

Early Learning Coalition of  
Broward County, Inc.

Financial Statements  
and Additional Information  
For the Year Ended June 30, 2024

DRAFT

# Early Learning Coalition of Broward County, Inc.

## Table of Contents

---

Independent Auditor's Report	1-3
<b>Financial Statements</b>	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8-14
<b>Additional Information</b>	
Schedule of Expenditures of Federal Awards and State Financial Assistance	15-16
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance	17
<b>Internal Controls and Compliance</b>	
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 <i>Government Auditing Standards</i>	18-19
Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.650, <i>Rules of the Auditor General, Florida Single Audit Act</i>	20-22
Schedule of Findings and Questioned Costs	23-24

Early Learning Coalition of Broward County, Inc.  
Statement of Financial Position  
June 30, 2024  
(with comparative totals as of June 30, 2023)

	<u>2024</u>	<u>2023</u>
<b>Assets:</b>		
Cash	\$ 14,635,864	\$ 5,151,188
Grants and contracts receivable	4,418,271	16,009,206
Advances to providers	66,929	636,043
Prepaid expenses and other assets	1,267,203	231,615
Property and equipment, net	14,702	19,479
Operating lease right-of-use asset	<u>1,190,664</u>	<u>1,400,346</u>
Total assets	<u>\$ 21,593,633</u>	<u>\$ 23,447,877</u>
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 3,195,934	\$ 3,513,470
Refundable advances	585,719	2,598,109
Due to providers	15,260,823	15,321,931
Operating lease liability	<u>1,336,862</u>	<u>1,550,215</u>
Total liabilities	<u>20,379,338</u>	<u>22,983,725</u>
<b>Net Assets:</b>		
Without donor restrictions:		
Undesignated	489,824	464,152
Board designated	<u>724,471</u>	<u>-</u>
Total net assets	<u>1,214,295</u>	<u>464,152</u>
Total liabilities and net assets	<u>\$ 21,593,633</u>	<u>\$ 23,447,877</u>

See accompanying notes to financial statements.

**Early Learning Coalition of Broward County, Inc.**  
**Statement of Activities**  
**For the Year Ended June 30, 2024**  
**(with comparative totals as of June 30, 2023)**

	<u>2024</u>	<u>2023</u>
<b>Public Support and Revenues:</b>		
Federal grants and contracts	\$ 137,576,018	\$ 245,759,543
State grants and contracts	38,157,194	38,233,157
Local grants and contracts	12,070,256	11,048,366
Other income	32,203	56,187
	<u>187,835,671</u>	<u>295,097,253</u>
<b>Operating Expenses:</b>		
Program services:		
Slots and pass through	164,962,503	272,270,285
Eligibility, provider relations and payments	9,764,624	8,701,668
Quality and education	7,189,751	8,737,498
	<u>181,916,878</u>	<u>289,709,451</u>
Total program services		
Supporting services:		
General and administrative expenses	5,168,650	5,320,928
	<u>187,085,528</u>	<u>295,030,379</u>
Total operating expenses		
Change in net assets without donor restrictions	750,143	66,874
<b>Net Assets, Beginning of Year</b>	<u>464,152</u>	<u>397,278</u>
<b>Net Assets, End of Year</b>	<u>\$ 1,214,295</u>	<u>\$ 464,152</u>

See accompanying notes to financial statements.

**Early Learning Coalition of Broward County, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2024**  
**(with comparative totals as of June 30, 2023)**

