

**Early Learning Coalition
of St. Lucie County, Inc.**

FINANCIAL STATEMENTS

June 30, 2025

Early Learning Coalition of St. Lucie County, Inc.

FINANCIAL STATEMENTS

June 30, 2025

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REPORT OF INDEPENDENT AUDITORS

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Early Learning Coalition of St. Lucie County, Inc. (the "Coalition") which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Early Learning Coalition of St. Lucie County, Inc. as of June 30, 2025, and the changes in its net assets and 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 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 opinion.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 issued or available to be issued.

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

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 GAAS 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.

In performing an audit in accordance with GAAS 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.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements which collectively comprise the Coalition's financial statements. The accompanying schedule of expenditures for federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations (CFR), Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance), Section 215.97, Florida Statutes, Chapter 69I-5, Florida Administrative Code, and Chapter 10.650, *Rules of the Auditor General*, is presented for purposes of additional analysis and are 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 accompanying schedule of expenditures for 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 March 4, 2026 on our consideration of Early Learning Coalition of St. Lucie County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Coalition's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Early Learning Coalition of St. Lucie County, Inc.'s internal control over financial reporting and compliance.



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

March 4, 2026

EARLY LEARNING COALITION OF ST. LUCIE COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2025

Assets	
Current Assets	
Cash and cash equivalents	\$ 792,054
Accounts receivable	2,034,845
Prepaid expenses	<u>247,078</u>
Total Current Assets	<u>3,073,977</u>
Non-current Assets	
Property and equipment, net	63,000
Right-of-use leased office space, net	<u>486,463</u>
Total Non-current Assets	<u>549,463</u>
Total Assets	<u><u>\$ 3,623,440</u></u>
Liabilities and Net Assets	
Current Liabilities	
Accounts payable	\$ 2,269,979
Accrued expenses	234,226
Deferred revenues	5,827
Due to others	120
Due to Florida Division of Early Learning under Florida's Department of Education	75,833
Lease payable	<u>144,015</u>
Total Current Liabilities	<u>2,730,000</u>
Non-current Liabilities	
Lease payable	<u>420,272</u>
Total Liabilities	<u>3,150,272</u>
Net Assets	
Without donor restrictions - board designated furniture replacement fund	14,116
Without donor restrictions	<u>459,052</u>
Total Net Assets	<u>473,168</u>
Total Liabilities and Net Assets	<u><u>\$ 3,623,440</u></u>

See accompanying notes to financial statements.

EARLY LEARNING COALITION OF ST. LUCIE COUNTY, INC.
STATEMENT OF ACTIVITIES
For the Year Ended
June 30, 2025

	Without Donor Restrictions
Support and Revenues	
Grants	
Florida Division of Early Learning under Florida's Department of Education	\$ 30,786,397
Local Support	
Children's Services Council of St. Lucie County	988,726
Others	29,307
Interest Income	989
Total Support and Revenues	31,805,419
 Expenses	
Program Services	
School Readiness	23,908,048
Voluntary Pre-kindergarten	6,854,355
Total Programs Services	30,762,403
Supporting Services	
General and administrative	993,826
Total Expenses	31,756,229
 Change in Net Assets	49,190
 Net Assets, July 1, 2024	423,978
 Net Assets, June 30, 2025	\$ 473,168

See accompanying notes to financial statements.

EARLY LEARNING COALITION OF ST. LUCIE COUNTY, INC.
STATEMENT OF CASH FLOWS
For the Year Ended
June 30, 2025

Cash Flows From Operating Activities

Change in Net Assets	\$	49,190
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation/amortization		168,672
Increase in accounts receivable		(1,178,643)
Decrease in prepaid expenses		47,613
Increase in accounts payable		238,677
Decrease in lease payable		(136,965)
Increase in accrued expenses		41,676
Increase in deferred revenues		2,205
Decrease in Due to Florida Division of Early Learning under Florida's Department of Education		(587,146)
Increase in due to others		<u>120</u>
Net Cash Used by Operating Activities		<u>(1,354,601)</u>
Net Decrease in Cash		(1,354,601)
Cash and cash equivalents, July 1, 2024		<u>2,146,655</u>
Cash and cash equivalents, June 30, 2025	\$	<u><u>792,054</u></u>

See accompanying notes to financial statements.

