



ELCHC Finance Committee Meeting Amended Agenda Packet

Wednesday, March 26, 2025

6302 E. Martin Luther King Jr. Blvd., Suite 100 Tampa, FL 33619

<https://us06web.zoom.us/j/82226151517?pwd=W19fXVfLVzBTEeATFZPv25f4abE7K5.1>

Meeting ID: 822 2615 1517

Passcode: 222474



ELCHC Finance Committee Meeting Amended Agenda

Wednesday, March 26, 2025

I. CALL TO ORDER

Michelle
Zieziula, Chair

A. Roll call/Quorum Verification

II. PUBLIC COMMENT I

Individuals wishing to address the Early Learning Coalition of Hillsborough County Board of Directors must complete a Public Comment Request Card and submit it to the official recorder prior to the noticed start time of the meeting. Said comments will be limited to three (3) minutes per individual on a first come, first serve basis, and only at such time as is identified on the official meeting agenda for public comment. All public comment in Public Comment I must pertain to an item on the approved agenda

III. CONSENT AGENDA

M. Zieziula

A. Approval of Minutes for February 3, 2025 - 3

IV. ACTION ITEMS

A. Approval of Contract Amendment for Brandz Agency - 6

B. Approval of Audited Financial Statements for the Fiscal Years ended June 30, 2024 and 2023 - 7

V. FINANCE REPORT

G. Meyer

A. Financials Budget to Actual through January 31, 2025 - 51

VI. CEO REPORT

Dr. Hicks

A. Listening Sessions

B. Retreat News

C. Children's Summit 2025 Update (Save the date September 18, 2025)

D. Human Resources 3rd Party Search & Interviews

VII. ANNOUNCEMENT

M. Zieziula

A. Next, ELCHC Finance Committee meeting-Monday, June 2, 2025

VIII. ADJOURNMENT

M. Zieziula

Monday, February 3, 2025, at 3:00 pm
Hybrid Meeting
6302 E. Martin Luther King Jr. Blvd., Suite 100
Tampa, FL 33619

MEETING ATTENDANCE

Facilitator: Michelle Zieziula, Chair

Committee Members Present:

Michelle Zieziula*, Wyton Geary*, Noelle Wostal*, Felicia Thomas*

Committee Members Absent:

Dr. Jacquelyn Jenkins

ELCH Board Members Present:

None.

ELCHC Staff:

Dr. Fred Hicks, Gary Meyer, Sabrina Ruiz*, Alison Fraga, Kevin Smith*, Yarima Hernandez Tamayo*, Abigail Perez*, Rebecca Salgado*, and Nancy Will

Other Attendees:

Paul Quin, and Dennis Hebert

**Indicates attendance via Zoom meeting platform.*

CALL TO ORDER

Quorum Verification

Noting a quorum had been established, Chair Zieziula called the meeting to order at 3:01 pm.

Approval of Minutes for September 30, 2024, Finance Committee Regular Meeting

Chair Zieziula called for a motion to approve the September 30, 2024, Regular Finance Committee meeting minutes. Noelle Wostal made a motion. Wynton Geary made a second. The motion carried unanimously.

PUBLIC COMMENT

No, public comment.

FINANCIAL REPORT

Financials Budget to Actual June 30, 2024-Preliminary Financials, First Close & FY25 Notice of Award Summary

Gary Meyer, Chief Financial Officer, presented the Budget to Actual FY 2024/2025 through January 29, 202, reported the following:

- Committee went through exercise as Mr. Meyer explained where ELCHC funding is sourced from with committee participation
- School Readiness (SR) ELCHC team doing a great job with increasing the number of children enrolled and are pulling from the wait list to max out opportunities to serve children
- SR is enrolling ahead of this time last year, with 13,200 children with last year at 12,816. We are 3% above this same time last year.
- School Readiness Plus (SR+) was described as a family that is over income and not eligible to receive the services ELCHC provides. SR+ gives families who are just over the threshold an opportunity to be served and currently, there are 19 children in the program with a total of 166 children in the program throughout the entire state of Florida
- We need the income limits lifted for regular SR to make an impact
- Voluntary Pre-Kindergarten (VPK) currently services 9,822 children and this number is reflected in the financials; last year was 9,758; we are 1% above last year
- Providers receive a Quality Performance Incentive (QPI) differential rate, rewarding them for quality CLASS score above 4.5; we are underfunded by \$1 million dollars (\$4 M versus \$3M)
- Providers receive a Gold Seal differential rate, rewarding them for being accredited by an approved accrediting body (there are 16 approved accrediting bodies). This is 20% of their provider rates. 147 of our providers receive this differential rate. Last year the ELCHC assisted 69 providers in pursuit of accreditation. We are underfunded by \$700,000 (\$6.5M versus \$5.8M)
- The Department of Early Learning (DEL) is trying to get a state-wide pot of \$19.5 Million dollars approved, but at this time we are unsure. DEL has provided written guidance that Coalitions are to plan enrollments as if these funds are not awarded, so Hillsborough is acting accordingly.
- For the first six months of the year, we have cleared the waitlist every week. In an abundance of caution, we began creating a waitlist last week until we receive additional funding.
 - There are at least 9 other Coalitions across the state in a similar funding situation, and several much worse.
 - Miami has almost 5,000 (4,849)
 - Broward and Orange are at 2,000 (2,357 and 1,772)
 - Hillsborough has 102

- Better to create a waitlist now and rise back up by July 1 to set the stage for FY26

There was committee discussion on DEL launching the Re-obligation process and asking for additional funding to assist with the shortfalls. Mr. Meyer shared that it could take a month or longer to hear about the re-obligation outcomes. Mr. Meyer stated that the ELCHC funding like all Coalitions is not fungible, and monies cannot be moved around they are very prescribed.

CEO REPORT

Dr. Frederick, Hicks CEO ELCHC gave reports on the following:

New Board Member Orientation-Mr. Bob Hyde

Dr. Hicks reported that Mr. Hyde completed his new board member orientation in December 2024.

Annual Report Summary

Dr. Hicks reported that the report was handed out at the Board of Directors retreat on February 1, 2025 and a copy was available on the website.

ELCHC Board of Directors Retreat Take-Aways

Dr. Hicks shared a friendly reminder that homework from the retreat would be due at the next Board of Directors Regular meeting. Dr. Hicks then asked committee members to share their take-aways from the retreat.

ANNOUNCEMENTS

Chair Zieziula shared the next meeting of the Finance Committee is scheduled for March 26, 2024 at 3:00 pm.

Chair Zieziula shared that Day of Play is scheduled for March 1, 2025 from 10-12 noon at Gardenville Recreation Center.

ADJOURNMENT

Citing no further business, Felicia Thomas made a motion to adjourn the meeting at 3:42 pm. Michelle Zieziula made a second. The motion carried unanimously.

Read and approved by:

ELCHC Board of Directors Secretary

Date

ELCHC Finance Committee Meeting- March 26, 2025

ACTION

ITEM IV.A.

ISSUE: Approve Contract Amendment for Brandz Agency

FISCAL IMPACT: Up to \$71,000

FUNDING SOURCE: Florida Department of Education, Division of Early Learning and Local Funding

RECOMMENDED ACTION: Approve and authorize staff to amend the contract between Early Learning Coalition of Hillsborough County (ELCHC) and Brandz Agency to increase the contract total price of work to not exceed \$71,000 for FY 24-25.

NARRATIVE: This memo addresses the need for an amendment to the existing contract with Brandz Agency, our vendor for promotional and branded items. The initial contract for this fiscal year, with services beginning July 1, 2024, and ending June 30, 2025, was not to exceed \$34,999 is nearing exhaustion due to consistent and effective utilization of services throughout the current fiscal year. To ensure continued access to these services, an amendment is requested to increase the contract total price of work set forth in the agreement to not exceed \$71,000.

Brief History: Brandz Agency was selected as our promotional items vendor through a Request for Proposal (RFP) process in May 2023.

Purpose and Contract Performance: The purpose of this contract is to provide high-quality promotional materials that support the ELCHC's goals, branding, marketing, and outreach efforts. Throughout this fiscal year, Brandz Agency has consistently met or exceeded our expectations. Contract performance has been satisfactory, with deliverables provided on time and within the initial budget. Brandz Agency has demonstrated reliability, responsiveness, and a commitment to quality.

Budget Impact: Up to \$71,000.

ELCHC BOARD OF DIRECTORS FINANCE COMMITTEE MEETING

March 26, 2025

ACTION

ITEM IV.B.

ISSUE:	Approval of Audited Financial Statements for the Fiscal Years ended June 30, 2024 and 2023
FISCAL IMPACT:	None
FUNDING SOURCE:	N/A
RECOMMENDED ACTION:	Approval of the Audited Financial Statements for the Fiscal Years ended June 30, 2024 and 2023

NARRATIVE: The Coalition’s external auditors, Forvis Mazars (formerly MSL, P.A.), have determined that our financial statements for the years ended June 30, 2024 and 2023 are presented fairly with no deficiencies in internal controls. They issued an unqualified (clean) opinion.


