

**POLK COUNTY SCHOOL READINESS COALITION, INC.
DBA: EARLY LEARNING COALITION OF POLK COUNTY**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2025 AND 2024



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Early Learning Coalition of Polk County
Lakeland, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Early Learning Coalition of Polk County, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Early Learning Coalition of Polk County, Inc., as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Early Learning Coalition of Polk County, Inc., and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities 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 Early Learning Coalition of Polk County, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' 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 auditors' 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 Early Learning Coalition of Polk County, Inc.'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 Early Learning Coalition of Polk County, Inc.'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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, such as the schedule of expenditures of federal awards and state financial assistance, as required by *Government Auditing Standards*, Issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.650, *Nonprofits and For Profit Organizations*, Rules of the Auditor General of the State of Florida, 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 audits 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 GAAS. 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 February 9, 2026, on our consideration of Early Learning Coalition of Polk County, Inc., 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 Early Learning Coalition of Polk County, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Early Learning Coalition of Polk County, Inc.'s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Lakeland, Florida
February 9, 2026

**EARLY LEARNING COALITION OF POLK COUNTY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024**

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,344,925	\$ 3,938,791
Prepaid Expenses	11,921	13,792
Due from State of Florida	4,073,719	2,474,447
Total Current Assets	6,430,565	6,427,030
NONCURRENT ASSETS		
Property and Equipment, Net	3,041	4,561
Right-of-Use Assets - Operating, Net	321,792	772,546
Total Noncurrent Assets	324,833	777,107
Total Assets	\$ 6,755,398	\$ 7,204,137
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 5,732,677	\$ 5,978,596
Accrued Liabilities	82,648	63,164
Deferred Revenue	33,778	42,566
Lease Liability - Operating, Current Portion	267,921	464,453
Total Current Liabilities	6,117,024	6,548,779
NONCURRENT LIABILITIES		
Lease Liability - Operating, Net of Current Portion	64,815	329,429
Total Noncurrent Liabilities	64,815	329,429
Total Liabilities	6,181,839	6,878,208
NET ASSETS		
Without Donor Restrictions	573,559	325,929
Total Liabilities and Net Assets	\$ 6,755,398	\$ 7,204,137

See accompanying Notes to Financial Statements.

**EARLY LEARNING COALITION OF POLK COUNTY
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2025 AND 2024**

	Without Donor Restrictions	
	2025	2024
REVENUES AND SUPPORT		
Government Grants:		
School Readiness	\$ 44,995,167	\$ 43,088,520
Voluntary Pre-Kindergarten	12,687,872	12,010,168
American Rescue Plan Act	-	12,995,683
United Way	650,878	512,643
Contributions of Nonfinancial Assets	19,204	795
Other Income	248,617	332,631
Total Revenues and Support	58,601,738	68,940,440
EXPENSES		
Program Services:		
School Readiness	43,381,107	41,783,367
Voluntary Pre-Kindergarten	12,257,112	11,633,093
Early Learning Florida	-	2,000
Polk County Grants	10,428	9,214
American Rescue Plan Act	-	12,756,553
Total Program Services	55,648,647	66,184,227
Support Services:		
Management and General	2,631,205	2,602,638
Fundraising	74,256	60,312
Total Support Services	2,705,461	2,662,950
Total Expenses	58,354,108	68,847,177
CHANGE IN NET ASSETS	247,630	93,263
Net Assets - Beginning of Year	325,929	232,666
NET ASSETS - END OF YEAR	\$ 573,559	\$ 325,929

See accompanying Notes to Financial Statements.

