



**Escambia County School Readiness Coalition, Inc.
D/B/A Early Learning Coalition of Escambia
County**

FINANCIAL STATEMENTS

June 30, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management of
Escambia County School Readiness, Inc.
d/b/a Early Learning Coalition of Escambia County

Opinion

We have audited the accompanying financial statements of Escambia County School Readiness, Inc. d/b/a Early Learning Coalition of Escambia County (the Coalition) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the notes to the financial statements.

In our opinion, the financial statements referred to above 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 opinion.

Prior Period Financial Statements

The financial statements of the Coalition as of June 30, 2024 were audited by other auditors whose report dated February 4, 2025 expressed an unmodified opinion on those statements.

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.

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.

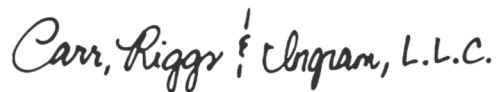
Supplementary Information

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* and Chapter 10.650, *Rules of the Auditor General*, 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 information 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 April 1, 2026, on our consideration of the Coalition'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 the Coalition's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." The signature is written in a cursive, flowing style.

CARR, RIGGS & INGRAM, L.L.C.

Niceville, Florida
April 1, 2026

Early Learning Coalition of Escambia County
Statements of Financial Position

<i>June 30,</i>	2025	2024
Assets		
Current assets		
Cash and cash equivalents	\$ 377,515	\$ 1,538,992
Grants receivable, net	1,427,251	193,163
Other current assets	8,850	8,312
Prepaid expenses	17,565	3,186
Total current assets	1,831,181	1,743,653
Non-current assets		
Operating lease right-of-use assets, net	217,379	349,548
Total assets	\$ 2,048,560	\$ 2,093,201
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 12,393	\$ 119,889
Accrued expenses	165,002	162,896
Current portion of operating lease liabilities	139,528	132,781
Due to service providers	1,415,617	1,215,895
Total current liabilities	1,732,540	1,631,461
Long-term liabilities		
Operating lease liabilities, less current portion	84,254	223,783
Total liabilities	1,816,794	1,855,244
Net assets		
Without donor restrictions	231,766	237,957
Total liabilities and net assets	\$ 2,048,560	\$ 2,093,201

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

**Early Learning Coalition of Escambia County
Statements of Activities**

<i>For the years ended June 30,</i>	2025	2024
Revenue and other support without donor restrictions		
Federal and state grants	\$ 22,907,669	\$ 27,969,843
Local sources	228,599	290,689
Miscellaneous	25,758	17,976
<hr/>		
Total revenue and other support without donor restrictions	23,162,026	28,278,508
Expenses		
<i>Program services</i>		
Subsidized child care	17,790,582	22,688,168
Voluntary Pre-K	4,739,380	4,682,377
Other programs	20,412	48,022
<hr/>		
Total program services	22,550,374	27,418,567
<i>Supporting services</i>		
General and administrative	617,843	649,312
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Total expenses	23,168,217	28,067,879
<hr/>		
Change in net assets without donor restrictions	(6,191)	210,629
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Net assets without donor restrictions, beginning of year	237,957	27,328
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Net assets without donor restrictions, end of year	\$ 231,766	\$ 237,957
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The accompanying notes are an integral part of these financial statements.