(Attachment 1)



Hillsborough County School Readiness Coalition, Inc. d/b/a Early Learning Coalition of Hillsborough County, Inc.

Independent Auditor's Report and Financial Statements

June 30, 2024 and 2023



Contents

Independent Auditor’s Report..... 1

Financial Statements

 Statements of Financial Position..... 4

 Statements of Activities 5

 Statements of Functional Expenses..... 6

 Statements of Cash Flows 8

 Notes to Financial Statements 10

Schedule of Expenditures of Federal Awards and State Financial Assistance..... 15

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance 16

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* 17

Independent Auditor’s Management Letter 19

Independent Auditor’s Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General* 20

Schedule of Findings and Questioned Costs..... 23

**The Hillsborough County School Readiness Coalition, Inc.
d/b/a Early Learning Coalition of Hillsborough County, Inc.
Statements of Financial Position
June 30, 2024 and 2023**

	2024	2023
ASSETS		
Current Assets		
Cash	\$ 10,544,454	\$ 13,693,886
Grants receivable	11,140,462	4,221,387
Total Current Assets	21,684,916	17,915,273
Right-of-Use Lease Assets	1,832,786	2,312,929
Deposits	63,643	63,643
Total Assets	<u>\$ 23,581,345</u>	<u>\$ 20,291,845</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts and provider payables and accrued expenses	\$ 16,496,851	\$ 12,818,464
Current portion of right-of-use lease obligations	496,382	467,608
Deferred revenue	70,735	65,842
Total Current Liabilities	17,063,968	13,351,914
Right-of-Use Lease Obligations, less current portion	1,425,052	1,921,434
Total Liabilities	18,489,020	15,273,348
Net Assets	5,092,325	5,018,497
Total Liabilities and Net Assets	<u>\$ 23,581,345</u>	<u>\$ 20,291,845</u>

**The Hillsborough County School Readiness Coalition, Inc.
d/b/a Early Learning Coalition of Hillsborough County, Inc.
Statements of Activities
Years Ended June 30, 2024 and 2023**

	2024	2023
Revenues and Support		
Program support:		
Federal and state grant revenue - general	\$ 152,302,522	\$ 117,200,113
Federal and state grant revenue - ARPA and CRSSA	-	119,247,226
Local gifts and grant revenue and other	1,625,432	2,340,326
Total Revenues and Support	153,927,954	238,787,665
Expenses		
Program services:		
School Readiness	117,430,288	197,376,751
Voluntary Pre-K	29,968,651	34,036,629
Other programs	1,523,102	2,218,273
Total Program Services	148,922,041	233,631,653
Supporting Services		
Management and general	4,932,085	5,005,900
Total Expenses	153,854,126	238,637,553
Change in Net Assets	73,828	150,112
Net Assets without Donor Restrictions, Beginning of Year	5,018,497	4,868,385
Net Assets without Donor Restrictions, End of Year	\$ 5,092,325	\$ 5,018,497

**The Hillsborough County School Readiness Coalition, Inc.
d/b/a Early Learning Coalition of Hillsborough County, Inc.
Statements of Functional Expenses
Year Ended June 30, 2024**

	Program Services				Support Services	2024
	School Readiness	Voluntary Pre-K	Other Programs	Total	Management and General	
Salaries and related taxes	\$ 6,453,715	\$ 371,298	\$ 133,408	\$ 6,958,421	\$ 2,630,720	\$ 9,589,141
Fringe benefits	2,111,351	127,323	30,619	2,269,293	710,025	2,979,318
Total Salaries and Related Expenses	8,565,066	498,621	164,027	9,227,714	3,340,745	12,568,459
Payments to providers	87,819,954	29,361,554	1,207,043	118,388,551	686,912	119,075,463
Contractual services	15,749,483	87,179	49,583	15,886,245	186,144	16,072,389
Office supplies and equipment	4,111,579	5,625	96,436	4,213,640	183,919	4,397,559
Rent, utilities, and other occupancy cost	478,262	-	-	478,262	206,874	685,136
Payments to subrecipients	321,640	-	-	321,640	-	321,640
Accounting and auditing	44,502	-	-	44,502	121,228	165,730
Maintenance contracts	80,127	-	-	80,127	32,538	112,665
Travel	46,243	14,732	3,451	64,426	29,884	94,310
Staff training and development	41,941	-	1,908	43,849	45,236	89,085
Insurance	50,548	-	-	50,548	38,442	88,990
Dues and memberships	51,338	-	-	51,338	35,495	86,833
Telephone and communication	32,162	-	-	32,162	14,116	46,278
Postage and shipping	20,713	-	177	20,890	4,040	24,930
Printing and copying	16,274	940	477	17,691	3,441	21,132
Other	456	-	-	456	3,071	3,527
Total Expenses	\$ 117,430,288	\$ 29,968,651	\$ 1,523,102	\$ 148,922,041	\$ 4,932,085	\$ 153,854,126

**The Hillsborough County School Readiness Coalition, Inc.
d/b/a Early Learning Coalition of Hillsborough County, Inc.
Statements of Functional Expenses
Year Ended June 30, 2023**

(Continued)

	Program Services				Support Services	2023
	School Readiness	Voluntary Pre-K	Other Programs	Total	Management and General	
Salaries and related taxes	\$ 6,011,558	\$ 293,856	\$ 155,226	\$ 6,460,640	\$ 2,306,924	\$ 8,767,564
Fringe benefits	1,918,365	86,378	34,094	2,038,837	786,091	2,824,928
Total Salaries and Related Expenses	7,929,923	380,234	189,320	8,499,477	3,093,015	11,592,492
Payments to providers	183,855,817	33,327,885	1,730,881	218,914,583	4,500	218,919,083
Contractual services	2,132,683	166,735	133,526	2,432,944	326,880	2,759,824
Office supplies and equipment	1,684,638	150,898	129,864	1,965,400	621,688	2,587,088
Payments to subrecipients	1,119,970	-	-	1,119,970	-	1,119,970
Rent, utilities, and other occupancy cost	437,022	4,517	-	441,539	467,376	908,915
Staff training and development	61	-	-	61	166,349	166,410
Accounting and auditing	-	-	-	-	100,920	100,920
Insurance	61,333	-	-	61,333	34,298	95,631
Printing and copying	45,072	-	17,221	62,293	24,423	86,716
Travel	24,676	-	847	25,523	54,182	79,705
Dues and memberships	53,965	-	2,171	56,136	19,916	76,052
Maintenance contracts	26,100	6,360	4,852	37,312	25,871	63,183
Postage and shipping	-	-	-	-	36,751	36,751
Telephone and communication	5,000	-	2,276	7,276	28,357	35,633
Bank charges	491	-	7,315	7,806	905	8,711
Other	-	-	-	-	469	469
Total Expenses	\$ 197,376,751	\$ 34,036,629	\$ 2,218,273	\$ 233,631,653	\$ 5,005,900	\$ 238,637,553

**The Hillsborough County School Readiness Coalition, Inc.
d/b/a Early Learning Coalition of Hillsborough County, Inc.
Statements of Cash Flows
Years Ended June 30, 2024 and 2023**

	2024	2023
Operating Activities		
Cash received from:		
Grant income	\$ 145,388,340	\$ 240,826,917
Other income	1,625,432	2,340,326
Total Cash Received	147,013,772	243,167,243
Cash paid for:		
Program services	145,243,654	230,685,805
Administrative expenses	4,919,550	4,929,787
Total Cash Paid	150,163,204	235,615,592
Net Cash (Used in) Provided by Operating Activities	(3,149,432)	7,551,651
Net Change in Cash	(3,149,432)	7,551,651
Cash, Beginning of Year	13,693,886	6,142,235
Cash, End of Year	<u>\$ 10,544,454</u>	<u>\$ 13,693,886</u>

**The Hillsborough County School Readiness Coalition, Inc.
d/b/a Early Learning Coalition of Hillsborough County, Inc.
Statements of Cash Flows
Years Ended June 30, 2024 and 2023**

(Continued)

	<u>2024</u>	<u>2023</u>
Reconciliation of Change in Net Assets to Net Cash (Used in) Provided by Operating Activities		
Change in net assets	\$ 73,828	\$ 150,112
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Non-cash portion of rent on right-of-use operating leases	12,535	76,113
(Increase) (decrease) in grants receivable	(6,919,075)	4,375,110
Increase in accounts payable and accrued expenses	3,678,387	2,945,848
Increase in deferred revenue	4,893	4,468
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ (3,149,432)</u></u>	<u><u>\$ 7,551,651</u></u>

Note 1. Nature of Organization

Hillsborough County School Readiness Coalition, Inc. d/b/a Early Learning Coalition of Hillsborough County, Inc. (the "Coalition") is a not-for-profit corporation organized under the laws of the state of Florida. The Coalition's role is to develop and administer a comprehensive school readiness program and Voluntary Pre-Kindergarten ("VPK") delivery system that prepares children to succeed in school and in life. This is an ongoing process that involves building on existing services, working in cooperation with other programs for young children, and coordinating and integrating program funding to achieve efficiency and effectiveness. The Coalition provides these services primarily through recurring funding through Florida's Division of Early Learning ("DEL").