**EARLY LEARNING COALITION OF POLK COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025**

	Program Services			Support Services			Total Expenses	
	School Readiness	Voluntary Pre-Kindergarten	Other Match	Total Program Services	Management and General	Fundraising		Total Support Services
Contracted Services	\$ 407,873	\$ 92,979	\$ -	\$ 500,852	\$ 48,258	\$ 4,800	\$ 53,058	\$ 553,910
Direct Provider Support	36,731,972	12,053,260	10,428	48,795,660	202,535	-	202,535	48,998,195
Insurance	42,467	525	-	42,992	13,757	-	13,757	56,749
License and Dues	22,874	356	-	23,230	23,571	3,546	27,117	50,347
Other Expenses	95,816	209	-	96,025	27,322	19,902	47,224	143,249
Outreach and Awareness	12,598	121	-	12,719	123,396	38,914	162,310	175,029
Printing and Postage	18,273	-	-	18,273	11,322	13	11,335	29,608
Professional Fees	(26)	1	-	(25)	56,817	-	56,817	56,792
Rent Expense	347,264	6,810	-	354,074	133,340	5,385	138,725	492,799
Repairs and Maintenance	26,083	620	-	26,703	7,450	-	7,450	34,153
Salaries and Benefits	4,681,534	91,775	-	4,773,309	1,643,300	1,625	1,644,925	6,418,234
Supplies and Office Expense	80,097	42	-	80,139	226,347	-	226,347	306,486
Technology Expense	228,333	5,984	-	234,317	65,453	-	65,453	299,770
Telephones	65,050	1,362	-	66,412	17,426	-	17,426	83,838
Training and Development	572,706	-	-	572,706	11,420	-	11,420	584,126
Travel	48,193	3,068	-	51,261	19,491	71	19,562	70,823
Total Expenses by Function	\$ 43,381,107	\$ 12,257,112	\$ 10,428	\$ 55,648,647	\$ 2,631,205	\$ 74,256	\$ 2,705,461	\$ 58,354,108

See accompanying Notes to Financial Statements.

**EARLY LEARNING COALITION OF POLK COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024**

	Program Services					Support Services				Total Expenses
	School Readiness	Voluntary Pre-Kindergarten	Early Learning Florida	Polk County Grants	American Rescue Plan Act	Total Program Services	Management and General	Fundraising	Total Support Services	
Contracted Services	\$ 331,468	\$ 67,273	\$ -	\$ -	\$ 36,200	\$ 434,941	\$ 61,765	\$ 5,800	\$ 67,565	\$ 502,506
Direct Provider Support	35,755,764	11,473,203	2,000	9,214	3,236,231	50,476,412	169,228	-	169,228	50,645,640
Insurance	36,974	139	-	-	-	37,113	9,436	-	9,436	46,549
License and Dues	39,125	505	-	-	483,546	523,176	36,119	-	36,119	559,295
Other Expenses	19,881	356	-	-	642,717	662,954	23,118	1,794	24,912	687,866
Outreach and Awareness	47,336	44	-	-	572,912	620,292	95,640	41,022	136,662	756,954
Printing and Postage	15,396	2	-	-	13,367	28,765	10,827	-	10,827	39,592
Professional Fees	-	-	-	-	-	-	34,056	-	34,056	34,056
Rent Expense	391,439	4,302	-	-	-	395,741	132,887	3,786	136,673	532,414
Repairs and Maintenance	35,575	527	-	-	-	36,102	6,797	-	6,797	42,899
Salaries and Benefits	4,282,317	79,800	-	-	5,637	4,367,754	1,548,461	7,754	1,556,215	5,923,969
Supplies and Office Expense	243,120	189	-	-	2,213,649	2,456,958	317,373	-	317,373	2,774,331
Technology Expense	284,546	1,988	-	-	2,434,014	2,720,548	106,932	34	106,966	2,827,514
Telephones	73,127	940	-	-	-	74,067	17,545	-	17,545	91,612
Training and Development	172,934	-	-	-	3,118,280	3,291,214	11,803	-	11,803	3,303,017
Travel	54,365	3,825	-	-	-	58,190	20,651	122	20,773	78,963
Total Expenses by Function	\$ 41,783,367	\$ 11,633,093	\$ 2,000	\$ 9,214	\$ 12,756,553	\$ 66,184,227	\$ 2,602,638	\$ 60,312	\$ 2,662,950	\$ 68,847,177

See accompanying Notes to Financial Statements.

**EARLY LEARNING COALITION OF POLK COUNTY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 247,630	\$ 93,263
Adjustments to Reconcile Change in Net Assets		
Provided (Used) by Operating Activities:		
Depreciation	1,520	1,520
Change in Operating Right-of-Use Assets and Lease Liabilities	(10,392)	2,470
(Increase) Decrease in Assets:		
Due from State of Florida	(1,599,272)	1,169,305
Prepaid Expenses	1,871	(2,556)
Increase (Decrease) in Liabilities:		
Accounts Payable	(245,919)	(443,480)
Accrued Liabilities	19,484	4,569
Deferred Revenue	(8,788)	-
Net Cash Provided (Used) by Operating Activities	(1,593,866)	825,091
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,593,866)	825,091
Cash and Cash Equivalents - Beginning of Year	3,938,791	3,113,700
CASH AND EQUIVALENTS - END OF YEAR	\$ 2,344,925	\$ 3,938,791
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ -	\$ 208,061

See accompanying Notes to Financial Statements.