**Early Learning Coalition of Escambia County
Statements of Functional Expenses**

For the year ended June 30, 2025

	Program Services					General and Administrative	Total
	Subsidized Child Care	Voluntary Pre-K	Other Programs	Programs Subtotal			
PERSONNEL COSTS							
Salaries and wages	\$ 1,599,625	\$ -	\$ -	\$ 1,599,625	\$ 393,400	\$ 1,993,025	
Employee benefits	577,960	-	-	577,960	101,811	679,771	
Total personnel costs	2,177,585	-	-	2,177,585	495,211	2,672,796	
NON-PERSONNEL EXPENSES							
Contract expenses	15,237,461	4,739,380	-	19,976,841	-	19,976,841	
Professional services	47,199	-	-	47,199	67,994	115,193	
Equipment and supplies	98,342	-	20,384	118,726	8,235	126,961	
Rentals	120,994	-	-	120,994	19,389	140,383	
Travel	21,511	-	-	21,511	2,529	24,040	
Communications	37,895	-	-	37,895	6,313	44,208	
Dues and fees	14,755	-	-	14,755	5,488	20,243	
Insurance and bond premium	12,416	-	-	12,416	8,804	21,220	
Miscellaneous	527	-	-	527	-	527	
Computer software	16,342	-	28	16,370	2,577	18,947	
Repair and maintenance	5,330	-	-	5,330	711	6,041	
Staff development	225	-	-	225	592	817	
Total non-personnel expenses	15,612,997	4,739,380	20,412	20,372,789	122,632	20,495,421	
TOTAL EXPENSES	\$ 17,790,582	\$ 4,739,380	\$ 20,412	\$ 22,550,374	\$ 617,843	\$ 23,168,217	

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

**Early Learning Coalition of Escambia County
Statements of Functional Expenses**

For the year ended June 30, 2024

	Program Services				General and Administrative	Total
	Subsidized Child Care	Voluntary Pre-K	Other Programs	Programs Subtotal		
PERSONNEL COSTS						
Salaries and wages	\$ 1,510,751	\$ -	\$ -	\$ 1,510,751	\$ 428,913	\$ 1,939,664
Employee benefits	520,418	-	-	520,418	124,075	644,493
Total personnel costs	2,031,169	-	-	2,031,169	552,988	2,584,157
NON-PERSONNEL EXPENSES						
Contract expenses	19,169,547	4,682,377	-	23,851,924	-	23,851,924
Professional services	50,968	-	-	50,968	28,568	79,536
Equipment and supplies	734,366	-	-	734,366	13,852	748,218
Rentals	117,869	-	2,153	120,022	20,361	140,383
Travel	22,095	-	937	23,032	4,460	27,492
Depreciation	-	-	3,525	3,525	-	3,525
Communications	41,368	-	1,155	42,523	6,921	49,444
Dues and fees	371,009	-	54	371,063	8,301	379,364
Insurance and bond premium	17,025	-	-	17,025	7,881	24,906
Miscellaneous	43,998	-	40,198	84,196	336	84,532
Computer software	20,783	-	-	20,783	4,106	24,889
Repair and maintenance	4,898	-	-	4,898	759	5,657
Staff development	63,073	-	-	63,073	779	63,852
Total non-personnel expenses	20,656,999	4,682,377	48,022	25,387,398	96,324	25,483,722
TOTAL EXPENSES	\$ 22,688,168	\$ 4,682,377	\$ 48,022	\$ 27,418,567	\$ 649,312	\$ 28,067,879

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

Early Learning Coalition of Escambia County Statements of Cash Flows

<i>For the years ended June 30,</i>	2025	2024
Operating Activities		
Change in net assets	\$ (6,191)	\$ 210,629
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	-	3,525
Amortization of right-of-use assets	132,169	128,434
Changes in operating assets and liabilities		
Grants receivable	(1,234,088)	490,142
Other current assets	(538)	(100)
Prepaid expenses	(14,379)	(824)
Accounts payable	(107,496)	21,050
Accrued expenses	2,106	(29,498)
Due to service providers	199,722	(620,284)
Operating lease liabilities	(132,782)	(126,280)
Net cash provided by (used in) operating activities	(1,161,477)	76,794
Net change in cash, cash equivalents and restricted cash	(1,161,477)	76,794
Cash and cash equivalents, at beginning of year	1,538,992	1,462,198
Cash and cash equivalents, at end of year	\$ 377,515	\$ 1,538,992

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

Early Learning Coalition of Escambia County Notes to Financial Statements

Note 1: DESCRIPTION OF THE ORGANIZATION

The Escambia County School Readiness Coalition, Inc. d/b/a Early Learning Coalition of Escambia County (the Coalition) was formed in 2000, as result of the implementation of the School Readiness Act, Chapter 411 Florida Statutes. Its mission is to identify and meet the needs of children and families in Escambia County, Florida and to lay foundation for lifetime success. This comprehensive program is achieved by maximizing each child's potential, preparing children to enter school ready to learn and by helping families achieve economic self-sufficiency.