Early Learning Coalition of St. Lucie County, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

Significant Accounting Policies

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

Use of Estimates

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

Financial Statement Presentation

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

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

Early Learning Coalition of St. Lucie County, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

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

Net Assets Without Donor Restrictions

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

Net Assets With Donor Restrictions

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

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

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

Classification of Transactions

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

Early Learning Coalition of St. Lucie County, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

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

Accounts Receivable

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

Fair Value Measurements

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

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

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

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

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

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

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

Early Learning Coalition of St. Lucie County, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

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

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

Property and Equipment

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

Leases

The Coalition determines if an arrangement is a lease, or contains a lease, at inception. Lessee arrangements recognize a lease liability and a right-of-use (ROU) asset in the Statement of Financial Position at the commencement date of the lease. The lease liability represents the Coalition's obligation to make lease payments arising from the lessee arrangement and is initially and subsequently recognized based on the present value of future lease payments. The ROU asset represents the Coalition's right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction, and is amortized on a straight-line basis over the terms of the associated lease. The lease term may include options to extend or terminate the lease when it is reasonably certain that the Coalition will exercise that option.

Payment for short-term leases with a lease term of less than twelve months, and lease agreements below the Coalition's approved annualized threshold, are recognized as expenses as incurred. The Coalition has established a \$35,000 threshold, for total annual payments, for leases subject to FASB Topic 842. Short-term leases and leases under the threshold are not included as lease liabilities or right-of-use assets on the Statement of Financial Position.

Early Learning Coalition of St. Lucie County, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting for Contributions

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

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

Functional Allocation of Expenses

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

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

Early Learning Coalition of St. Lucie County, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax Status

The Coalition is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purpose (unless that income is otherwise excluded by the IRC). The Coalition is not classified as a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(VI). The Coalition's open audit periods are for the years ended June 30, 2022, 2023 and 2024. The Coalition has adopted the provisions of FASB ASC 740-10 (formerly known as FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*). Under this section, an entity must recognize the tax benefit associated with tax taken for tax return purposes when it is more likely than not the position will be sustained.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Coalition that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

NOTE 2 – CASH AND CASH EQUIVALENTS

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

Checking	\$ 207,937
Petty cash	20
Money market	584,097
Total Cash	<u>\$ 792,054</u>

As of June 30, 2025, the Coalition had \$771,370 on deposits at various financial institutions, of which \$481,105 was not insured by the Federal Deposit Insurance Corporation (FDIC). The Coalition has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on cash.

Early Learning Coalition of St. Lucie County, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 3 – PROPERTY AND EQUIPMENT

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

	July 1, 2024	Additions	Deletions	June 30, 2025
Equipment	\$ 45,747	\$ -	\$ -	\$ 45,747
Software	108,000	-	-	108,000
Less: accumulated depreciation/amortization	(54,747)	(36,000)	-	(90,747)
Property and Equipment, Net	<u>\$ 99,000</u>	<u>\$ (36,000)</u>	<u>\$ -</u>	<u>\$ 63,000</u>

Depreciation/amortization expense for the year was \$36,000.

NOTE 4 – CONCENTRATION OF RISK

The Coalition received \$30,786,397 of funding from the Florida Division of Early Learning under Florida’s Department of Education that individually comprises approximately ninety-seven percent of total revenues and support for the year ended June 30, 2025. As of June 30, 2025, the Coalition had receivables from the Florida Division of Early Learning under Florida’s Department of Education of \$1,916,607.