	Program Services			Supporting Services		Total 2024	Total 2023
	Slots and Pass Through	Eligibility, Provider Relations, and Payments	Quality and Education	Total Program Services	General and Administration		
Child care slots	\$ 145,297,954	\$ -	\$ -	\$ 145,297,954	\$ -	\$ 145,297,954	\$ 149,933,973
Other assistance to providers	19,664,549	-	-	19,664,549	-	19,664,549	122,336,312
Subrecipient payments	-	314,027	185,849	499,876	177,695	677,571	640,668
Salaries and benefits	-	8,953,939	4,939,086	13,893,025	4,067,990	17,961,015	15,876,027
Professional fees	-	18,594	614,265	632,859	245,494	878,353	910,091
Insurance	-	41,167	17,394	58,561	10,956	69,517	51,656
Printing and reproduction	-	-	-	-	14,534	14,534	9,565
Rent	-	288,324	116,664	404,988	113,550	518,538	493,082
Instructional materials	-	-	991,745	991,745	-	991,745	3,922,650
Staff travel and conferences	-	7,733	39,537	47,270	42,918	90,188	55,247
Office expenses	-	129,440	225,213	354,653	445,365	800,018	667,288
Other expenses	-	11,400	59,998	71,398	45,371	116,769	132,236
Depreciation	-	-	-	-	4,777	4,777	1,584
<b>Total expenses</b>	<b>\$ 164,962,503</b>	<b>\$ 9,764,624</b>	<b>\$ 7,189,751</b>	<b>\$ 181,916,878</b>	<b>\$ 5,168,650</b>	<b>\$ 187,085,528</b>	<b>\$ 295,030,379</b>

See accompanying notes to financial statements.

**Early Learning Coalition of Broward County, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2024**  
**(with comparative totals as of June 30, 2023)**

	<u>2024</u>	<u>2023</u>
<b>Cash Flows From Operating Activities:</b>		
Change in net assets without donor restrictions	\$ 750,143	\$ 66,874
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Provision for depreciation	4,777	1,584
Amortization of operating lease right-of-use asset	209,682	204,921
(Increase) decrease in assets:		
Grants and contracts receivable	11,590,935	(13,809,607)
Advances to providers	569,114	(110,426)
Prepaid expenses and other assets	(1,035,588)	128,807
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(317,536)	1,332,015
Refundable advances	(2,012,390)	1,250,363
Due to funders	-	(128,245)
Due to providers	(61,108)	6,363,331
Operating lease liability	(213,353)	(201,414)
Net cash provided by (used in) operating activities	<u>9,484,676</u>	<u>(4,901,797)</u>
<b>Cash Flows From Financing Activities:</b>		
Purchase of property and equipment	-	(9,579)
Net cash (used in) financing activities	<u>-</u>	<u>(9,579)</u>
Net increase (decrease) in cash	9,484,676	(4,911,376)
<b>Cash, Beginning of Year</b>	<u>5,151,188</u>	<u>10,062,564</u>
<b>Cash, End of Year</b>	<u>\$ 14,635,864</u>	<u>\$ 5,151,188</u>

See accompanying notes to financial statements.

### Note 1 - Organization and Operations

The Early Learning Coalition of Broward County, Inc. (the "Organization") was incorporated on June 12, 2000, under the laws of the State of Florida, as a not-for-profit organization. The purpose of the Organization is to implement an integrated and quality seamless service delivery system for all publicly-funded early education and care programs in Broward County serving children from birth to thirteen years of age. The Organization provides child-care services to school-age children under statutory guidelines. Its mission is to provide the resources, advocacy, leadership, coordination and oversight for early care and education from birth to school-age and to support access to school-age care to ensure children's success in school.

Although the Organization has a variety of goals and objectives, all of its goals and objectives relate to the Organization's primary objective of school readiness for children. Program goals include preparation of children for kindergarten, provision of childcare to meet the needs of working parents with children aged birth to thirteen, and development and training of childcare centers and family childcare homes.

### Note 2 - Summary of Significant Accounting Policies

**Basis of accounting:** The 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").

**Basis of presentation:** The financial statement presentation follows U.S. GAAP which requires the Organization to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

**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 restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor or grantor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity.

**Note 2 - Summary of Significant Accounting Policies (continued)**

Generally, contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statement of activities as net assets released from restrictions. All contributions are considered available for general use, unless specifically restricted by the donor or subject to other legal restrictions.

**Cash:** The Organization considers all highly liquid investments, for general operating purposes, with a maturity of three months or less when purchased to be cash equivalents.