A majority of revenues are received from federal and state sources through the Florida Division of Early Learning (FDEL). Other revenues are received through local sources. The following are descriptions of the Coalition's significant programs:

School Readiness/Subsidized Childcare (SR) – This program provides for early education and care for children of families with limited incomes and enables parents to gain and/or sustain their economic self-sufficiency through maintenance of employment or participation in job skill/vocational training leading to employment. The program provides for the needs of children from low-income families that are working, children from families that are transitioning from welfare to self-sufficiency and children that are under protective supervision or in foster care placement. Program participants have access to health, developmental and educational screenings and other support services. Caregivers are held accountable for providing safe learning environments that nurture and cultivate the child's cognitive, language, motor, social and self-help skills. All services are provided in accordance with the Escambia County School Readiness Plan and state and federal laws and regulations.

Voluntary Pre-Kindergarten (VPK) – This program consists of state mandated funding to support a voluntary pre-kindergarten program for all four-year-old children. Funding is based on a base student allocation per full-time equivalent student in the Voluntary Pre-Kindergarten Education Program and is determined at the state level.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to contributions of non-financial assets and allocation of functional expenses.

Early Learning Coalition of Escambia County Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less. As of June 30, 2025, and 2024, there were no cash equivalents held by the Coalition.

Grants Receivable, Net

Grants receivable are stated at the face amount with no allowance for credit losses. Grants receivable represent amounts due typically under cost-reimbursement type grants and are expected to be collected within twelve months. Grants receivable are presented in the statements of financial position net of the allowance for credit losses.

Allowance for Credit Losses

Management evaluates its receivables on an ongoing basis by analyzing customer relationships and previous payment histories. The allowance for credit losses is management's best estimate of the amount of expected credit losses in the existing accounts based on current market conditions. Historically, losses on uncollectible accounts have been within management's expectations. The allowance for credit losses is reviewed on a periodic basis to ensure there is sufficient reserve to cover any potential credit losses. When receivables are considered uncollectible, they are charged against the allowance for credit losses. Collections on accounts previously written off are included in the change in net assets as received. The allowance for credit losses was \$0 and \$0 at June 30, 2025, and 2024, respectively.

Property and Equipment

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. All computers and equipment of the Coalition were purchased with federal and state government support. As a result, if such assets are disposed, the granting agency that participated in the funding of the purchase has a contractual right to participate in the proceeds from the disposition. As of June 30, 2025 and 2024, all property and equipment has been depreciated.

Due to Service Providers

Due to service providers represents the amounts due to independent contractors for contracted services. The Coalition does not have any sub-recipient agencies for which the Coalition acts as a pass-through agency.

Early Learning Coalition of Escambia County Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

The Coalition leases an office space. The Coalition determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities in the statements of financial position. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities on the statements of financial position.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the Coalition uses [its incremental borrowing rate or a risk-free rate] based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Coalition will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Coalition's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Net Assets

The Coalition reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions 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. The Coalition did not have any board designated net assets without donor restrictions at June 30, 2025 or 2024.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity. The Coalition had no donor-imposed restrictions at June 30, 2025 or 2024.

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.

Early Learning Coalition of Escambia County Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

A significant portion of the Coalition's grants and contracts are from federal, state, and local government agencies. The benefits received by the public as a result of the assets transferred are not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Grants and contracts are analyzed for measurable performance-related barriers or other barriers. Revenue is recognized as barriers are met. Funds received from non-exchange transactions in advance of barriers being met are recorded as refundable advances.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Coalition. Volunteers also provided services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to payroll, payroll taxes, and employee benefits are allocated based on actual percentages of time spent in each functional area. Expenses related to maintenance and upkeep of the entire facility are allocated across functional areas based on a fixed percentage. The allocation of these costs among programs and supporting services is based upon allocation guidelines set forth by FDEL.

