2022 and 2021, the Coalition's total contribution to the plan was \$26,701 and \$24,713, respectively.

**The School Readiness Coalition of Sarasota County, Inc. d/b/a
Early Learning Coalition of Sarasota County**

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE G - RELATED PARTY TRANSACTIONS

The Coalition has reviewed fiscal 2022 and 2021 transactions and June 30, 2022 and 2021 balances for related parties and noted none requiring disclosure in the financial statements.

NOTE H - FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include building occupancy and telephone and internet, which are allocated on a square footage basis, as well as salaries and wages, benefits and payroll costs, professional fees, insurance, and travel and training, which are allocated on the basis of estimates of time and effort.

NOTE I - RISK AND UNCERTAINTY

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

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

NOTE J - CONTRIBUTED NON-FINANCIAL ASSETS

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

Upon receipt of contributions of non-financial assets, a corresponding amount is recorded as an expense or is capitalized as property and equipment. Donated space includes donated office space and professional services includes professional accounting services. For the years ended June 30, 2020 and 2021, contributed non-financial assets recognized as revenue and expense within the Statements of Activities and Changes in Net Assets and Statements of Functional expenses included:

	<u>2022</u>	<u>2021</u>
Donated space	\$ 29,610	\$ 29,610
Professional services	<u>5,837</u>	<u>4,480</u>
	<u>\$ 35,447</u>	<u>\$ 34,090</u>

**The School Readiness Coalition of Sarasota County, Inc. d/b/a
Early Learning Coalition of Sarasota County**

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE K - LIQUIDITY AND AVAILABILITY OF RESOURCES

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

	2022	2021
Cash	\$ 2,514,275	\$ 1,892,618
Contracts and grants receivable	107,732	367,536
Total financial assets available within one year	2,622,007	2,260,154
Less:		
Amounts unavailable for general expenditures within one year:		
Accounts payable	(1,750,817)	(1,006,833)
Accrued payroll and benefits	(91,544)	(61,228)
Accounts payable to grantor agency	(330,527)	(808,703)
Deferred revenue	(127,477)	(81,148)
Total amounts unavailable for general expenditures within one year	(2,300,365)	(1,957,912)
Total financial assets available to management for general expenditure within one year	\$ 321,642	\$ 302,242

As part of the Coalition's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations as they come due. The Coalition receives approximately 95% and 96% for the years ended June 30, 2022 and 2021, respectively, of its funding from federal and state grants passed through DEL which are on a reimbursable basis. Throughout the year, the Coalition receives monthly advances and reimbursements from DEL to cover incurred expenses and to manage unanticipated liquidity needs.