**EARLY LEARNING COALITION OF POLK COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Polk County School Readiness Coalition, Inc. dba: Early Learning Coalition of Polk County (the Coalition) is a nonprofit organization under the state of Florida Not-for-Profit Corporation Act and is exempt from income taxes according to the provisions of Section 501(c)(3) of the Internal Revenue Code (IRC). In addition, the Coalition qualifies for the charitable contribution deduction and has been classified as an organization that is not a private foundation.

In 1999, the state of Florida instituted legislation establishing a statewide school readiness program for the state's at-risk birth-to-kindergarten population. The program is intended to increase children's chances of achieving future educational success and becoming productive members of society. The state's intent was for the school readiness programs to be designed and administered at the local level. The Coalition was organized in order to provide an integrated, seamless service delivery system for all publicly funded early education and childcare programs within Polk County, Florida.

The state of Florida is a recipient of several federal financial assistance programs through the United States Department of Health and Human Services. The state of Florida has designated the Coalition as the subrecipient for all of these assistance programs within Polk County, Florida.

The state of Florida also provides funding from general revenue sources to the Coalition to pay for the costs associated with the state's pre-kindergarten programs.

The primary objective of these programs is to prepare children for entry into kindergarten. To accomplish this purpose, the Coalition contracts with various organizations, to provide early childhood services.

Use of Estimates

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

Basis of Accounting and Financial Statement Presentation

The accompanying financial statements and accompanying schedule have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and include all funds and activities over which the board of directors of the Coalition has oversight and financial responsibility.

Cash and Equivalents

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

**EARLY LEARNING COALITION OF POLK COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Due from State of Florida

Grants receivable are due from federal and state governmental agencies and recorded when services are provided. The Coalition's receivables as of June 30, 2025 and 2024 are due in less than one year and management believes that all receivables are fully collectible.

Concentration of Credit Risk

Financial instruments, which potentially expose the Coalition to concentrations of credit risk, consist principally of cash bank deposits. The Coalition's policy is to place its cash investments with high quality financial institutions. The Federal Deposit Insurance Corporation insures these deposits up to \$250,000 at each institution. At June 30, 2025 and 2024, cash and cash equivalent deposits exceeded the federally insured limit by \$2,604,312 and \$5,646,753, respectively. The Coalition maintains its cash deposits accounts in institutions which are qualified public depositories in Florida pursuant to Chapter 280.07 Florida statutes. The Coalition has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

The Coalition received substantially all of its revenue from federal and state contracts during the years ended June 30, 2025 and 2024. The continuance of state and federal funding is subject to annual legislative budgetary review.

Property and Equipment

All acquisitions of office equipment in excess of \$5,000 are capitalized. Office equipment is carried at cost or, if donated, at the estimated fair value at the date of donation.

Depreciation is provided over the estimated useful life of the respective assets on a straight-line basis. The estimated useful life for computer equipment and other office equipment is 5 and 10 years, respectively.

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

Leases

The Coalition determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets – operating and lease liability – operating in the statements of financial position.

**EARLY LEARNING COALITION OF POLK COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

ROU assets represent the Coalition's right to use an underlying asset for the lease term and lease liabilities represent the Coalition's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. 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 operating lease payments is recognized on a straight-line basis over the lease term. The Coalition has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the statements of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Coalition has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of all lease liabilities.

The Coalition has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

The Coalition incurred costs related to short term leases (12 months or less) in the amounts of \$10,495 and \$6,450 as of June 30, 2025 and 2024, respectively.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Coalition had no net assets with donor restrictions as of June 30, 2025 and 2024.

**EARLY LEARNING COALITION OF POLK COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants and Contracts

Most of the Coalition's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Coalition has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statements of financial position.

The Coalition received cost-reimbursable grants of \$24,728 and \$33,516 that have not been recognized as of June 30, 2025 and 2024, respectively, because qualifying expenditures have not yet been incurred.

Contributions

The Coalition recognizes gifts or cash or other assets as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Contributions received with restrictions that are met in the same reporting period are reported as support without restrictions and an increase in net assets without restrictions. When a restriction expires, (that is when a stipulated time restriction ends or purpose restriction is accomplished), net assets with restrictions are reclassified to net assets without restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service.

