

March 5, 2021

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

We have audited the financial statements of Early Learning Coalition of Broward County, Inc. (the "Organization") for the year ended June 30, 2020, and have issued our report thereon dated March 5, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated April 20, 2020. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Matters

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2020, except for the implementation of the Financial Accounting Standards Board in its Accounting Standard Update (FASB ASU) No. 2018-08: Not-for-Profit Entities (Topic 958), Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made and FASB ASU No. 2014-09: Revenue from Contracts with Customers (Topic 606). We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- *Statement of Functional Expenses* – Management applied an allocation methodology of indirect expenditures derived from various assumptions (estimates) appearing reasonable under the current operating conditions of the Organization. This allocation methodology may be subject to change in future periods.
- The Organization's allowance for uncollectible accounts and contractual adjustments, as applicable, is an estimate based on historical collection rates and other assumptions developed by management.

- Management's estimate of the depreciation of property and equipment is based on a straight-line basis over the assets estimated useful lives ranging from 3 to 11 years. The Organization's management has informed us that they use all relevant facts available to them to make the best judgment about the depreciation methods and estimated useful lives of capital assets.

We evaluated the key factors and assumptions used by management to develop the above significant estimates and overall financial statement presentation. Based on representations made by management, it appears that these estimates are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no material uncorrected misstatements detected as a result of our audit procedures. A detailed list of audit journal entries was provided to management and is available upon request.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated March 5, 2021.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

In the Schedule of Findings and Questioned Costs, we recommend that the Organization continue to work with the Office of Early Learning to determine the best procedures and tools to be used during the reconciliation process of the Single Statewide Information System to the Organization's financial records for provider payments.

This information is intended solely for the use of the Board of Directors and the management of the Organization and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

KEEFE McCULLOUGH