**Receivables and allowance for credit losses:** Grants and contracts receivable consist principally of claims not yet reimbursed by various grantor agencies. Receivable balances are unsecured. Management periodically reviews the receivable balances and provides an allowance for accounts which may be uncollectible based on historical experience, an assessment of economic conditions, and a review of subsequent collections. At June 30, 2024 and 2023, management considered all of its grants and contract receivable balances to be fully collectible, except for approximately \$ 0 and \$ 289,000, respectively, which is uncollectible from providers, but will be collectible from the grantor agency.

**Advances to providers:** Advances to providers consist of advances to various providers for child-care services, as required by law. Management determined no allowance for advances to providers is required for the year ended June 30, 2024. Management recorded an allowance for advances to providers of approximately \$ 495,000 for the year ended June 30, 2023, for amounts estimated to be unrecoverable, but will be collectible from the grantor agency.

**Property and equipment:** Property and equipment are carried at cost. The Organization's policy is to provide for depreciation, using the straight-line method over the estimated useful life of the asset. Estimated useful lives for assets are as follows:

Computers and software	3 years
Furniture and equipment	5-7 years
Leasehold improvements	10 years

Maintenance and repairs to property and equipment are charged to expense when incurred. Additions and major renewals are capitalized.

**Due to providers:** Due to providers represents pending reimbursements for child-care services to various providers for costs incurred prior to June 30, and not paid until after the fiscal year end.

**Refundable advances:** Revenues received in advance (nonexchange transaction) that are not recognized because the allowable costs as defined by the individual grant or contract have not been incurred, the unit of service has not been provided, and/or the conditions of release have not been substantially met or explicitly waived are considered refundable advances.



**Note 2 - Summary of Significant Accounting Policies (continued)**

**Revenue and revenue recognition:** The Organization recognizes revenues from nonexchange transactions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return are not recognized until the conditions on which they depend have been substantially met or explicitly waived.

Grant and contract revenue derived from units of service contracts is recognized as revenue when the unit of service has been provided in compliance with the specific contract. Revenue derived from cost-reimbursement contracts, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses, is recognized when such expenditures are incurred in compliance with specific contract provisions.

Other revenues are recognized when the performance obligation of transferring the products or providing the service are met.

**Leases:** The Organization determines if an arrangement is or contains a lease at inception. Leases are included in operating lease right-of-use ("ROU") asset and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

**Functional expenses:** The costs of providing the various programs and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Program and supporting services are charged with their direct expenses. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses allocated include personnel and occupancy costs, among other expenses; which are allocated on the basis of estimates of time and effort, square footage basis, as well as other methods as determined from time-to-time by management.

**Concentrations of credit risk:** Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash, receivables, and advances to providers. Although cash balances may exceed federally insured limits at times during the year, the Organization has not experienced and does not expect to incur any losses in such accounts. Cash is maintained, with what management believes to be high quality financial institutions, to limit its risk. The concentration of credit risk with respect to receivables is primarily due to the economic dependency in federal, state, and other agencies and the ability to obtain authorization, process and collect balances timely. Advances to providers are dependent on the financial ability of the individual payor and/or the ability to provide services. The Organization does not require collateral or other security to support receivables and advances to provide services.

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Income taxes:** The Organization qualifies as a tax-exempt organization under Section 501(c)(3) and as such are only subject to federal income tax on unrelated business income. Management has evaluated unrelated business income tax implications and believes that the effects, if any, are immaterial to the Organization’s financial statements for the year ended June 30, 2024. Accordingly, no provision for income taxes has been made to these financial statements.

**Use of estimates:** The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Summarized prior year information:** The financial statements include summarized comparative information from the prior year, which is not presented by net asset type and functional expense classification and does not include sufficient detail to conform with U.S. GAAP. This information should be read in conjunction with the Organization’s audited financial statements for the year ended June 30, 2023, from which the comparative information was derived.

**Date of management review:** Subsequent events were evaluated by management through [DATE], which is the date the financial statements were available for issuance.