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, the Coalition is exempt from taxes on income other than unrelated business income. Unrelated business income results from rent, administration of self-insurance activities, and commissions.

The Coalition utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2025, and 2024, the Coalition has no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 1, 2026 determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Early Learning Coalition of Escambia County Notes to Financial Statements

Note 3: LIQUIDITY AND FINANCIAL ASSET

The Coalition maintains its financial assets primarily in cash and cash equivalents to provide liquidity to ensure funds are available as the Coalition's expenditures come due. The following reflects the Coalition's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

<i>June 30,</i>	2025	2024
Total assets at year end	\$ 2,048,560	\$ 2,093,201
Less non-financial assets		
Other current assets	(8,850)	(8,312)
Prepaid expenses	(17,565)	(3,186)
Operating lease right-of-use assets, net	(217,379)	(349,548)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,804,766	\$ 1,732,155

The Coalition did not have any financial assets unavailable for general expenditures within one year, due to contractual or donor imposed restrictions as of June 30, 2025 or 2024.

Note 4: GRANTS RECEIVABLE

Grants receivable consist of the following:

<i>June 30,</i>	2025	2024
Florida Division of Early Learning	\$ 1,407,345	\$ 142,453
Escambia Children's Trust	19,906	50,710
Total grants receivable, net	\$ 1,427,251	\$ 193,163

The Coalition did not consider an allowance for credit losses necessary as of June 30, 2025 and 2024, because the estimate of expected credit losses based on historical loss information adjusted for its reasonable and supportable forecast is deemed immaterial.

Early Learning Coalition of Escambia County
Notes to Financial Statements

Note 5: PROPERTY AND EQUIPMENT

The components of property and equipment consist of the following at June 30, 2025 and 2024:

	Estimated Useful Lives (in years)	2025	2024
Furniture, fixtures and equipment	3-5	\$ 218,950	\$ 218,950
Less accumulated depreciation and amortization		(218,950)	(218,950)
Total property and equipment, net		\$ -	\$ -

Depreciation and amortization expense for the years ended June 30, 2025 and 2024 amounted to \$0 and \$3,525, respectively.

Note 6: LEASES

The Coalition has an operating for office space and equipment. The leases have remaining lease terms of 2 years.

The components of lease expense consist of the following:

<i>For the years ended June 30,</i>	2025	2024
Operating lease cost	\$ 140,383	\$ 140,383

Other information related to leases was as follows:

<i>For the years ended June 30,</i>	2025	2024
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Supplemental Cash Flow Information

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

Operating cash flows from operating leases	\$ 132,782	\$ 126,280
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Early Learning Coalition of Escambia County
Notes to Financial Statements

Note 6: LEASES (Continued)

Weighted average remaining lease term and discount rates consist of the following:

<i>For the years ended June 30,</i>	2025	2024
Right-of-use assets obtained in exchange for lease obligations		
Operating leases	\$ 217,379	\$ 349,548
Weighted average remaining lease term		
Operating leases	1.59 years	2.59 years
Weighted average discount rate		
Operating leases	2.89%	2.89%

Future minimum lease payments under the non-cancellable lease as of June 30, 2025, were as follows:

<i>For years ending June 30,</i>	Operating Leases
2026	\$ 143,815
2027	85,407
Total future minimum lease payments	229,222
Less imputed interest	(5,440)
Present value of lease liabilities	\$ 223,782

Reported in the statement of financial positions as of June 30, 2025:

Current portion of operating lease liabilities	\$ 139,528
Operating lease liabilities, less current portion	84,254
Total	\$ 223,782

Note 7: RELATED PARTY TRANSACTIONS

Early Learning Coalition paid membership dues of \$6,225 and \$7,625 to the Association of Early Learning Coalitions, Inc. for the years ended June 30, 2025 and 2024, respectively.