NOTE 5 – PROVIDER PAYMENTS

The Coalition has contracted for services with various agencies to provide child care services to pre-school children on a subcontract basis. Provider payments amount to \$28,879,934 inclusive of Voluntary Pre-Kindergarten (VPK) and School Readiness (SR) programs.

NOTE 6 – DEFERRED REVENUES

Deferred revenues at June 30, 2025, consists primarily of funds received from the Florida Division of Early Learning under Florida’s Department of Education to be used towards next year’s program.

Early Learning Coalition of St. Lucie County, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 7 – LEASES

Office Space

The Coalition has an obligation as a lessee for office space with an initial noncancelable term in excess of one year. The Coalition has classified this lease as an operating lease. The Coalition's office space lease contains two renewal options of five years each. Because the Coalition is not reasonably certain to exercise these renewal options, the optional periods were not included in determining the initial lease term, and associated payments under these renewal options are excluded from lease payments. The Coalition's lease did not include termination options for either party to the lease. Payments due under the lease arrangement are comprised of monthly fixed payments along with monthly estimated electrical costs, including an agreed upon annual increase of a fixed amount.

In March 2019, the Coalition entered into an agreement to lease certain office space which required 120 monthly payments ranging from \$10,666.67 to \$12,747.66 over the lease term, based on a 2% annual base payment increase. Additionally, the total monthly payment includes an estimated electrical cost based on an initial rate of \$1.74 per square foot totaling \$1,156.23 per month. The lease liability was measured at a discount rate of 3%, which is the Coalition's incremental borrowing rate. As a result of the lease, the Coalition reported a right-of-use asset with a net book value of \$486,463 at June 30, 2025.

The lease cost for the year ended June 30, 2025 are as follows:

Operating Lease Cost	\$ 288,811
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Supplemental cash flow information related to leases was as follows:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows from operating leases	\$ 156,139
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Supplemental balance sheet information related to leases was as follows:

Operating Lease Right-of-Use Assets	\$ 486,463
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Operating Lease Liabilities	\$ 564,287
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Early Learning Coalition of St. Lucie County, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 7 – LEASES (CONTINUED)

Future minimum payments of lease liabilities under noncancellable operating leases as of June 30, 2025, were as follows:

Year Ending June 30,	Total
2026	\$ 158,985
2027	161,887
2028	164,847
2029	111,231
Total minimum lease payments	596,950
Less: amount representing interest	(32,663)
Lease liability as of June 30, 2025	\$ 564,287

As of June 30, 2025, the weighted-average remaining lease term for the operating lease is 3.67 years. As the discount rate was not indicated on the lease agreements, the Coalition utilized the incremental borrowing rate as the discount rate. The weighted-average discount rate associated with the operating lease is 3%.

NOTE 8 – RETIREMENT PLAN

The Coalition has a defined contribution annuity plan. The plan's eligibility requirements are that a participant must have completed one year of service. The contributions made by the Coalition include elected deferral amounts of salary made by the employee, a matching amount paid by the Coalition not to exceed 4%, plus a discretionary non-matching amount determined by the Coalition on a yearly basis. The employer contributed \$69,352 for the year ended June 30, 2025.

Early Learning Coalition of St. Lucie County, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 9 – FUNCTIONAL EXPENSES

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

	<u>Program Services</u>			<u>Supporting Services</u>	
	<u>School Readiness</u>	<u>Voluntary Pre-Kindergarten</u>	<u>Total Program Services</u>	<u>General and Administrative</u>	<u>Total Expenses</u>
Provider payments	\$ 22,099,745	\$ 6,780,189	\$ 28,879,934	\$ -	\$ 28,879,934
Salaries and wages	1,373,586	44,449	1,418,035	779,504	2,197,539
Professional services	223,007	26,509	249,516	26,428	275,944
Occupancy	89,938	1,562	91,500	51,010	142,510
Program supplies	55,323	4	55,327	12,178	67,505
Depreciation and amortization	-	-	-	36,000	36,000
Travel	11,461	524	11,985	16,691	28,676
Telephone	13,699	599	14,298	7,243	21,541
Interest expense	-	-	-	19,174	19,174
Licenses and other fees	10,833	198	11,031	6,590	17,621
Small equipment	10,588	176	10,764	6,018	16,782
Miscellaneous expense	3,245	60	3,305	12,685	15,990
Insurance	-	-	-	14,468	14,468
Advertising and marketing	11,141	-	11,141	1,689	12,830
Supplies	4,119	82	4,201	2,600	6,801
Staff development	1,241	2	1,243	1,473	2,716
Postage and printing	122	1	123	75	198
Totals	<u>\$ 23,908,048</u>	<u>\$ 6,854,355</u>	<u>\$ 30,762,403</u>	<u>\$ 993,826</u>	<u>\$ 31,756,229</u>