Contributed Nonfinancial Assets

Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Organization estimates fair value of these in-kind contributions based on the estimate of value of the items received compared to the current market rates of similar occupancy rates, goods and services. The Coalition received contributed goods of \$19,204 and \$795, during the years ended June 30, 2025 and 2024, respectively, for fundraising goods, and program goods, which are included in nonfinancial contributions and the expense categories to which they relate in the statements of activities.

Functional Expenses

The costs of providing services have been summarized on a functional basis in the accompanying statements of activities and changes in net assets. Costs that are directly related to the Coalition's specific purpose have been recorded as a direct expense and included as program services. Certain costs have been allocated among program and supporting services based on amounts directly incurred to the program or service and the percentages of actual time employees spend working on program-related tasks.

**EARLY LEARNING COALITION OF POLK COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Coalition is exempt from income tax under Section 501(c)(3) of the IRC; therefore, no income tax provision is required in the accompanying financial statements.

Management has analyzed its various federal and state filing positions and believes that its income tax filing positions and deductions are well documented and supported and that no accruals for income tax liabilities are necessary. Therefore, no reserves for uncertain income tax positions have been recorded.

Subsequent Events

Management has evaluated the effect subsequent events would have on the financial statements through February 9, 2026, the date these financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following:

	2025	2024
Cash and Cash Equivalents	\$ 2,344,925	\$ 3,938,791
Due from the State of Florida	4,073,719	2,474,447
Total	\$ 6,418,644	\$ 6,413,238

As part of its liquidity management plan, the Coalition invests cash in excess of daily requirements in money market funds.

NOTE 3 RELATED PARTY TRANSACTIONS

In accordance with applicable regulations, the Coalition's board of directors includes representatives of private and public sector industries. During the fiscal years ended June 30, 2025 and 2024, the Coalition entered into several contracts with certain private and public sector industries, with which certain Coalition board members are associated, for the purpose of providing services to participants. This includes contracts with the School Board, Department of Health, and childcare providers. Total payments to these organizations during the years ended June 30, 2025 and 2024 were \$2,907,427 and \$2,975,166, respectively, and accounts payable to them at June 30, 2025 and 2024 were \$102,242 and \$79,384, respectively. The Coalition also recognized revenue receivables from these organizations at June 30, 2025 and 2024 were \$1,000 and \$-0-.

EARLY LEARNING COALITION OF POLK COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment and accumulated depreciation are summarized as follows at June 30:

	2025	2024
Computer Equipment	\$ 152,934	\$ 152,934
Total Property and Equipment	152,934	152,934
Less: Accumulated Depreciation	149,893	148,373
Property and Equipment, Net	\$ 3,041	\$ 4,561

Depreciation expense amounted to \$1,520 and \$1,520 for the years ended June 30, 2025 and 2024, respectively.

NOTE 5 LEASES

The Coalition has operating leases for office space in Lakeland, Winter Haven, and Lake Wales, Florida, in addition to various copier leases. Terms range from three to five years under long-term, noncancelable lease agreements. The leases have various expirations from 2024 to 2027 and provide for renewal options of three to five years. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases.

The Coalition ended its lease agreement for its Lake Wales Office space with Publix effective November 30, 2024.

The following tables provide quantitative information concerning the Coalition's leases for the years ended June 30:

	2025	2024
Lease Cost:		
Operating Lease Cost	\$ 474,522	\$ 527,285
Total Lease Cost	\$ 474,522	\$ 527,285
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Operating Leases	\$ 484,915	\$ 524,815
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	-	208,061
Weighted-Average Remaining Lease Term - Operating Leases	1.1 Year	1.8 Years
Weighted-Average Discount Rate - Operating Leases	3.64%	3.35%

**EARLY LEARNING COALITION OF POLK COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 5 LEASES (CONTINUED)

A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2025, is as follows:

<u>Year Ending June 30,</u>	<u>Operating</u>
2026	\$ 273,706
2027	65,960
Undiscounted Cash Flows	<u>339,666</u>
Less: Imputed Interest	(6,930)
Total Present Value	<u>\$ 332,736</u>
Short-Term Lease Liabilities	\$ 267,921
Long-Term Lease Liabilities	64,815
Total	<u>\$ 332,736</u>

NOTE 6 COMMITMENTS AND CONTINGENCIES

Federal and State Appropriated Funds

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

Litigation

From time to time, the Coalition may become involved in litigation relating to claims arising out of the operations in the normal course of business. At this time, management is not aware of any claims or legal action or any pending or threatened litigation that might have material impact on the Coalition's net assets, results of activities or cash flows. While management believes that the Coalition has adequate general and professional liability coverage, current or subsequent claims could result in additional costs to the Coalition.