Note 2. Summary of Significant Accounting Policies and Practices

Basis of Accounting

These financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the Coalition as a whole and to present revenue, expenses, and net assets based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net Assets without Donor Restrictions – Net assets not subject to donor-imposed restrictions.

Net Assets with Donor Restrictions – Net assets which are subject to donor-imposed stipulations that may or will be met by actions of the Coalition and/or the passage of time. At June 30, 2024 and 2023, there were no net assets with donor restrictions.

Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Federal, state, and local grants are considered exchange transactions and are recorded as unrestricted revenue when earned.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenue of net assets without donor restrictions. Contributions are recognized when the donor makes a promise to give to the Coalition, that is, in substance, unconditional.

Grants Receivable

Grants receivables are recognized at the net amount that management expects to be collected based on established collection history and primarily represent amounts for services provided and reimbursable expenses requested from the DEL as of June 30, 2024 and 2023.

Property and Equipment

The Coalition capitalizes all eligible assets acquired in excess of \$5,000 for property and equipment. Property and equipment are carried at cost for purchased assets and at fair value at date of donation for donated assets. The Coalition has no items recorded that met the capitalization requirement at June 30, 2024 and 2023.

Revenue Recognition

The Coalition receives substantially all of its grant revenue from federal and state agencies. Grant revenue is recognized up to the maximum amount provided in the Coalition’s contracts, to the extent the performance obligations are satisfied or conditions on grants classified as nonreciprocal are met. Audits of these grants may result in disallowed costs, which may result in a liability to the Coalition. In the opinion of management, disallowed costs, if any, would not be material to the financial statements.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs are directly attributed to the specific program or supporting service, and other costs have been allocated. Salaries are allocated based on actual time spent and other expenses are allocated based on direct usage or management’s estimates of the benefit derived by each activity.

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 the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Coalition is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under similar provisions of the Florida Income Tax Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements. The Coalition is subject to the accounting standards on accounting for uncertainty in income taxes. Management does not believe it has taken any tax positions that are subject to a significant degree of uncertainty.

Note 3. Liquidity Analysis

The table below represents financial assets available to meet cash needs for general expenditures within one year at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash	\$ 10,544,454	\$ 13,693,886
Grants receivable	<u>11,140,462</u>	<u>4,221,387</u>
Total	<u>\$ 21,684,916</u>	<u>\$ 17,915,273</u>

As part of a cash and liquidity management policy, the Coalition structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

Hillsborough County School Readiness Coalition, Inc.
d/b/a Early Learning Coalition of Hillsborough County, Inc.
Notes to Financial Statements
June 30, 2024 and 2023

Note 4. Right-of-Use Operating Leases

Effective July 1, 2022, all non-cancellable leases with terms greater than 12 months are recorded as both right-of-use lease assets and lease obligations based upon the present value of the lease payments. The Coalition has elected to exclude any payments associated with a lease agreement that are for services other than the rental of the specific leased asset.

The Coalition leases its office space under an operating lease, as amended, that is set to expire in January 2028. The weighted average term of the Coalition's operating leases was 3.6 and 4.6 years and weighted average discount rate was 2.70% at June 30, 2024 and 2023.

Amounts reflected in the financial statements are as follows:

Right-of-Use Operating Lease Assets:

Asset recognized as of July 1, 2022	\$ 2,787,434
Additions during 2023	-
Non-cash portion of amount charged to lease expense	(76,113)
Other amounts charged to lease expense	<u>(398,392)</u>
Right-of-use lease assets, net as of June 30, 2023	2,312,929
Additions during 2024	-
Non-cash portion of amount charged to lease expense	(12,535)
Other amounts charged to lease expense	<u>(467,608)</u>
Right-of-use lease assets, net as of June 30, 2024	<u>\$ 1,832,786</u>

Right-of-Use Operating Lease Obligations:

Obligations recognized as of July 1, 2022	\$ 2,787,434
Additions during 2023	-
Amount charged to lease expense	64,418
Amount paid during 2023	<u>(462,810)</u>
Obligations recognized as of June 30, 2023	2,389,042
Non-cash portion of amount charged to lease expense	(12,535)
Other amounts charged to lease expense	58,780
Amount paid during 2024	<u>(513,853)</u>
Obligations recognized as of June 30, 2024	1,921,434
Current portion	<u>(496,382)</u>
Long-term portion	<u>\$ 1,425,052</u>

The following schedule outlines the approximate undiscounted cash outflows for rent due under the operating leases as of June 30, 2024:

Hillsborough County School Readiness Coalition, Inc.
d/b/a Early Learning Coalition of Hillsborough County, Inc.
Notes to Financial Statements
June 30, 2024 and 2023

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 542,000
2026	559,000
2027	575,000
2028	<u>344,000</u>
Total minimum operating lease payments	2,020,000
Amount representing interest	<u>(99,000)</u>
Right-of-use operating lease obligations	<u>\$ 1,921,000</u>

Lease Expense

Total rent and other occupancy cost \$539,000 during the year ended June 30, 2023. The following summarizes total rent and other occupancy cost for the year ended June 30, 2024:

Total lease expense and rent	\$ 685,136
Other rents under short-term and insignificant rental arrangements	<u>(146,213)</u>
Total lease expense under right-of-use operating leases	<u>\$ 538,923</u>

Cash paid for leases and other occupancy costs during the years ended June 30, 2024 and 2023 was approximately \$672,000 and \$833,000, respectfully.

Note 5. Related Parties

Certain members of the Board of Directors are mandated in the State of Florida School Readiness Act. This includes (a) a district superintendent of schools (or permanent designee) from the School District of Hillsborough County ("SDHC"), (b) the Executive Director of the Children's Board of Hillsborough County ("CBHC"), (c) the Hillsborough County Board of County Commissioners ("BOCC") county commissioner, and (d) the agency head of the BOCC Child Care Licensing Agency.

Approximately \$245,000 and \$1,054,000 was paid by the Coalition for services provided by the SDHC and the BOCC for the years ended June 30, 2024 and 2023, respectively. Payments to the BOCC are for compliance with Hillsborough County's local childcare licensing ordinance. In addition, the Coalition received matching funds from the BOCC, which are designated to be used only for the school readiness and VPK programs, of approximately \$276,000 and \$457,000 for the years ended June 30, 2024 and 2023, respectively.

The Coalition received funding from the CBHC for the local match in the school readiness program of approximately \$729,000 and \$745,000 for the years ended June 30, 2024 and 2023, respectively.

Note 6. Deferred Compensation Plan

The Coalition sponsors a 401(k) Deferred Compensation Plan (the "Plan") and makes both Employer Safe Harbor and Employer Profit Sharing Contributions to the Plan.

**Hillsborough County School Readiness Coalition, Inc.
d/b/a Early Learning Coalition of Hillsborough County, Inc.
Notes to Financial Statements
June 30, 2024 and 2023**

The Employer Safe Harbor portion of the Plan provides that the employer matches 100% on the first 4% contributed by the employee. Vesting is simultaneous with the contribution. Employees are allowed to contribute on a pre-tax basis, not to exceed amounts dictated by U.S. Treasury regulations.

The Employer Profit Sharing portion of the Plan provides that the Coalition contribute 6% of an employee's salary for the years ended June 30, 2024 and 2023. Vesting is 100% after six years of employment with the Coalition, with a 20% increase in vesting for each year of employment after the second year of employment.

Note 7. Concentrations and Government Support

The Coalition receives a substantial amount of support from federal, state, and local government agencies. Governmental funding for programs is subject to statutory and regulatory changes, administrative rulings, interpretations of policy, intermediary determinations, and governmental funding restrictions. A reduction in the level of future support from the federal, state, or local governmental agencies could have a substantial effect on the Coalition's programs and activities.

Note 8. Commitments and Contingencies

Credit Risk

Financial instruments which potentially subject the Coalition to concentrations of credit risk principally consist of cash in financial institutions in excess of Federal Deposit Insurance Corporation limits and grants receivable.

Concentrations of credit risk with respect to private pay accounts receivable is somewhat mitigated by the number of private pay patients. Credit risk with respect to grants receivables is mitigated by the taxing authority of the governmental entities funding the program.