Early Learning Coalition of Escambia County Notes to Financial Statements

Note 8: CONCENTRATIONS

The Coalition maintains cash deposits with a financial institution at June 30, 2025 and 2024 in excess of federally insured limits of approximately \$184,000 and \$1,590,000, respectively.

The Coalition received federal and state grants through one state agency, FDEL, that amounted to 99% and 99% of total revenue and other support for the years ended June 30, 2025 and 2024, respectively. At June 30, 2025 and 2024, the Coalition had grants receivable balances due from FDEL that amounted to 97% and 74% of total grants receivable, respectively.

Note 9: DEFINED CONTRIBUTION PLAN

The Coalition sponsors a defined contribution plan (the Plan) covering all employees with at least three months of service requirement and are at least 21 years of age. The Plan allows for employer matching contributions and discretionary employer nonelective contributions. The Coalition's current employer matching contribution to the Plan is limited to 50% of the first 7% of an employee's annual compensation. The employer matching contributions are vested by the employees over four years. Any nonvested amounts forfeited during a plan year may be used to pay plan expenses or reduce future employer contributions. Total expense for the years ended June 30, 2025 and 2024 was \$37,192 and \$48,380, respectively.

Early Learning Coalition of Escambia County Schedule of Expenditures of Federal Awards and State Financial Assistance

For the year ended June 30, 2025

Grantor / Pass-through Grantor / Program Title	ALN / CSFA Number	Contract / Grant Number	Expenditures	Payments to Subrecipients
U.S. Department of Health and Human Services				
Passed through Florida Division of Early Learning				
Temporary Assistance for Needy Families	93.558	EL175	\$ 3,056,933	\$ -
Temporary Assistance for Needy Families	93.558	EL176	18,098	-
Total Temporary Assistance for Needy Families			3,075,031	-
Child Care and Development Fund Cluster				
Child Care and Development Block Grant	93.575	EL175	7,744,828	-
Child Care and Development Block Grant	93.575	EL176	1,282,348	-
Total Child Care and Development Block Grant			9,027,176	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund				
	93.596	EL175	5,860,457	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund				
	93.596	EL176	86,079	-
Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund			5,946,536	-
Total Child Care and Development Fund Cluster			14,973,712	-
Social Service Block Grant	93.667	EL175	5,829	-
Total U.S. Department of Health and Human Services			18,054,572	-
Total expenditures of federal awards			18,054,572	-
Florida Division of Early Learning				
Direct project				
Voluntary Pre-Kindergarten Education	48.108	EL175	4,862,362	-
School Readiness Plus Program	48.209	EL175	10,584	-
School Readiness Plus Program	48.209	EL176	2,493	-
Total expenditures of state financial assistance			4,875,439	-
Total expenditures of federal awards and state financial assistance			\$ 22,930,011	\$ -

The accompanying notes are an integral part of this schedule.

**Early Learning Coalition of Escambia County
Notes to Schedule of Expenditures of Federal
Awards and State Financial Assistance
For the year ended June 30, 2025**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance (Schedule) includes the federal and state spending of Early Learning Coalition of Escambia County (the Coalition) and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Because the Schedule presents only a selected portion of the operations of the Coalition, it is not intended to and does not represent the financial position of the Coalition.

Note 2: INDIRECT COST RATE

The Uniform Guidance allows an organization to elect a de minimis indirect cost rate. For the year ended June 30, 2025, the Coalition did not elect to use this rate.

Note 3: LOAN / LOAN GUARANTEE OUTSTANDING BALANCES

The Coalition did not have any federal loans or loan guarantees outstanding during the year ended June 30, 2025.

Note 4: SUB-RECIPIENTS

During the year ended June 30, 2025, the Coalition had no sub-recipients.

Note 5: NONCASH ASSISTANCE AND OTHER

The Coalition did not receive any noncash assistance or federally funded insurance during the year ended June 30, 2025.

Note 6: CONTINGENCIES

Grant monies received and disbursed by the Coalition are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon experience, the Coalition does not believe that such disallowance, if any, would have a material effect on the financial position of the Coalition.

