

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

**Financial Statements  
and Supplemental  
Information**

**Year ended June 30, 2025**

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## INDEPENDENT AUDITOR'S REPORT

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

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

#### **Opinion**

We have audited the accompanying financial statements of the Early Learning Coalition of Osceola County, Inc. (the "Coalition") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Coalition as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

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

#### **Responsibilities of Management for the Financial Statements**

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

### ***Supplementary Information***

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2026 on our consideration of Early Learning Coalition of Osceola County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness Early Learning Coalition of Osceola County, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Early Learning Coalition of Osceola County, Inc.'s internal control over financial reporting and compliance.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
February 17, 2026

Early Learning Coalition of Osceola County, Inc.

STATEMENT OF FINANCIAL POSITION

June 30, 2025

ASSETS

Cash and cash equivalents	\$	461,243
Grants receivable		2,613,791
Advances to providers		229,158
Prepaid expenses		21,966
Deposits		43,932
Intangible assets		253,148
		<hr/>
Total assets	\$	3,623,238
		<hr/> <hr/>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$	2,935,197
Due to DEL		294,182
		<hr/>
Total liabilities		3,229,379
Net assets:		
Without donor restrictions		393,859
		<hr/>
Total liabilities and net assets	\$	3,623,238
		<hr/> <hr/>

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

Early Learning Coalition of Osceola County, Inc.

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

Year Ended June 30, 2025

**REVENUES AND SUPPORT**

Federal and state grants	\$ 32,529,326
Local grants	33,060
Other income	<u>187,548</u>
Total revenues and support	<u>32,749,934</u>

**EXPENSES**

Program services:	
School Readiness	21,891,553
Voluntary Pre-Kindergarten	9,605,949
Other	<u>575,093</u>
Total program services	32,072,595
Support services:	
Management and general	<u>909,140</u>
Total expenses	<u>32,981,735</u>

<b>CHANGE IN NET ASSETS</b>	(231,801)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>625,660</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 393,859</u></u>

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

Early Learning Coalition of Osceola County, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2025

	Program Services			Support Services		
	School Readiness	Voluntary Pre-Kindergarten	Other	Total	Management and General	Total
Direct services	\$ 18,000,169	\$ 9,364,860	\$ 268,145	\$ 27,633,174	\$ -	\$ 27,633,174
Salaries and benefits	2,911,699	210,895	43,671	3,166,265	677,173	3,843,438
Professional fees	423,315	26,450	-	449,765	95,362	545,127
Amortization expense	165,353	-	-	165,353	-	165,353
Direct services - local and private funding	-	-	163,919	163,919	566	164,485
Classroom supplies	50,601	-	60,000	110,601	-	110,601
Other expenses	29,581	-	6,715	36,296	57,650	93,946
Program enhancement	85,533	-	-	85,533	-	85,533
Office expenses	53,312	-	1,333	54,645	28,757	83,402
Advertising	32,522	-	29,935	62,457	-	62,457
Rent expense	45,484	-	-	45,484	10,647	56,131
Training and development	55,200	-	195	55,395	-	55,395
Pass-through payments to sub-recipients	91	3,087	761	3,939	26,331	30,270
Travel	13,107	657	419	14,183	8,583	22,766
Repairs and maintenance	13,045	-	-	13,045	4,071	17,116
Outreach and awareness	12,541	-	-	12,541	-	12,541
Total expenses	<u>\$ 21,891,553</u>	<u>\$ 9,605,949</u>	<u>\$ 575,093</u>	<u>\$ 32,072,595</u>	<u>\$ 909,140</u>	<u>\$ 32,981,735</u>

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

Early Learning Coalition of Osceola County, Inc.

STATEMENT OF CASH FLOWS

Year Ended June 30, 2025

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ (231,801)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Amortization of intangible assets	165,353
(Increase) decrease in assets:	
Grants receivable	(1,407,315)
Advances to providers	(229,158)
Prepaid expenses	67,969
Deposits	(43,932)
Increase (decrease) in liabilities:	
Due to related parties	(1,525,973)
Deferred revenue	(95)
Due to DEL	(12,869)
Accounts payable and accrued expenses	<u>25,190</u>
Net cash used in operating activities	<u>(3,192,631)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(3,192,631)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>3,653,874</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>\$ 461,243</u></u>

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

Early Learning Coalition of Osceola County, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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

1. Organization and nature of activities

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

2. Basis of accounting and financial statement presentation

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

*Net Assets Without Donor Restrictions*

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

*Net Assets With Donor Restrictions*

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

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

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Coalition to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a Board approved spending policy. As of June 30, 2025, the Coalition had no net assets with donor restrictions.