Compliance

The Coalition may be subject to audit examination by funding sources to determine compliance with grant conditions. In the event that expenditures would be disallowed, repayment could be required. Management believes the Coalition is in compliance with the terms of its grant agreements.

Note 9. Subsequent Event

The Coalition has evaluated events and transactions for potential recognition or disclosure in the financial statements through [Report Date], which is the date the financial statements were available to be issued.

**The Hillsborough County School Readiness Coalition, Inc.
d/b/a Early Learning Coalition of Hillsborough County, Inc.
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended June 30, 2024**

Federal Agency/State Agency/ Pass-Through Grantor/Program Title	Grant Period	Federal AL #	Contract #	Federal Expenditures	Transferred to Subrecipient
FEDERAL AWARDS					
U.S. Department of Health and Human Services:					
Child Care Development Fund (CCDF) Cluster:					
<i>Passed through State of Florida Division of Early Learning</i>					
Child Care Development Block Grant	7/1/23-6/30/24	93.575	EL254	\$ 91,501,126	\$ 1,173,480
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	7/1/23-6/30/24	93.596	EL254	13,660,789	-
Total Child Care Development Fund (CCDF) Cluster				105,161,915	1,173,480
<i>Passed through State of Florida Division of Early Learning</i>					
Temporary Assistance for Needy Families	7/1/23-6/30/24	93.558	EL254	16,945,896	-
Social Services Block Grant	7/1/23-6/30/24	93.667	EL254	52,777	-
Total Expenditures of Federal Awards				122,160,588	1,173,480
	Grant Period	State CSFA #	Contract #	State Expenditures	Transferred to Subrecipient
STATE FINANCIAL ASSISTANCE					
State of Florida Division of Early Learning					
Voluntary Pre-K	7/1/23-6/30/24	48.108	EL254	29,977,471	-
Florida General Unrestricted Fund					
VPK Additional Funds for \$15 Minimum Wage*	7/1/23-6/30/24	VMIN2	SGU	4,075	-
Total Expenditures of State Financial Assistance				29,981,546	-
Grantor/Pass-Through Grantor Program Title	Grant Period	Federal AL #	Contract #	Local Expenditures	Transferred to Subrecipient
STATE MATCHING AND LOCAL FUNDS					
State of Florida Division of Early Learning					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	7/1/23-6/30/24	93.596	EL254	1,462,447	-
Florida General Unrestricted Fund					
School Readiness Special Needs Funds**	7/1/23-6/30/24		SGU	135,184	-
Total State Matching and Local Funds				1,597,631	-
Total Federal Awards, State Financial Assistance, and Local Funds				\$ 153,739,765	\$ 1,173,480

* Funding received from Florida's General Fund in connection with
Voluntary Pre-K (OCA VNCAF)

** Funding received from Florida's General Fund in connection with
CCDF Cluster (OCA 97CFO)

Note 1. General

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance include the grant activity of the Coalition and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Chapter 10.650, *Rules of the Auditor General*, and the Rules of the Executive Office of the Governor 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.

Indirect cost rate is dictated by federal and state contract terms. The 10-percent de minimis indirect cost rate, as allowed under the Uniform Guidance, is not in effect nor is it available under these contracts.

Note 2. Other State Financial Assistance Received

The Coalition received funding from the DEL and the Florida General Unrestricted Fund that was not subject to Section 215.97, Florida Statutes, as follows:

<u>Florida's Office of Early Learning</u>	<u>Contract Number</u>	<u>Current Year Expenditure</u>
A. Matching Funds for Federal Programs:		
State Matching Funds - 93.596 School Readiness CCDF Mandatory and Matching	EL254	<u>\$ 1,462,447</u>
B. Florida General Unrestricted Fund		
School Readiness Special Needs Funds	SGU	<u>\$ 135,184</u>

Note 3. Reconciliation to Statewide School Readiness Data and Reporting System

The Coalition performs reconciliations of its financial reports to the Statewide School Readiness Data and Reporting System in a timely and satisfactory manner.



Report to the Board of Directors

Early Learning Coalition of Hillsborough County

Results of the 2024 Financial Statement Audit, Including Required Communications

June 30, 2024

Audit Summary

Timing of Our Engagement

Our audit procedures occurred primarily between November 24, 2025 and March XX, 2025

Our [Financial Statement] Opinion

We have issued an unmodified opinion as to whether the financial statements of Early Coalition of Hillsborough County, Inc. (the “Coalition”) as of and for the year ended June 30, 2024, are fairly presented, in all material respects.

Government Auditing Standards

We have also issued our report on internal control over financial reporting and on our tests of compliance in accordance with *Government Auditing Standards* (GAGAS).

Our Uniform Guidance and Chapter 10.650 Rules of the Auditor General Compliance Opinion

We have also issued an unmodified opinion, as to whether Coalition complied with the requirements of the by Title 2 *U.S. Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) for each major federal award, and Chapter 10.650, *Rules of the Auditor General* for each state award program, and our report on internal control over compliance.

Other Services Provided

Services provided during the year ended June 30, 2024 have included:

- Audit of the financial statements including federal Uniform Guidance and Florida Single Audit Act
- Form 990 preparation
- Audit of the Early Learning Coalition of Hillsborough County 401(K) Plan for the year ended December 31, 2024 as permitted under ERISA Section 103(a)(3)(C) audit

Areas of Audit Emphasis

Where We Focused Our Efforts

Elements of the Audit	Description of Audit Area
Planning	We worked closely with management early during the audit, as required by auditing standards, giving the group an overview of the scope and timing.
Materiality	Forvis Mazars has a materiality methodology that does not simply consider the change in net assets but focuses on other metrics, such as total net assets, assets, or revenue or other meaningful metrics, to scope our audit approach, to evaluate actual or potential errors, and to develop audit samples.
Risk Assessment	<p>Forvis Mazars followed standards established by the AICPA that affected the amount and type of information we gathered to perform our audit, including:</p> <ul style="list-style-type: none">• Obtaining an understanding of your business and business environment, significant risks, and how you mitigate those risks, including examining how you measure and manage financial performance, as well as your internal control over financial reporting• Evaluating where your financial statements might be susceptible to material misstatement due to error or fraud• Considering if internal controls have been implemented and assessed the general controls around your information technology systems• Assessing risks of material misstatement for the most significant financial statement amounts and disclosures

Elements of the Audit	Description of Audit Area
	<p>We considered your internal controls documentation and asked management to complete various questionnaires for significant areas.</p> <p>We interviewed personnel and reviewed prior [Board meeting] minutes as part of our information-gathering process.</p>
<p>Fieldwork, Testing, & Further Audit Procedures</p>	<p>We designed audit tests to take advantage of strengths in your internal control system, including:</p> <ul style="list-style-type: none"> • Performing substantive tests on material account balances • Evaluating significant unusual transactions • Asking management to further explore and clarify any potential misstatements we identified • Evaluating the materiality of those misstatements, if applicable • Concluding that all identified risks of material misstatement have been addressed <p>We also performed substantive procedures, such as:</p> <ul style="list-style-type: none"> • Key Item Testing – Some items within an account may be large enough by themselves to involve significant risk of material misstatement. These key items were audited individually • Sampling – A detailed audit of representative individual items (a sample) selected from a population • Analytical Procedures – Taking a closer look at a grouping of information by examining it as it relates to other accounts, historical trends, or other measures

Elements of the Audit	Description of Audit Area
-----------------------	---------------------------

Areas of Particular Attention Based on the nature of your activities and the operations during the period, we noted the following areas of special attention:

- **Management Override of Controls** is an inherent risk, even in well-designed systems of controls. We evaluate journal entries and financial statement drafting processes among areas where override can often occur
- **Revenue Recognition** including proper recording of significant contributions and grants can have a significant impact on the financial statements
- **Net Asset Classifications and Releases of Restrictions** can be difficult to classify and track, particularly in periods of high activity
- **Grant Compliance.** Testing of compliance on major awards.

Related to these areas, no matters are reportable.

Nonprofit Hot Topics & Issues

Forvis Mazars has issued a formal study of the industry entitled “2025 Annual Report State of the Nonprofit Sector” which can be obtained by either emailing jeff.goolsby@us.forvismazars.com or using this link [2025 Annual Report State of the Nonprofit Sector - Adobe cloud storage](#).