**Early Learning Coalition of Escambia County
Notes to Schedule of Expenditures of Federal
Awards and State Financial Assistance
For the year ended June 30, 2025**

Note 7: FEDERAL PASS-THROUGH FUNDS

The Coalition is also the sub-recipient of federal funds that have been subjected to testing and are reported as expenditures and listed as federal pass-through funds. Federal awards other than those indicated as pass-through are considered to be direct.



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**INDEPENDENT AUDITOR’S 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***

To the Board of Directors and Management of
Escambia County School Readiness, Inc.
d/b/a Early Learning Coalition of Escambia County

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Escambia County School Readiness, Inc. d/b/a Early Learning Coalition of Escambia County (the Coalition) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 1, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Coalition’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 the Coalition’s internal control. Accordingly, we do not express an opinion on the effectiveness the Coalition’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered 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 Coalition's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 Coalition'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 Coalition's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.

Niceville, Florida
April 1, 2026

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

To the Board of Directors and Management of
Escambia County School Readiness, Inc.
d/b/a Early Learning Coalition of Escambia County

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Escambia County School Readiness, Inc.'s (the Coalition'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' *State Projects Compliance Supplement* that could have a direct and material effect on each of the Coalition's major federal programs and state project for the year ended June 30, 2025. The Coalition's major federal programs and state project are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Coalition complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state project 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.650, *Rules of the Auditor General*. Our responsibilities under those standards and the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Coalition 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 the Coalition'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 the Coalition's federal programs and state project.

Auditor's Responsibilities 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 Coalition'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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, 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 the Coalition's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, and Chapter 10.650, *Rules of the Auditor General*, 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 the Coalition's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Coalition'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 and Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the Coalition'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 and state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program and 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 and state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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.

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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.

Niceville, Florida
April 1, 2026

Early Learning Coalition of Escambia County Schedule of Findings and Questioned Costs

Section I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements:

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

Federal Awards:

- | | |
|---|------------|
| 1. Type of auditor’s report issued on compliance for major programs | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |

4. Identification of major program:

ALN Number	Name of Program
93.558	Temporary Assistance for Needy Families
93.575 & 93.596	Child Care and Development Block Cluster

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between Type A and Type B programs: | \$750,000 |
| 6. Auditee qualified as low-risk auditee under 2 CFR 200.520 | No |

Early Learning Coalition of Escambia County Schedule of Findings and Questioned Costs

Section I – SUMMARY OF AUDITOR’S RESULTS (Continued)

State Awards:

- | | |
|---|------------|
| 1. Type of auditor’s report issued on compliance for major projects | Unmodified |
| 2. Internal control over major projects: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with Rule 10.554(1)(1)(4)? | No |
| 4. Identification of major project: | |

CSFA Number	Name of Project
48.108	Voluntary Pre-Kindergarten Education

Section II – FINANCIAL STATEMENT FINDINGS

None reported for the year ended June 30, 2025.

Section III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported for the year ended June 30, 2025.

Section IV – STATE PROJECT FINDINGS AND QUESTIONED COSTS

None reported for the year ended June 30, 2025.

Section V – PRIOR FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS AND STATE PROJECTS

No matters were reported.

Early Learning Coalition of Escambia County Schedule of Findings and Questioned Costs

Section VI – COMMUNICATIONS REQUIRED BY THE FLORIDA DIVISION OF EARLY LEARNING

- | | |
|--|-----|
| 1. A reconciliation of the Coalition’s financial records to the Single Statewide Information System (SSIS) is performed monthly. | Yes |
| 2. The Coalition has processes in place to identify and correct errors noted during the monthly reconciliation process to SSIS | Yes |
| 3. The Coalition’s financial records and the SSIS records were reconciled and in agreement as of June 30, 2025. | Yes |
| 4. The audit workpapers include documentation to verify the above tasks were performed. The workpapers are available to review by FDEL staff upon request. | Yes |

Section VII – OTHER MATTERS

There were no items relating to federal awards or state financial assistance required to be reported in the management letter.