Early Learning Coalition of Osceola County, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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

3. Use of estimates

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

4. Cash and cash equivalents

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

5. Property and equipment

Property and equipment are carried at their historical cost if purchased, or at estimated market value if acquired by gift. The Coalition capitalizes expenditures in excess of \$1,000 and an estimated useful life greater than one year. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets, which range from three to five years. Property acquired with governmental funds is considered to be owned by the Coalition while used in the program for which it was purchased or in future authorized programs; however, its disposition and the ownership of any proceeds are subject to applicable regulations. As of June 30, 2025, the Coalition did not have any property and equipment and recorded no depreciation expense for fiscal year 2025.

6. Revenue recognition

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

The Coalition also follows ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASC 958-605), which clarifies how transactions should be accounted for as contributions (nonreciprocal transactions) or exchange transactions and whether a contribution is conditional.

Revenue from government grants are recorded when earned, which is generally when the allowable costs of the specific grant provisions have been incurred or the performance of services rendered. Such revenue is subject to audit by the grantor and, if the examination results in a deficiency of allowable expenses, the Coalition will be required to refund any deficiencies. Management is of the opinion that all monies recognized as revenue have been earned as of June 30, 2025. These amounts are reflected as without donor restricted revenue if received and expended in the same year. Revenue from program fees are recognized when the earnings process is substantially complete, and goods have been delivered or services performed. Revenues from program fees are recognized in the year to which they relate. As part of the Voluntary Pre-Kindergarten grants, the Coalition receives advances on revenue which are to be repaid to the state.

Early Learning Coalition of Osceola County, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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

7. Deferred revenue

Deferred revenue represents grant revenues collected but not yet earned as of June 30, 2025. Revenues from grant proceeds are not recognized until expended.

8. Grants receivable

Grants receivable at June 30, 2025 consisted of amounts due from a state agency and are recorded when services are provided. The Coalition's receivables as of June 30, 2025 are due in less than one year and management considers them to be fully collectible.

9. Intangible assets

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

10. Functional allocation of expenses

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

11. Contributed non-financial assets

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

Upon receipt of contributions of non-financial assets, a corresponding amount is recorded as an expense or is capitalized as property and equipment. During the year ended June 30, 2025, the Coalition did not receive any donated services, materials, and facilities.

12. Leases

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

Early Learning Coalition of Osceola County, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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

12. Leases (continued)

Practical expedients and policy elections are available under the guidance, which was effective July 1, 2022. The Coalition elected the package of practical expedients permitted under the transition guidance, which among other things, did not require reassessment of whether contracts entered into prior to adoption are or contain a lease, and allowed carry forward of the historical lease classification for existing leases.

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

13. Advertising Costs

The Coalition expenses all advertising costs as they are incurred. Advertising costs for the year ended June 30, 2025 totaled \$62,457.

14. Income taxes

The Coalition is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code; therefore, no income tax provision is required in the accompanying financial statements. The Coalition is not classified as a private foundation. Contributions to the Coalition are qualified as deductions for charitable contributions. Management has analyzed the Coalition's various federal and state filing positions and believes that its income tax filing positions and deductions are well documented and supported and that no accruals for tax liabilities are necessary. Therefore, no reserves for uncertain income tax positions have been recorded. The Coalition remains subject to examination by the Internal Revenue Service for the years ended June 30, 2023 through June 30, 2025.

15. Subsequent events

Management has evaluated the effect subsequent events would have on the financial statements through the date these financial statements were available to be issued on February 17, 2026.

The Coalition entered into a lease for their administrative offices under a seven-year lease signed in February 2025 and beginning July 1, 2025, with an option to extend for another three years. Effective July 1, 2025 upon taking possession of the asset, the Coalition will recognize a right of use asset with a balance of \$1,710,347, and a lease liability of (\$1,688,381).

Early Learning Coalition of Osceola County, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

**NOTE B – CONCENTRATIONS**

1. Economic dependency

The Coalition received approximately 99.3% of its revenue from federal and state contracts during the year ended June 30, 2025. The continuance of state and federal funding is subject to annual legislative budgetary review.

2. Concentration of credit risks

Financial instruments, which potentially expose the Coalition to concentrations of credit risk, consist principally of cash bank deposits. The Coalition's policy is to place its cash investments with high quality financial institutions that are Federal Deposit Insurance Corporation insured, and which provide coverage on balances up to \$250,000 per depositor, per institution. The Coalition has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and equivalents. At June 30, 2025, the Coalition held \$79,799 in excess of federally insured limits.