Required Communications Regarding Our Audit Strategy & Approach (AU-C 260)

The following matters are required communications we must make to you, including these responsibilities:

Overview & Responsibilities



Matter	Discussion
Scope of Our Audit	<p>This report covers audit results related to your financial statements and supplementary information:</p> <ul style="list-style-type: none"> • As of and for the year ended June 30, 2024 • Conducted in accordance with our contract dated November 1, 2024
Our Responsibilities	<p>Forvis Mazars is responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).</p>
Audit Scope & Inherent Limitations to Reasonable Assurance	<p>An audit performed in accordance with auditing standards generally accepted in the United States of America (GAAS) and Government Auditing Standards issued by the Comptroller General of the United States (GAGAS) is designed to obtain reasonable, rather than absolute, assurance about the financial statements. The scope of our audit tests was established in relation to the financial statements taken as a whole and did not include a detailed audit of all transactions.</p>
Extent of Our Communication	<p>In addition to areas of interest and noting prior communications made during other phases of the engagement, this report includes communications required in accordance with GAAS that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process, including audit approach, results, and internal control. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.</p>
Independence	<p>The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.</p>

Matter	Discussion
Your Responsibilities	Our audit does not relieve management or those charged with governance of your responsibilities. Your responsibilities and ours are further referenced in our contract.
Additional GAGAS Reporting	We also provided reports as of June 30, 2024 on the following as required by GAGAS: <ul style="list-style-type: none"> Internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with GAGAS
Reporting Limitations	Our consideration of internal control over financial reporting and our tests of compliance were not designed with an objective of forming an opinion on the effectiveness of internal control or on compliance, and accordingly, we do not express such an opinion.

Uniform Guidance Overview & Responsibilities

Matter	Discussion
Scope of Our Audit	We also provided reports as of the year ended June 30, 2024, on the following as required by U.S. Office of Management and Budget (OMB) Uniform Guidance: <ul style="list-style-type: none"> Opinion on compliance for each major federal and state award program Report on internal control over compliance Schedule of Expenditures of Federal Awards and State Financial Assistance
Audit Scope & Inherent Limitations to Reasonable Assurance	A compliance audit performed in accordance with OMB Uniform Guidance is designed to obtain reasonable, rather than absolute, assurance about whether noncompliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on a major federal award program occurred.

Qualitative Aspects of Significant Accounting Policies & Practices

The following matters are detailed in the following pages and included in our assessment:

**Significant Accounting
Policies**

**Unusual Policies or
Methods**

**Alternative Accounting
Treatments**

**Management Judgments
& Accounting Estimates**

**Financial Statement
Disclosures**

**Our Judgment About the
Quality of the Entity's
Accounting Principles**

Significant Accounting Policies

Significant accounting policies are described in Note 2 to the financial statements. There were no accounting policies during the year ended June 30, 2024.

Management Judgments & Accounting Estimates¹

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. Significant areas of such estimates for which we are prepared to discuss management’s estimation process and our procedures for testing the reasonableness of those estimates include:

- Collection of receivables
- Amortization of right-of-use leased
- Functional expense allocation

Adjustments Identified by Audit

Reconciliation of Results After Adjustments

Unadjusted Change in Net Assets	\$	86,363
Adjustments proposed and made by management, net		(12,535)
Adjusted Change in Net Assets	\$	73,828

¹ If there are no relevant matters to be reported, list a single bullet point item as “No matters are reportable”. It is not necessary to provide a written description of the estimation process or audit tests.

Uncorrected Misstatements

There were no uncorrected misstatements to report.

Disagreements with Managements

During our audit, there were no disagreements with management.

Consultation with Other Accountants

During our audit, we were not aware of any situations that management had consulted with other accountants about the audit.

Difficulties Encountered in Performing the Audit

Our audit requires cooperative effort between management and the audit team. During our audit, there were no significant deficiencies encountered in performing the audit.

Consideration of Internal Controls Over Financial Reporting

Deficiency

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.

Significant Deficiency

A significant deficiency is a deficiency, or 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.

Material Weakness

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material misstatements of the Entity's financial statements will not be prevented or detected and corrected on a timely basis.

There were no material weaknesses identified.

About Our Nonprofit Practice

The Nonprofit Practice at Forvis Mazars is driven by our commitment to forward vision. As a top 10 public accounting firm and a thought leader in the industry, we provide innovative services and valuable insights to help our clients thrive and attain their goals. Our depth of resources enables us to provide a wide range of high-quality services to a variety of nonprofit organizations, and our collaborative team is committed to delivering excellence and providing **Unmatched Client Experiences™**.

Our nonprofit team performs engagements for many nonprofit organizations. Our professionals support nonprofit management teams, boards, and audit committees with strategy surrounding revenue sources and operational efficiency while upholding donor trust in your ability to carry out the organizational mission. In addition to tax, audit, and assurance services, our team can help with:

- Strategic Financial Outsourcing
- Grants Management & Compliance
- Job Succession Planning
- Compensation Consulting Services
- Internal Audit
- Cybersecurity & IT Risk
- Fraud & Ethics Hotline Service
- Private Foundation Services
- Financial & Operational Assessments
- Governance, Strategy, & Communication Consulting
- Impact Studies & Organizational Assessments
- ESG
- Unrelated Business Income Tax Consulting
- IRS Examination Representation
- Wealth Advisory Services/Endowment Management

“When we were implementing the new lease accounting standard, Forvis Mazars was there for us. The team was responsive whenever we had questions and consistently shared their deep knowledge and advice with us. We also utilized their customized software for our implementation, which made the process simple and smooth. I’m thankful to the team at Forvis Mazars and appreciate the great service we received.”

Robert Calamo / Vice President and Comptroller
Wildlife Conservation Society / Bronx, New York

3

Provider of Single Audits

4

Preparer of Form 990s

2000+

Nonprofit Clients Served

FORsights spans across key topics in assurance, tax, and advisory that reflect our industry intelligence, technical knowledge, and our forward vision to keep clients informed and on top of issues that affect them.

Scan the QR to sign up today!





Financial Statement Audit Presentation

Early Learning Coalition of Hillsborough County

March 26, 2025

Jeff Goolsby, CPA

Forvis Mazars

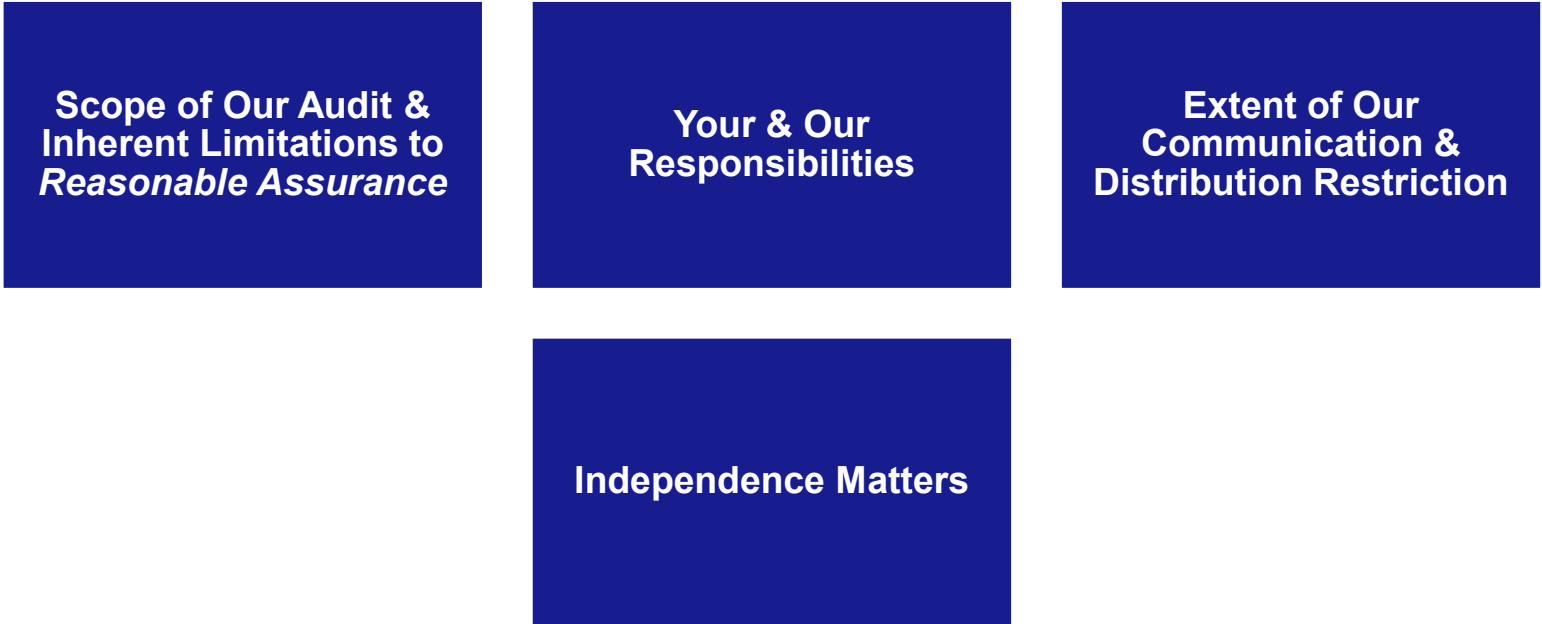
- MSL, P.A. officially joined Forvis Mazars effective November 1, 2024
- About Forvis Mazars:
 - a top 10 global firm in size (\$5 billion+ annual revenues) with 40,000+ team members
 - a top 10 U.S. firm in size (\$2 billion+ annual revenues) with 7,000+ team members
 - More than 200 Florida personal including 80 here in Tampa