Early Learning Coalition of St. Lucie County, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 10 – RELATED PARTY

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

	Included in Expenses	Payable at Year End
Agricultural and Labor Program, Inc (ALPI)	\$ 961,820	\$ -
Community United Methodist Preschool	447,931	28,962
Little Scholars Academy	294,683	34,494
Sunrise Country Preschool	1,042,165	101,870
Total	\$ 2,746,599	\$ 165,326

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

In addition, one board member is employed by a company contracted with the Coalition for IT services and another board member provides contractual health screening services for children served by the Coalition. One board member also serves as an officer of an organization that provides local match funding to the Coalition. During the year, the Coalition received \$988,726 in contributions from the organization and had a receivable balance of \$76,987 as of June 30, 2025.

NOTE 11 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2025 are:

Cash	\$ 792,054
Accounts receivable	2,034,845
Prepaid expenses	247,078
Less: board designated amounts	(14,116)
Total financial assets available for general expenditure	\$ 3,059,861

NOTE 12 – BOARD DESIGNATED FURNITURE REPLACEMENT FUND

During fiscal year 2018, the Coalition received insurance proceeds of \$100,000 for the loss of furniture and equipment during Hurricane IRMA. These funds were designated by the Board to be used towards replacement furniture and equipment once a permanent headquarters can be established. The Coalition established a permanent headquarters and spent funds of \$85,884 towards replacement furniture, leaving a \$14,116 balance as of June 30, 2025.

Early Learning Coalition of St. Lucie County, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 13 – DATE OF MANAGEMENT REVIEW

Subsequent events have been evaluated through March 4, 2026, which is the date the financial statements were available to be issued. Events occurring after the date have not been evaluated to determine whether a change in the financial statements would be required.

SUPPLEMENTARY INFORMATION

EARLY LEARNING COALITION OF ST. LUCIE COUNTY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2025

DESCRIPTION	Assistance Listing/CSFA Number	Contract/ Grant Number	Expenditures
FEDERAL AWARDS:			
<u>US DEPARTMENT OF HEALTH & HUMAN SERVICES</u>			
Passed Through Florida Division of Early Learning			
Temporary Assistance for Needy Families (TANF)	93.558	EL485	\$ 4,705,783
Child Care and Development Fund Cluster (CCDF)			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	EL485	3,844,054
Child Care and Development Block Grant	93.575	EL485	14,068,390
Child Care and Development Block Grant (ARPA)	93.575	EL485	1,231,662
Total Child Care and Development Fund Cluster (CCDF)			<u>19,144,106</u>
GR Unrestricted	N/A	EL485	4,672
GR SR PLUS	N/A	EL485	13,486
Social Services Block Grant	93.667	EL485	7,440
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 23,875,487</u></u>
STATE FINANCIAL ASSISTANCE:			
<u>FLORIDA DEPARTMENT OF EDUCATION</u>			
Passed Through Florida Division of Early Learning			
Voluntary Pre-kindergarten Education Program	48.108	EL485	\$ 6,919,629
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u><u>\$ 6,919,629</u></u>