**NOTE C – RELATED PARTY TRANSACTIONS**

Certain non-voting members of the Board are mandated in the "Early Learning Act." For the year ended June 30, 2025, \$30,270, of which \$16,902 was related to Federal and State awards and reported on the schedule of expenditures of federal awards and state financial assistance, was incurred for services provided by 4C, whose Central Agency Administrator and Head Start Director are members of the Coalition's Board. As of June 30, 2025, \$4,449 was due to 4C.

The Coalition contracts with State Housing & Development, Inc., a leasing company, for its primary office location in Kissimmee, Florida. A member of the Coalition's Board is the Property Manager for the building. Payments to the leasing company for the year ended June 30, 2025 were \$39,710. No amounts were due to the leasing company as of June 30, 2025.

The Coalition contracts with a family member of the Coalition's management team for website maintenance and development services, making them a related party. Total amounts paid to the family member was \$15,387 for the year ended June 30, 2025. As of June 30, 2025, \$1,104 was due to the family member.

**NOTE D – COMMITMENTS AND CONTINGENCIES**

1. Operating leases

The Coalition had non-cancelable operating lease agreements with a related party for the rental of office space for one-year terms during 2025. The Coalition elected to apply the short-term lease exception to all leases with a term of one year or less. Therefore, these leases have been exempt from FASB ASU 2016-02. Lease expense for the year ended June 30, 2025 was \$56,131.

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

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2025**

**NOTE D – COMMITMENTS AND CONTINGENCIES (continued)**

2. Federal and state appropriated funds

Amounts received from federal and state agencies are subject to audit and adjustment at the discretion of those entities. If expenditures are disallowed as a result of these audits, the claims for reimbursement to the agency would be a liability of the Coalition.

**NOTE E – INDIVIDUAL RETIREMENT ACCOUNTS**

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

The Coalition’s contributions to employee retirement plans are not guaranteed from fiscal year to fiscal year and contribution percentages may vary based on availability of funds. The Coalition contributed a total of \$52,377 to the Plan for the year ended June 30, 2025.

**NOTE F – FUNCTIONAL EXPENSES**

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

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

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

	<u>School Readiness</u>	<u>Voluntary Pre-Kindergarten</u>	<u>School Readiness Plus</u>	<u>Total</u>
Total administrative expenses subject to 5% maximum	\$ 665,659	\$ 454,039	\$ -	\$ 1,119,698
Maximum 5% administrative expenses allowable per DEL	<u>1,018,237</u>	<u>470,043</u>	<u>305</u>	<u>1,488,585</u>
Administrative expenses under maximum	<u>\$ (352,578)</u>	<u>\$ (16,004)</u>	<u>\$ (305)</u>	<u>\$ (368,887)</u>

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

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2025**

**NOTE H – LIQUIDITY AND AVAILABILITY OF RESOURCES**

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

Cash and cash equivalents	\$ 461,243
Grants receivable	<u>2,613,791</u>
 Total financial assets available to management for general expenditure within one year	 <u>\$ 3,075,034</u>

As part of the Coalition’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations as they come due. The Coalition receives approximately 99.3% of funding from federal and state grants passed through DEL which are on a reimbursable basis. Throughout the year, the Coalition receives advances and reimbursements each month to cover incurred expenses.

**NOTE I – INTANGIBLE ASSETS**

Intangible assets of \$253,148 presented on the statement of financial position at June 30, 2025 consist of the following:

Amortized intangible asset	Remaining Term	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
MarcoPolo software subscription	24 Months	\$ 450,000	\$ (225,000)	\$ 225,000
Torsch software subscription	24 Months	<u>46,060</u>	<u>(17,912)</u>	<u>28,148</u>
 Total		 <u>\$ 496,060</u>	 <u>\$ (242,912)</u>	 <u>\$ 253,148</u>

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

Years ending June 30:	
2026	\$ 165,353
2027	<u>87,795</u>
	 <u>\$ 253,148</u>

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

Early Learning Coalition of Osceola County, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

**NOTE J – RECONCILIATION TO DEL CONFIRMED REVENUE TO STATEMENT OF ACTIVITIES BALANCES**

The schedule of expenditures of federal awards and state financial assistance follows the accrual basis of accounting. Accounting principles generally accepted in the United States of America require recognition of the expenditures in the period incurred and recognition of the corresponding reimbursement once the amount is earned and collection is certain. Reconciliations of the schedule of expenditures of federal awards and state financial assistance to federal and state expenditures included in the statement of activities and change in net assets is as follows:

Total Expenditures of Federal Awards and State Financial Assistance	\$ 32,533,765
Refunds and adjustments due to DEL	<u>(4,439)</u>
Statement of activities and change in net assets - Federal and State Grants	<u>\$ 32,529,326</u>