# 3 Provider of Single Audits	# 4 Preparer of Form 990s	2000+ Nonprofit Clients Served	FORsights spans across key topics in assurance, tax, and advisory that reflect our industry intelligence, technical knowledge, and our forward vision to keep clients informed and on top of issues that affect them.	Scan the QR to sign up today! 
--	--	---	--	---

Required Communications Regarding Our Audit Strategy & Approach (AU-C 260)

The following matters are required communications we must make to you, including these responsibilities:

Overview & Responsibilities



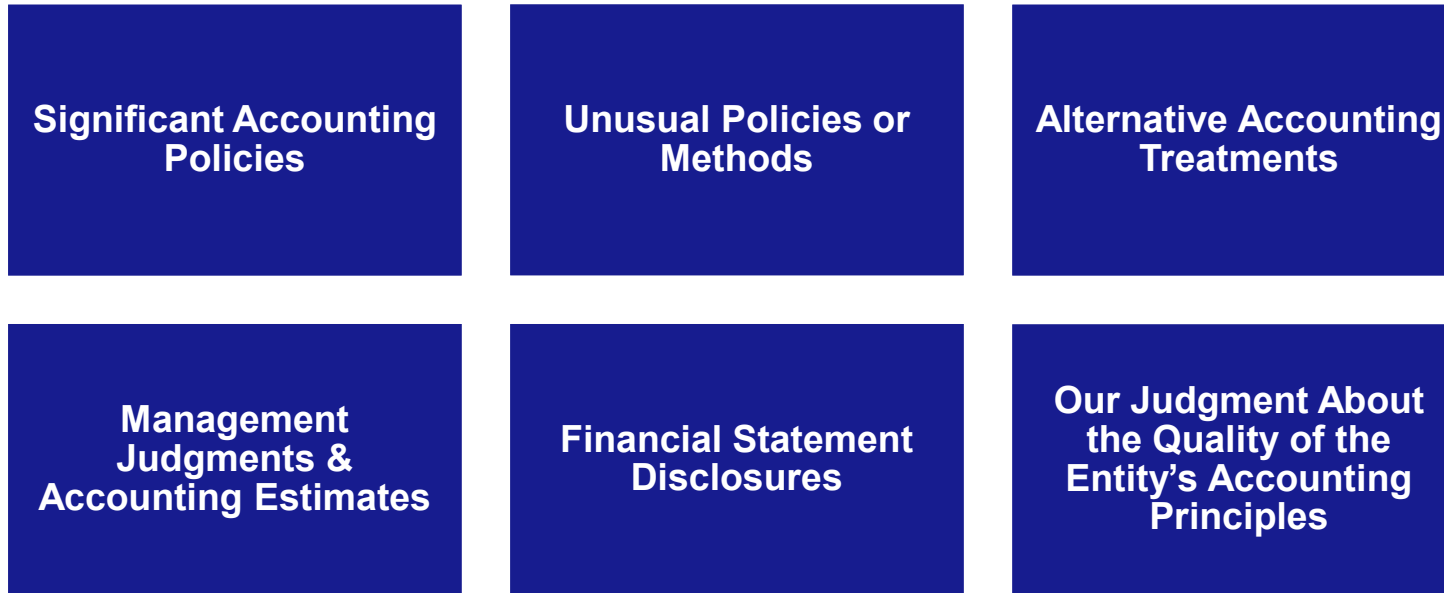
Required Communications

Matter	Discussion
Scope of Our Audit	<p>This report covers audit results related to your financial statements</p> <ul style="list-style-type: none">• As of and for the year ended June 30, 2024• Conducted in accordance with our contract dated November 1, 2024
Our Responsibilities	<p>Forvis Mazars is responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).</p>
Audit Scope & Inherent Limitations to Reasonable Assurance	<p>An audit performed in accordance with auditing standards generally accepted in the United States of America (GAAS) is designed to obtain reasonable, rather than absolute, assurance about the financial statements. The scope of our audit tests was established in relation to the financial statements taken as a whole and did not include a detailed audit of all transactions.</p> <p>We have also issued our report on internal control over financial reporting and on our tests of compliance in accordance with <i>Government Auditing Standards</i> (GAGAS). There were no material weaknesses identified in internal control</p>

Required Communications

Matter	Discussion
<i>Our Uniform Guidance and Chapter 10.650 Rules of the Auditor General Compliance Opinion</i>	We have also issued an unmodified opinion, as to whether Coalition complied with the requirements of the by Title 2 <i>U.S. Code of Federal Regulations</i> , Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (Uniform Guidance) for each major federal award, and Chapter 10.650, <i>Rules of the Auditor General</i> for each state award program, and our report on internal control over compliance.
Independence	The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.
Your Responsibilities	Our audit does not relieve management or those charged with governance of your responsibilities. Your responsibilities and ours are further referenced in our contract.

Qualitative Aspects of Significant Accounting Policies & Practices



- Significant accounting policies are described in Note 2 of the audited financial statements
- We had no discussions with management regarding alternative accounting treatments
- Significant accounting estimates consist of valuation of receivables, measurement of leases, and allocation of functional expenses

Other Communications

- No current-period uncorrected misstatements
- The only posted adjustment by management was to recognize lease asset and liability and straight-line impact of rent (reduced change in net assets by \$12K)
- No disagreements with management
- Management did not consult with other accountants regarding issues impacting the audit
- Our audit requires cooperative effort between management and the audit team, and we did not encounter any difficulties.
- Single audit testing of major programs
 - Federal Awards
 - 93.757, 93.596 Child Care Development Fund Cluster
 - Qualified as a low-risk auditee
 - State Awards
 - 48.108 Voluntary Pre-Kindergarten Education Program

2025 Forvis Mazars State of the Nonprofit Sector Annual Report

- A resilient 2024 economy helped boost the financial position of some nonprofits, but increasing costs and an end to pandemic-era funding created concern for almost half of the organizations surveyed

- Almost half of nonprofits lack sufficient funds to deliver their programs and services.
- Contributions from individuals decreased more than any other source of revenue.
- More than three out of four organizations report difficulty recruiting senior leaders.
- About two-thirds of nonprofits do not have a leadership mentoring program.
- The number of organizations with staffing shortages has decreased by 15% in the past two years.

Key Findings

65%

are hampered by staffing shortages.

3 out of 4

have eliminated staff and reduced programs and services.

77%

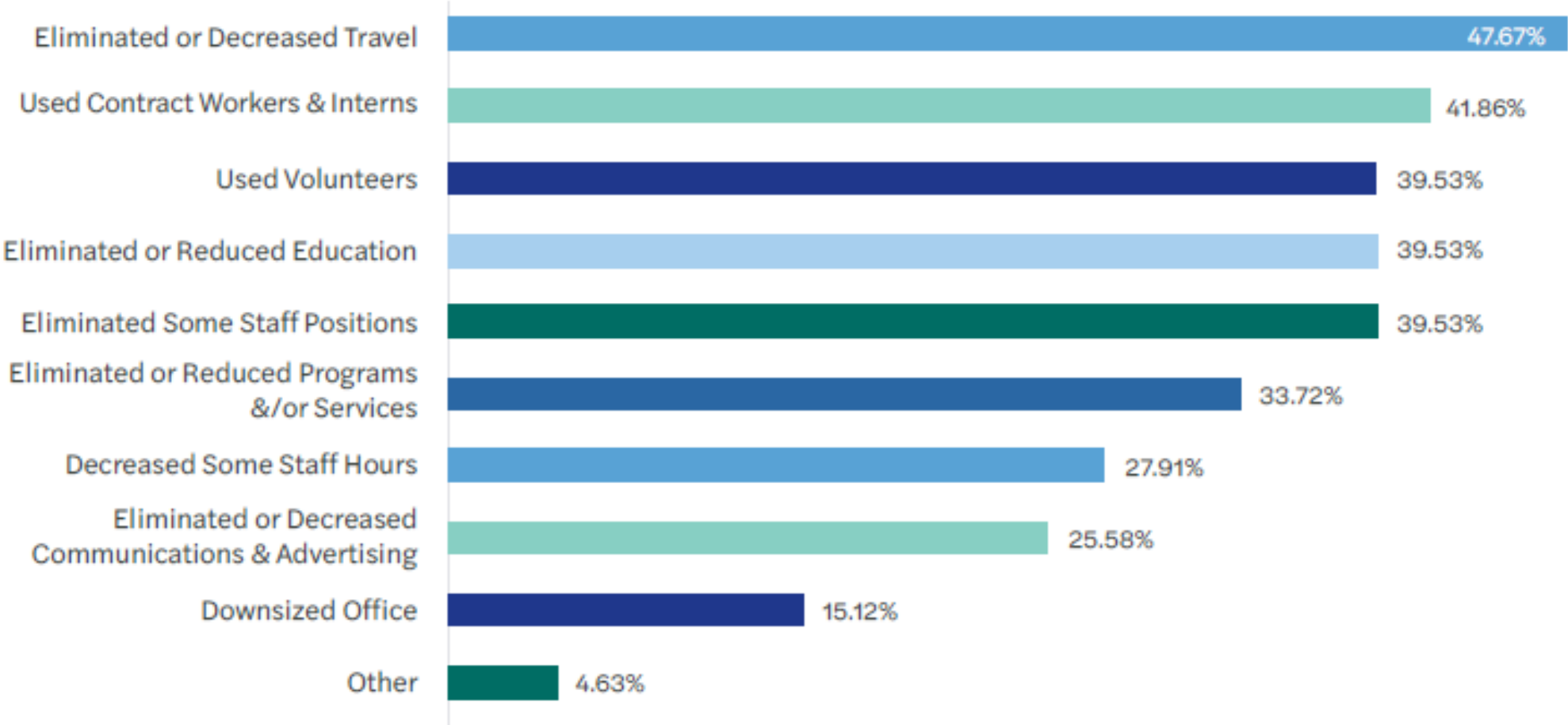
had an increase in demand for their programs and services.