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

EARLY LEARNING COALITION OF ST. LUCIE COUNTY, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2025

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal award and state financial assistance activity of the Early Learning Coalition of St. Lucie County, Inc. under programs of the federal government and projects of the state government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Section 215.97, Florida Statutes, Chapter 69I-5, Florida Administrative Code, and Chapter 10.650, *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations of the Early Learning Coalition of St. Lucie County, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Early Learning Coalition of St. Lucie County, Inc.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for federal awards, as well as applicable provisions of Section 215.97, Florida Statutes, Chapter 69I-5, Florida Administrative Code, and Chapter 10.650, *Rules of the Auditor General* for state financial assistance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if applicable, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

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

NOTE 3 – PROGRAM CLUSTERS

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

NOTE 4 – SUB-RECIPIENT MONITORING

The Early Learning Coalition of St. Lucie County, Inc. has provided no federal awards or state financial assistance to subrecipients during the year ended June 30, 2025.

NOTE 5 – CONTINGENCIES

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

**Early Learning Coalition of St. Lucie County, Inc.
 Schedule of Findings and Questioned Costs –
 Federal Programs and State Projects
 For the Year Ended June 30, 2025**

SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ___ Yes X No

Significant deficiency(ies) identified? ___ Yes X None reported

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards and State Financial Assistance

Internal Control over major programs/projects:

Material weakness(es) identified? ___ Yes X No

Significant deficiency(ies) identified? ___ Yes X None reported

Type of auditor's report issued on compliance for major federal programs and state projects: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Title 2 CFR 200.516(a) or Chapter 10.656? ___ Yes X No

Identification of major programs/projects:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program(s) or Cluster</u>
93.575/93.596	Child Care and Development Fund Cluster
<u>CSFA Number(s)</u>	<u>Name of State Project(s)</u>
48.108	Voluntary Pre-kindergarten Education Program

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

Auditee qualified as low-risk auditee Pursuant to the Uniform Guidance? ___ Yes X No

**Early Learning Coalition of St. Lucie County, Inc.
Schedule of Findings and Questioned Costs –
Federal Programs and State Projects
For the Year Ended June 30, 2025**

FINDINGS – FINANCIAL STATEMENTS

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

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS

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

FINDINGS AND QUESTIONED COSTS – MAJOR STATE PROJECTS

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

OTHER ISSUES – SUMMARY OF PRIOR AUDIT FINDINGS

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

OTHER MATTERS

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



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Early Learning Coalition of St. Lucie County, Inc. which comprise the statement of financial position as of June 30, 2025 and the related statements of activities and cash flows for the year then ended, and the related notes to financial statements and have issued our report thereon dated March 4, 2026.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Early Learning Coalition of St. Lucie County, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

March 4, 2026



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

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

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Early Learning Coalition of St. Lucie County, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the Florida Department of Financial Services Projects Compliance Supplement that could have a direct and material effect on each of Early Learning Coalition of St. Lucie County, Inc.'s major Federal programs and State projects for the year ended June 30, 2025. Early Learning Coalition of St. Lucie County, Inc.'s major Federal programs and State projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Early Learning Coalition of St. Lucie County, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs and State projects for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR), Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.650, Rules of the Auditor General. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

We are required to be independent of Early Learning Coalition of St. Lucie County, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and State project. Our audit does not provide a legal determination of Early Learning Coalition of St. Lucie County, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Early Learning Coalition of St. Lucie County, Inc.'s federal programs and state projects.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Early Learning Coalition of St. Lucie County, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Early Learning Coalition of St. Lucie County, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Early Learning Coalition of St. Lucie County, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

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

- Obtain an understanding of Early Learning Coalition of St. Lucie County, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Early Learning Coalition of St. Lucie County, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*Berger Toombs Elam
Gaines + Frank*

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

March 4, 2026



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MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of Early Learning Coalition of St. Lucie County, Inc., as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated March 4, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and State Project, and Report on Internal Control over Compliance and the Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 4, 2026, should be considered in conjunction with this management letter.

Additional Matters

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



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

Purpose of this Letter

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

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

March 4, 2026