**Note 3 - Liquidity and Availability**

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date ending June 30, 2024 is estimated and, comprise the following:

Financial assets:		
Cash	\$	14,635,864
Grants receivable		4,418,271
Advances to providers		<u>66,929</u>
Financial assets available to meet cash needs for general expenditures within one year and to satisfy certain liabilities as they become due	\$	<u><u>19,121,064</u></u>

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the board has designated \$ 724,474 in net assets relating to software licenses purchased in advance to realize cost savings.

Early Learning Coalition of Broward County, Inc.  
Notes to Financial Statements  
June 30, 2024  
(with comparative totals as of June 30, 2023)

---

**Note 4 - Property and Equipment**

Property and equipment consisted of the following as of June 30:

	<u>2024</u>	<u>2023</u>
Computers and software	\$ 235,336	\$ 235,336
Leasehold improvements	54,039	54,039
	<u>289,375</u>	<u>289,375</u>
Less: accumulated depreciation	<u>274,673</u>	<u>269,896</u>
Total	<u>\$ 14,702</u>	<u>\$ 19,479</u>

**Note 5 - Operating Leases**

The Organization previously entered into a one hundred twenty-five (125) month operating lease agreement for office space, commencing April 30, 2019. The lease provides for base lease payments of approximately \$ 18,000 per month, escalating annually by 3.0%, plus the Organization's share of common area maintenance charges through September 2029.

The Organization also entered into an operating lease agreement with the School Board of Broward County, Florida ("SBBC") to lease space to provide program support services and training to school readiness clients and providers. The Organization is required to pay a shared custodial cost for the leased space in the amount of approximately \$ 12,000 per year through September 2025.

The right-of-use asset and corresponding liability associated with future lease payments at June 30, 2024 and 2023 are approximately as follows:

	<u>2024</u>	<u>2023</u>
Right-of-use asset	\$ 1,190,664	\$ 1,400,346
Lease liability	1,336,862	1,550,215
Weighted Average:		
Discount Rate	2.296%	2.296%
Remaining lease term (years)	5.25	6.25

Early Learning Coalition of Broward County, Inc.  
Notes to Financial Statements  
June 30, 2024  
(with comparative totals as of June 30, 2023)

---

**Note 5 - Operating Leases (continued)**

Estimated future maturities of operating lease liabilities as of June 30, 2024 are as follows:

Year Ending June 30,	Amount
2025	\$ 253,668
2026	261,278
2027	269,117
2028	269,117
Thereafter	358,658
	<u>1,411,838</u>
Less PV Discount	<u>(74,976)</u>
	<u>\$ 1,336,862</u>

**Note 6 - Commitments and Contingencies**

**Grants and contracts:** The grant and contract revenue amounts received are subject to audit and adjustment. If any expenditures or expenses are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor/contract agencies becomes a liability of the Organization.

**Note 7 - Concentrations**

The Organization receives a substantial portion of its revenue from federal, state and local government agencies. If a significant reduction in this revenue should occur, it may have an effect on the Organization's programs and activities. For the years ended June 30, 2024 and 2023, approximately 94% and 97%, respectively, of the Organization's revenues and support were from the Division of Early Learning (DEL) and the Children's Services Council of Broward County. At June 30, 2024 and 2023, amounts owed to the Organization from these agencies was 91% and 99%, respectively.

**Note 8 - Related Parties**

The Organization's Board of Directors is mandated by Florida statutes to include individuals representing certain public and private organizations. Consequently, the Organization's Board of Directors includes representatives from funding organizations and organizations that receive funds directly and/or indirectly through the Organization.

Total payments to these related organizations during the years ended June 30, 2024 and 2023 were approximately \$ 5,040,000 and \$ 4,951,000, respectively. There were no accounts payable to related parties at June 30, 2024 and 2023, respectively.

Early Learning Coalition of Broward County, Inc.  
Notes to Financial Statements  
June 30, 2024  
(with comparative totals as of June 30, 2023)

---

**Note 9 - Defined Contribution Pension Plan**

The Organization offers a 403(b) defined contribution retirement plan. Contributions to the plan by the Organization are discretionary. For the years ended June 30, 2024 and 2023, the Organization contributed approximately \$ 410,000 and \$ 324,000, respectively.