Download full report [here](#)

2025 Forvis Mazars State of the Nonprofit Sector Annual Report

- Operational costs continue to climb

What steps has your organization taken to reduce expenses in the past year?



Review of Selected Financial Information and Ratios



Statements of Financial Position

** New accounting standard

	As of June 30,		As of June 30,	
	2024	% of Total	2023	% of Total
Assets				
Cash	10,544	44.7%	13,694	67.5%
Grants receivable	11,140	47.2%	4,221	20.8%
Right-of-use lease**	1,833	7.8%	2,313	0.0%
Other	64	0.3%	64	0.3%
Total Assets	23,581	100.0%	20,292	88.6%
Liabilities and Net Assets				
Accounts and provider payables	16,497	89.2%	12,818	83.9%
Right-of-use lease**	1,921	10.4%	2,389	15.6%
Deferred revenue	71	0.4%	66	0.4%
Total Liabilities	18,489	100.0%	15,273	99.9%
Total Net Assets	5,092	N/A	5,019	N/A

Statements of Activities

	For the Years Ended June 30		
	2024	2023	% of Change
Revenues			
Grant Revenue and Other Support	153,928	238,788	-35.5%
Expenses			
School Readiness	117,430	197,377	-40.5%
Voluntary Pre-K	29,969	34,037	-12.0%
Other Programs	2,100	2,218	-5.3%
Management and General	4,355	5,006	-13.0%
Total Expenses	153,854	238,638	-35.5%
Change in Net Assets	74	150	-50.7%

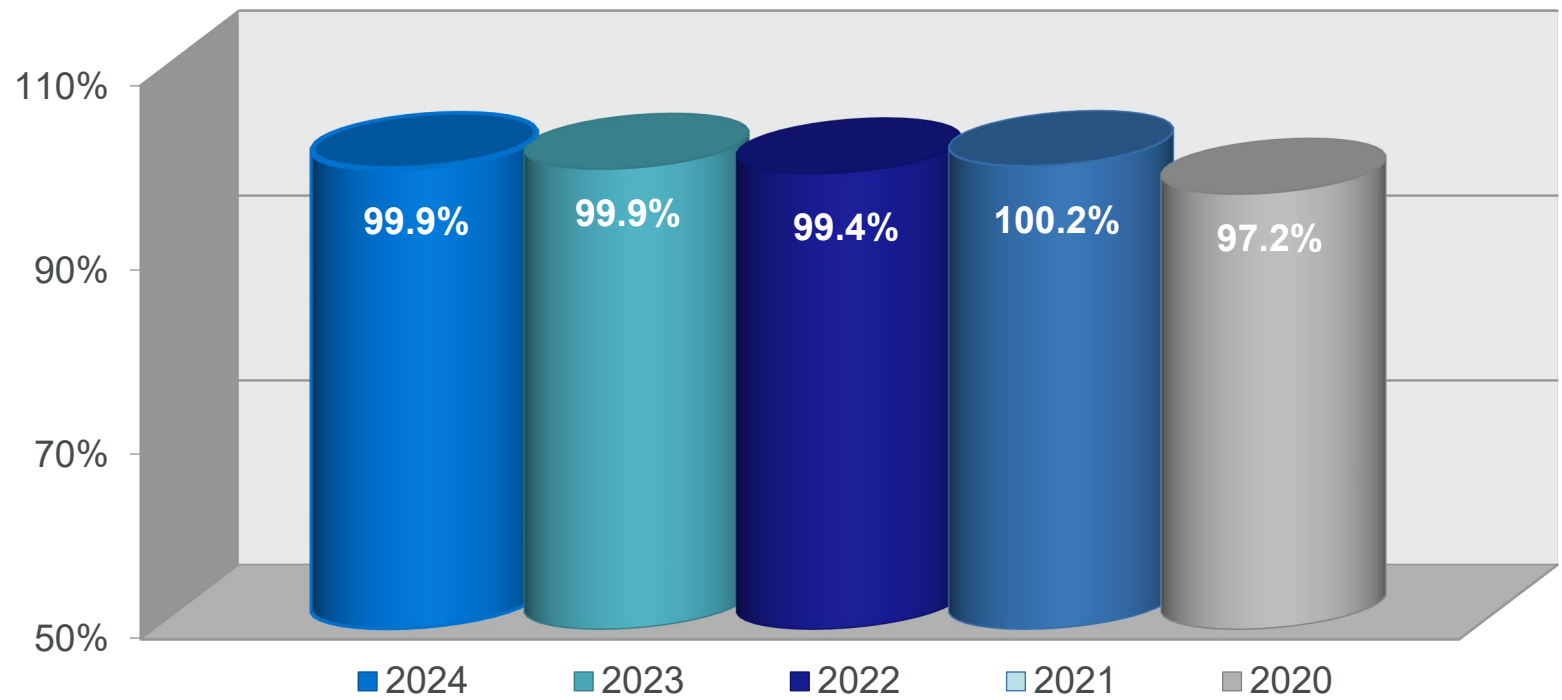
Statements of Activities

	For the Years Ended June 30		
	2024	2023	% of Change
Revenues			
Grant Revenue and Other Support	153,928	238,788	-35.5%
Expenses			
School Readiness	117,430	197,377	-40.5%
Voluntary Pre-K	29,969	34,037	-12.0%
Other Programs	2,100	2,218	-5.3%
Management and General	4,355	5,006	-13.0%
Total Expenses	153,854	238,638	-35.5%
Change in Net Assets	74	150	-50.7%

Operating Ratio

Indicates whether cash operating revenues were sufficient to cover cash operating expenses. An operating ratio of less than 100 percent is desired.

Cash Operating Expenses/Cash Operating Revenues



Contact

Forvis Mazars

Jeff Goolsby

Partner

P: 813.817.1936 (m)

Jeff.Goolsby@us.forvismazars.com

The information set forth in this presentation contains the analysis and conclusions of the author(s) based upon his/her/their research and analysis of industry information and legal authorities. Such analysis and conclusions should not be deemed opinions or conclusions by Forvis Mazars or the author(s) as to any individual situation as situations are fact-specific. The reader should perform their own analysis and form their own conclusions regarding any specific situation. Further, the author(s)' conclusions may be revised without notice with or without changes in industry information and legal authorities.

© 2025 Forvis Mazars, LLP. All rights reserved.