NOTE 7 RETIREMENT PLAN

The Coalition established a 401(k) Plan (the Plan) effective July 1, 2007 for all qualifying employees. All employees at least 18 years of age and with a minimum of 90 days of service are eligible to participate in the Plan. Contribution components of the Plan are at the discretion of the Coalition and are determined on an annual basis. The Coalition provided for matching contributions of \$145,251 and \$138,003 to the Plan for the years ended June 30, 2025 and 2024, respectively. Employees are fully vested in their respective accounts funded by salary deferral contributions and rollover contributions. Employees are vested in the Coalition's match contributions at 20% each year for the first five years of service.

**EARLY LEARNING COALITION OF POLK COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 8 CALCULATION OF MAXIMUM ADMINISTRATIVE EXPENSES

The following compares administrative expenses incurred to the maximum 5% administrative expenses for the School Readiness program and Voluntary Pre-Kindergarten program allowed by Florida’s Division of Early Learning (DEL). As of July 1, 2024, DEL has increased the maximum allowable Voluntary Pre-Kindergarten program administrative expenses to 5%:

<u>June 30, 2025</u>	<u>School Readiness</u>	<u>Voluntary Pre- Kindergarten</u>	<u>Total</u>
Total Administrative Expenses Subject to 5% Maximum	\$ 1,614,009	\$ 431,704	\$ 2,045,713
Maximum 5% Administrative Expenses Allowable Per DEL	<u>2,154,426</u>	<u>480,407</u>	<u>2,634,833</u>
Administrative Expenses Under Maximum	<u>\$ (540,417)</u>	<u>\$ (48,703)</u>	<u>\$ (589,120)</u>

For the year ended June 30, 2025, administrative expenses incurred for the School Readiness and Voluntary Pre-Kindergarten programs totaled 3.8% and 3.6%, respectively, of the total expenses for School Readiness and Voluntary Pre-Kindergarten as defined by DEL.

<u>June 30, 2024</u>	<u>School Readiness</u>	<u>Voluntary Pre- Kindergarten</u>	<u>Total</u>
Total Administrative Expenses Subject to 5% and 4% Maximum	\$ 1,305,147	\$ 377,074	\$ 1,682,221
Maximum 5% and 4% Administrative Expenses Allowable Per DEL	<u>2,154,426</u>	<u>480,407</u>	<u>2,634,833</u>
Administrative Expenses Under Maximum	<u>\$ (849,279)</u>	<u>\$ (103,333)</u>	<u>\$ (952,612)</u>

For the year ended June 30, 2024, administrative expenses incurred for the School Readiness and Voluntary Pre-Kindergarten programs totaled 3.0% and 3.1%, respectively, of the total expenses for School Readiness and Voluntary Pre-Kindergarten as defined by DEL.



**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**

Board of Directors
Early Learning Coalition of Polk County
Lakeland, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Early Learning Coalition of Polk County), which comprise the Early Learning Coalition of Polk County's statement of financial position as of June 30, 2025, and the related statements of activities, changes in net assets, 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 February 9, 2026.

Report on Internal Control Over Financial Reporting

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

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

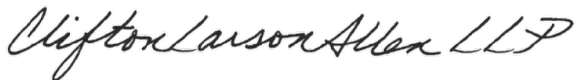
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Early Learning Coalition of Polk County’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 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.



CliftonLarsonAllen LLP

Lakeland, Florida
February 9, 2026



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 STATE OF FLORIDA CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

Board of Directors
Early Learning Coalition of Polk County
Lakeland, 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 Polk County's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement*, and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement*, and special audit guidance provided by the Division of Early Learning that could have a direct and material effect on each of Early Learning Coalition of Polk County's major federal programs and state projects for the year ended June 30, 2025. Early Learning Coalition of Polk County's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Early Learning Coalition of Polk County 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10,650, Rules of the Auditor General. Our responsibilities under those standards and the Uniform Guidance and Chapter 10.650, Rules of the Auditor General are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Early Learning Coalition of Polk County 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 Polk County'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 Polk County’s federal programs and state projects.

Auditors’ 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 Polk County’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 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 Early Learning Coalition of Polk County’s compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with GAAS, *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 Early Learning Coalition of Polk County’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 Early Learning Coalition of Polk County’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 Early Learning Coalition of Polk County’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 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 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 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 Auditors' 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.