**Note 10 - Local Grant and Contract Revenue**

	<u>2024</u>	<u>2023</u>
Children's Services Council grants:		
Financially Assisted Child Care	\$ 3,140,760	\$ 5,587,687
Vulnerable Pop Child Care	<u>4,082,473</u>	<u>2,748,911</u>
Total Children's Services Council grants	<u>7,223,233</u>	<u>8,336,598</u>
Broward County grants:		
Subsidized Program	4,152,554	2,253,090
Special Needs	<u>7,757</u>	<u>-</u>
Total Broward County grants	<u>4,160,311</u>	<u>2,253,090</u>
Other local grants and contracts:		
School Readiness Local Match	536,964	354,508
Other	<u>146,117</u>	<u>104,170</u>
Total other local grants and contracts	<u>683,081</u>	<u>458,678</u>
Total local grant and contract revenue	\$ <u><u>12,066,625</u></u>	\$ <u><u>11,048,366</u></u>

## ADDITIONAL INFORMATION

DRAFT

**Early Learning Coalition of Broward County, Inc.  
Schedule of Expenditures of Federal Awards and State Financial Assistance  
For the Year Ended June 30, 2024**

<u>Federal /State Agency Pass-through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing/CSFA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Total Federal / State Expenditures</u>	<u>State Matching Expenditures (1)</u>	<u>Provided to Subrecipients</u>
<b>Federal Agency Name:</b>					
Indirect Programs:					
U.S. Department of Health and Human Services - Passed through State of Florida Division of Early Learning -					
Temporary Assistance for Needy Families	93.558	EL094	\$ 6,867,366	\$ 12,214,589	\$ 265,308
Child Care and Development Fund Cluster - Child Care and Development Block Grant	93.575	EL094	29,551,632	-	991,741
COVID-19 Child Care and Development Block Grant - Coronavirus Response and Relief Supplemental Appropriations Funds	93.575	EL094	2,539,757	-	-
COVID-19 Child Care and Development Block Grant - America Rescue Plan Act	93.575	EL094	71,489,932	-	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	EL094	<u>11,393,221</u>	<u>3,482,557</u>	<u>305,328</u>
Total Child Care and Development Fund Cluster			<u>114,974,542</u>	<u>3,482,557</u>	<u>1,297,069</u>
Social Services Block Grant	93.667	EL094	<u>36,964</u>	-	<u>700</u>
Total Expenditures of Federal Awards			<u>\$ 121,878,872</u>	<u>\$ 15,697,146</u>	<u>\$ 1,563,077</u>

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

Early Learning Coalition of Broward County, Inc.  
 Schedule of Expenditures of Federal Awards and State Financial Assistance  
 (continued)  
 For the Year Ended June 30, 2024

<u>Federal /State Agency Pass-through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing/CSFA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Total Federal / State Expenditures</u>	<u>State Matching Expenditures (1)</u>	<u>Provided to Subrecipients</u>
<b>State Agency Name:</b>					
Indirect Programs:					
State of Florida Department of Education -					
Passed through State of Florida Division of Early					
Learning -					
Voluntary Pre-Kindergarten Services	48.108	EL093	\$ <u>38,157,194</u>	\$ <u>-</u>	\$ <u>-</u>
Total Expenditures of State Financial Assistance			\$ <u>38,157,194</u>	\$ <u>-</u>	\$ <u>-</u>

(1) State financial assistance not subject to Section 215.97, Florida Statutes.

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



**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards and state financial assistance (the "Schedule") includes the grant activity of all federal awards and state financial assistance of Early Learning Coalition of Broward County, Inc. (the "Organization") for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, (Uniform Guidance) and Chapter 10.650, *Rules of the Auditor General, Florida Single Audit Act*. Therefore, some amounts presented in the Schedule may differ from amounts presented in or used in the preparation of the financial statements. Because of the Schedule presenting only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, change in net assets, or cash flows of the Organization.

**Note 2 - Summary of Significant Account 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 Florida Auditor General*, wherein certain types of expenditures are not allowable or are limited as to reimbursement, as applicable.