Budget to Actual
January 31, 2025

	YTD Actual	YTD Adjusted Budget	Difference YTD favorable /(unfavorable)	%	FY 24-25 Forecast	FY 24-25 Original Budget	Difference YTD favorable /(unfavorable)	%
Program Revenue								
School Readiness	53,728,589	53,010,255	718,334	1.4%	90,053,922	78,843,157	11,210,765	14.2%
School Readiness Match - DEL	579,713	503,176	76,537	15.2%	1,364,389	1,126,233	238,156	21.1%
School Readiness - Local Funders:								
Children's Board HC	451,659	1,000,000	(548,341)	-54.8%	1,000,000	1,000,000	-	0.0%
Hillsborough County BOCC	63,066	276,000	(212,934)	-77.2%	276,000	276,000	-	0.0%
Metro Ministries (Children's Board)	24,192	40,000	(15,808)	-39.5%	40,000	40,000	-	0.0%
City of Tampa	77,121	125,000	(47,879)	-38.3%	125,000	125,000	-	0.0%
United Way (Quality Initiative)	20,000	-	20,000	100.0%	35,000	35,000	-	0.0%
School Readiness - Local Funders	636,038	1,441,000	(804,962)	-55.9%	1,476,000	1,476,000	100.0%	0.0%
Total School Readiness Revenue	54,944,340	54,954,431	(10,091)	0.0%	92,894,311	81,445,390	87.7%	0.0%
Other Local Funders:								
Conn Foundation	13,774	30,000	(16,226)	-54.1%	13,774	30,000	(16,226)	-54.1%
Spurlino Foundation	33,484	40,000	(6,516)	-16.3%	33,484	40,000	(6,516)	-16.3%
SR Program Income (IECP memberships)	2,695	11,667	(8,972)	-76.9%	11,028	20,000	(8,972)	-44.9%
Misc. Donations	242,101	48,595	193,507	398.2%	293,507	100,000	193,507	193.5%
Other Local Funders	293,474	130,261	163,213	125.3%	353,213	190,000	163,213	85.9%
Total School Readiness Revenue and Local Revenue	55,237,814	55,084,692	153,122	0.3%	93,247,524	81,635,390	11,612,134	14.2%
Program Expenses								
School Readiness								
Direct Services	45,287,828	43,809,457	(1,478,371)	-3.4%	75,460,068	63,159,126	(12,300,942)	-19.5%
School Readiness Match - DEL	579,713	503,176	(76,537)	-15.2%	1,364,389	1,126,233	(238,156)	-21.1%
School Readiness - Local Funders	698,427	1,441,000	742,573	51.5%	1,540,084	1,457,695	(82,389)	-5.7%
General Contributions and Gifts	293,474	130,261	(163,213)	-125.3%	353,213	90,000	(263,213)	-292.5%
Total Direct Services	46,859,441	45,883,894	(975,548)	-2.1%	78,717,754	65,833,054	(12,884,700)	-19.6%
Personnel	6,446,400	6,971,423	525,024	7.5%	11,099,254	11,826,551	727,296	6.1%
Staff Development	7,526	47,042	39,515	84.0%	38,450	71,956	33,505	46.6%
Professional Services	417,810	425,314	7,504	1.8%	723,968	666,756	(57,212)	-8.6%
Occupancy	305,368	356,526	51,158	14.3%	560,030	527,061	(32,969)	-6.3%
Postage, Freight and Delivery	2,093	4,704	2,611	55.5%	5,051	7,662	2,611	34.1%
Rentals	3,624	5,900	2,276	38.6%	7,839	10,114	2,275	22.5%
Supplies	26,517	43,271	16,753	38.7%	52,969	71,356	18,386	25.8%
Communications	22,234	20,983	(1,251)	-6.0%	37,222	35,971	(1,251)	-3.5%
Insurance	79,454	48,043	(31,411)	-65.4%	113,770	82,359	(31,411)	-38.1%
Tangible Personal Property	-	5,362	5,362	-100.0%	3,294	8,656	5,362	61.9%
Quality	341,675	688,969	347,294	50.4%	1,083,215	1,430,258	347,043	24.3%
Travel	14,909	40,317	25,408	63.0%	38,561	68,283	29,721	43.5%
Other Operating	149,740	249,277	99,537	39.9%	323,818	423,355	99,537	23.5%
Other Operating Expenses	1,370,952	1,935,708	564,757	29.2%	2,988,188	3,403,785	(415,597)	-12.2%
ELCHC Operating	7,817,351	8,907,132	1,089,780	12.2%	14,087,442	15,230,336	311,699	2.0%
ECC	26,110	14,292	(11,819)	-82.7%	66,110	80,000	13,890	17.4%
Inclusion Cost	128,740	175,292	46,552	26.6%	245,000	245,000	-	0.0%
Scholarships and Other	8,300	104,083	95,783	92.0%	131,217	247,000	115,783	46.9%
Total School Readiness & Other Expenses	54,839,943	55,084,692	244,749	0.4%	93,247,524	81,635,390	(12,443,328)	-15.2%
SR Change in Net Assets	397,871	-	(397,871)	100.0%	-	-	-	0.0%

GOALS									
< 5.00 %	School Readiness - Admin	3.0%	3.4%	-0.4%	-11.5%	3.1%	3.3%	-0.2%	-7.4%
> 4.00 %	School Readiness - Quality	7.1%	8.3%	-1.2%	-14.2%	9.2%	9.2%	0.0%	0.5%
< 22.00 %	School Readiness - Non-Direct	16.3%	18.5%	-2.2%	-11.9%	18.7%	19.5%	-0.8%	-4.2%
> 78.00 %	School Readiness - Direct	83.7%	81.5%	2.2%	2.7%	81.3%	80.5%	0.8%	1.0%

Budget to Actual
January 31, 2025

	YTD Actual	YTD Adjusted Budget	Difference YTD favorable /(unfavorable)	%	FY 24-25 Forecast	FY 24-25 Original Budget	Difference YTD favorable /(unfavorable)	%
VPK Revenue								
Voluntary Pre-Kindergarten	18,246,231	19,149,328	(903,097)	-4.7%	31,430,222	32,196,911	(766,689)	-2.4%
Total VPK Revenue	18,246,231	19,149,328	(903,097)	-4.7%	31,430,222	32,196,911	(766,689)	-2.4%
Voluntary Pre-Kindergarten								
Direct Services	17,177,080	18,007,877	830,797	4.6%	29,609,293	30,375,310	766,018	2.5%
Personnel	780,873	983,427	202,554	20.6%	1,472,149	1,480,516	8,367	0.6%
Staff Development	1,505	9,227	7,722	83.7%	7,372	15,094	7,722	51.2%
Professional Services	124,234	51,930	(72,304)	-139.2%	160,547	87,924	(72,623)	-82.6%
Occupancy	59,521	1,232	(58,289)	-4730.5%	60,402	86,239	25,838	30.0%
Postage, Freight and Delivery	196	2,221	2,026	91.2%	1,663	3,688	2,026	54.9%
Rentals	741	809	68	8.4%	1,318	1,386	68	4.9%
Supplies	882	3,840	2,958	77.0%	3,195	6,894	3,699	53.7%
Communications	4,257	2,350	(1,907)	-81.1%	5,936	4,029	(1,907)	-47.3%
Insurance	16,807	24,235	7,428	30.7%	34,117	41,545	7,428	17.9%
Tangible Personal Property	-	1,222	1,222	-100.0%	873	2,094	1,222	58.3%
Quality	1,307	28	(1,279)	-4546.4%	1,307	28	(1,279)	-4546.4%
Travel	6,191	19,828	13,637	68.8%	15,565	27,382	11,817	43.2%
Other Operating	32,820	41,103	8,282	20.2%	56,485	64,779	8,294	12.8%
Other Operating Expenses	248,461	158,025	(90,436)	-57.2%	348,780	341,084	(7,696)	-2.3%
ELCHC Operating	1,029,334	1,141,452	112,118	9.8%	1,820,929	1,821,600	671	0.0%
Total Voluntary Pre-Kindergarten	18,206,414	19,149,328	1,134,884	6%	31,430,222	32,196,911	766,689	2%
VPK Change in Net Assets	39,818	-	(39,818)	100.0%	-	-	-	0.0%
GOALS								
< 5.00 % VPK - Admin	4.9%	5.0%	-0.2%	-3.1%	4.8%	5.0%	-0.2%	0.0%
Total Revenue	73,484,045	74,234,020	(749,975)	-1.0%	124,677,745	113,832,301	10,845,445	9.5%
Total Expenses	73,046,356	74,234,020	(1,187,664)	-1.6%	124,677,745	113,832,301	10,845,445	9.5%
Change in Net Assets	437,689	-	437,689	100.0%	-	-	-	0.0%

NOTICE OF AWARD SUMMARY

Updated as of 03-23-2025

(dollars in millions)

	<u>FY25</u>		<u>FY24</u>	<u>\$ Difference</u>	<u>% Difference</u>	<u>Notes</u>
SR Base	\$ 74.4	\$	67.6	\$ 6.8	10%	7% provider rate increase
VPK Base	\$ 32.0	\$	31.3	\$ 0.7	2%	2% provider rate increase

<u>Additional:</u>				<u>Timing</u>	<u>Funding Source</u>
SR Plus	\$ 1.2	\$	-	September	\$23M State reserve
Waitlist	\$ 0.4	\$	-	December	\$20M State reserve
Expanded Services	\$ 6.0	\$	6.8	January	\$40M State reserve
SR Reobligation	\$ 2.2	\$	-	March	SR Base reallocation