CliftonLarsonAllen LLP

Lakeland, Florida
February 9, 2026

**EARLY LEARNING COALITION OF POLK COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2025**

Grantor/Program Title	Assistance Listing Number or CSFA	Pass-Through Entity Number	Expenditures	Transfer to Subrecipients
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
School Readiness Cluster:				
Passed-Through Florida's Division of Early Learning for School Readiness Services:				
Temporary Assistance for Needy Families Cluster	93.558	EL425	\$ 5,057,868	\$ -
Social Services Block Grant	93.667	EL425	16,558	-
Child Care Development Fund Cluster:				
School Readiness CCDF Discretionary	93.575	EL425	18,637,120	-
ARPA Discretionary Funds	93.575	EL425	2,397,688	-
Total			<u>21,034,808</u>	<u>-</u>
Child Care Mandatory and Matching Funds of the Child Care and Development Fund				
Total School Readiness Cluster	93.596	EL425	<u>9,753,744</u>	<u>-</u>
			<u>35,862,978</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 35,862,978</u>	<u>\$ -</u>
STATE OF FLORIDA DEPARTMENT OF EDUCATION				
Passed-Through Florida's Division of Early Learning				
Voluntary Pre-Kindergarten Education Program	48.108	EL425	\$ 12,653,582	\$ -
School Readiness SR Plus	48.209	EL425	9,171	-
Total Voluntary Pre-Kindergarten Education Program			<u>12,662,753</u>	<u>-</u>
Total Expenditures of State Financial Assistance			<u>\$ 12,662,753</u>	<u>\$ -</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

**EARLY LEARNING COALITION OF POLK COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2025**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the federal award and state financial assistance activity of Early Learning Coalition of Polk County, Inc. under programs of the federal and state government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Rules of the Auditor General, Chapter 10.650 *Florida Single Audit Act Audits – Nonprofit and For-Profit Organizations*, issued by the Auditor General of the state of Florida. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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 and Chapter 10.650, *Rules of the Auditor General*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Early Learning Coalition of Polk County, Inc. has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 RECONCILIATION FROM REVENUE AND SUPPORT TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

See reconciliation below noting the revenues from the Statement of Activities for School Readiness are recorded in excess of the Schedule of Federal Awards and State Financial Assistance awarded as of June 30, 2025.

Revenues and Support

Government Grants:			\$ 35,862,978
School Readiness			<u>\$ 35,862,978</u>
Schedule of Expenditures of Federal Awards and State Financial Assistance	<u>CFDA</u>	<u>Award Number</u>	<u>Expenditures</u>
ARPA Discretionary	93.575	EL425	\$ 2,397,688
School Readiness CCDF Discretionary	93.575	EL425	18,637,120
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	EL425	9,753,744
Temporary Assistance for Needy Families	93.558	EL425	5,057,868
Social Services Block Grant	93.667	EL425	16,558
Total School Readiness Expenditures			<u>\$ 35,862,978</u>

**EARLY LEARNING COALITION OF POLK COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal and State Awards

1. Internal control over major programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for major programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

Assistance Listing Numbers

Name of Federal Program or Cluster

93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.558	Temporary Assistance for Needy Families

Identification of Major State Programs

CSFA Number

Name of State Program or Cluster

48.108	Voluntary Pre-Kindergarten
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**EARLY LEARNING COALITION OF POLK COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

Section I – Summary of Auditors’ Results (Continued)

Dollar threshold used to distinguish between
Type A and Type B programs: \$1,075,889

Auditee qualified as low-risk auditee? X yes no

Section II – Enhanced Fields System (EFS) Monthly Reconciliation

EFS reconciled monthly to Coalition financial records X yes no

Processes in place to identify and correct errors during
monthly reconciliations to EFS X yes no

Coalition’s financial records reconcile and agree to
EFS records as of program year ended, June 30, 2024 X yes no

Audit work papers documenting verification of
reconciliations available to DEL staff X yes no

Section III – Financial Statement Audit

There were no current year findings.

Section IV – Federal Awards and State Financial Assistance Findings and Questioned Costs

There were no current year findings.

Section V – Status of Prior Year Audit Findings

There were no prior year findings.

Section VI – Other Issues

In accordance with Florida State statute Sections 215.97(9)(f) and 215.97(10)(d), a management letter has not been issued since there were no items related to State Financial Assistance required to be reported in the management letter.



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