**Note 3 - Indirect Cost Rate**

The Organization did not elect to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

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 of the  
Early Learning Coalition of Broward County, Inc.

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 the Early Learning Coalition of Broward County, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of June 30, 2024, 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 [DATE].

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization'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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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. 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 may exist that were not identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fort Lauderdale, Florida  
(DATE)

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

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

**Report on Compliance for Each Major Federal Program and State Project**

***Opinion on Each Major Federal Program and State Project***

We have audited the Early Learning Coalition of Broward County, Inc.'s (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement and Florida Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs and state projects for the year ended June 30, 2024. The Organization's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization 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 projects for the year ended June 30, 2024.

***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; 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, Florida Single Audit Act. Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General, Florida Single Audit Act 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 Organization 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 Organization's compliance with the compliance requirements referred to above.

"Citrin Cooperman" is the brand under which Citrin Cooperman & Company, LLP, a licensed independent CPA firm, and Citrin Cooperman Advisors LLC serve clients' business needs. The two firms operate as separate legal entities in an alternative practice structure. The entities of Citrin Cooperman & Company, LLP and Citrin Cooperman Advisors LLC are independent member firms of the Moore North America, Inc. (MNA) Association, which is itself a regional member of Moore Global Network Limited (MGNI). All the firms associated with MNA are independently owned and managed entities. Their membership in, or association with, MNA should not be construed as constituting or implying any partnership between them.

### ***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 Organization's federal programs.

### ***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 the Organization'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*, the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General, Florida Single Audit Act 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 Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.650, Rules of the Auditor General, Florida Single Audit Act, 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 Organization'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 Organization'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, Florida Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 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 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, Florida Single Audit Act. Accordingly, this report is not suitable for any other purpose.

Fort Lauderdale, Florida  
(DATE)

**Early Learning Coalition of Broward County, Inc.  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2024**

---

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: *Unmodified Opinion*

Internal control over financial reporting:

Material weaknesses (es) identified?        yes   X   no  
 Significant deficiency(ies) identified?        yes   X   none reported  
 Noncompliance material to financial statements noted?        yes   X   no

**Federal Programs and State Projects**

Internal control over major federal programs and state projects:

Material weaknesses(es) identified?        yes   X   no  
 Significant deficiency(ies) identified?        yes   X   none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or Chapter 10.650, *Rules of the Auditor General*?        yes   X   no

Identification of major federal program(s) and state project(s):

<u>Assistance Listing No.</u>	<u>Federal Program or Cluster</u>
-------------------------------	-----------------------------------

Child Care and Development Fund Cluster:	
93.575	Child Care and Development Block Grants
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund

<u>CSFA No.</u>	<u>State Project</u>
48.108	State of Florida Department of Education - Voluntary Pre-Kindergarten Services

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 3,000,000

**Schedule of Findings and Questioned Costs  
(continued)  
For the Year Ended June 30, 2024**

---

Dollar threshold used to distinguish between Type A  
and Type B Projects:

\$ 1,144,716

Auditee qualified as low-risk auditee?

X  yes            no

**SECTION II - FINANCIAL STATEMENT FINDINGS**

None reported.

**SECTION III - FEDERAL AWARDS PROGRAMS AND STATE  
FINANCIAL ASSISTANCE PROJECT FINDINGS AND QUESTIONED COSTS**

None reported.

**SECTION IV - STATE OF FLORIDA DIVISION OF EARLY LEARNING (DEL) REPORTING  
REQUIREMENTS FINANCIAL STATEMENT FINDINGS**

- |  |     |
|--|-----|
| 1. EFS Mod reconciled monthly  | Yes |
| 2. Processes in place to identify and correct errors during<br>monthly reconciled to EFS Mod               | Yes |
| 3. Organization financial records reconcile and agree to EFS<br>Mod as of program year ended June 30, 2024 | Yes |
| 4. Audit workpapers documenting verifications of<br>reconciliations available to DEL staff                 | Yes |

**SECTION VI - PRIOR YEAR AUDIT FINDINGS**

None reported.

**SECTION VI - OTHER**

No management letter is required because there were no findings required to be reported in a separate management letter.