

**THE PALM BEACH COUNTY LITERACY COALITION, INC.  
d/b/a  
LITERACY COALITION OF PALM BEACH COUNTY**

**REPORT ON AUDIT OF  
CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended June 30, 2025  
(with comparable totals for June 30, 2024)**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
The Palm Beach County Literacy Coalition, Inc.  
Boynton Beach, Florida

### **Opinion**

We have audited the accompanying consolidated financial statements of The Palm Beach County Literacy Coalition, Inc. (a Florida non-profit organization) and supporting organization, which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Palm Beach County Literacy Coalition, Inc. and supporting organization as of June 30, 2025, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Palm Beach County Literacy Coalition, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Palm Beach County Literacy Coalition, Inc.'s ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Palm Beach County Literacy Coalition, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Palm Beach County Literacy Coalition, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2025, on our consideration of The Palm Beach County Literacy Coalition, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Palm Beach County Literacy Coalition, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Palm Beach County Literacy Coalition, Inc.'s internal control over financial reporting and compliance.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidated schedule of program expenses on pages 25 and 26 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

### **Report on Summarized Comparative Information**

We have previously audited The Palm Beach County Literacy Coalition, Inc.'s June 30, 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 11, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

*Holyfield & Thomas LLC*

West Palm Beach, Florida  
December 18, 2025

**THE PALM BEACH COUNTY  
LITERACY COALITION, INC.**

**CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION**

**As of June 30, 2025**

**(with comparable totals for 2024)**

<b>ASSETS</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total 2025</b>	<b>Total 2024</b>
Current assets:				
Cash and cash equivalents	\$ 208,077	\$ 544,788	\$ 752,865	\$ 746,523
Certificates of deposit	1,142,643	-	1,142,643	1,216,942
Receivables:				
Accounts receivable, net	170,608	-	170,608	263,881
Pledges receivable, net	1,600	300,000	301,600	278,776
Prepaid expenses	49,149	-	49,149	55,335
Total current assets	1,572,077	844,788	2,416,865	2,561,457
Investments	2,574,908	552,371	3,127,279	2,495,062
Property and equipment, net	2,699,431	-	2,699,431	2,641,021
Right-of-use assets:				
Finance lease, net	15,418	-	15,418	8,999
Operating lease, net	324,278	-	324,278	44,591
Total assets	\$ 7,186,112	\$ 1,397,159	\$ 8,583,271	\$ 7,751,130

**LIABILITIES AND NET ASSETS**

Current liabilities:				
Accounts payable	\$ 40,111	\$ -	\$ 40,111	\$ 35,718
Accrued payroll and related	150,752	-	150,752	118,403
Lease obligations, current:				
Finance lease	5,286	-	5,286	2,674
Operating lease	57,779	-	57,779	45,674
Total current liabilities	253,928	-	253,928	202,469
Lease obligations, long-term:				
Finance lease	10,746	-	10,746	6,632
Operating lease	268,530	-	268,530	-
Total liabilities	533,204	-	533,204	209,101
Net assets:				
Without donor restrictions:				
Undesignated	4,187,851	-	4,187,851	4,571,041
Board designated	2,465,057	-	2,465,057	1,757,601
With donor restrictions	-	1,397,159	1,397,159	1,213,387
Total net assets	6,652,908	1,397,159	8,050,067	7,542,029
Total liabilities and net assets	\$ 7,186,112	\$ 1,397,159	\$ 8,583,271	\$ 7,751,130

*See accompanying notes to financial statements.*

**THE PALM BEACH COUNTY  
LITERACY COALITION, INC.**

**CONSOLIDATED STATEMENT OF  
ACTIVITIES**

**For the Year Ended June 30, 2025**

**(with comparable totals for 2024)**

	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total
Public support and revenues				
Public support:				
Federal financial assistance	\$ 727,135	\$ -	\$ 727,135	\$ 576,415
Other grant assistance	1,233,248	-	1,233,248	1,127,736
Contributions	517,614	1,382,662	1,900,276	1,524,174
In-kind contributions	220,075	-	220,075	192,342
Revenues:				
Program service fees	472,312	-	472,312	444,687
Investment income, net	168,814	-	168,814	136,280
Investment unrealized and realized gain/(loss)	103,783	61,346	165,129	232,339
Special events	374,894	-	374,894	386,944
Total public support and revenues	3,817,875	1,444,008	5,261,883	4,620,917
Net assets released from restrictions	1,260,236	(1,260,236)	-	-
	<u>5,078,111</u>	<u>183,772</u>	<u>5,261,883</u>	<u>4,620,917</u>
Expenses				
Program services:				
Building Better Readers	323,383	-	323,383	265,100
Early Literacy Book Distribution	454,615	-	454,615	237,591
Glades Family Education	466,828	-	466,828	431,769
Literacy AmeriCorps	1,547,900	-	1,547,900	1,350,005
ParentChild+	191,020	-	191,020	227,335
Reach Out and Read	162,761	-	162,761	295,070
Read! Lead! Succeed!	147,693	-	147,693	134,323
Stories and STEM	139,790	-	139,790	149,442
Village Readers	283,593	-	283,593	282,906
Workplace & Community Education	44,626	-	44,626	41,592
Other Programs & Initiatives	264,266	-	264,266	195,517
	<u>4,026,475</u>	<u>-</u>	<u>4,026,475</u>	<u>3,610,650</u>
Support services:				
Management and general	352,831	-	352,831	262,501
Fundraising	382,039	-	382,039	499,309
Total expenses	4,761,345	-	4,761,345	4,372,460
(Gain)/loss on disposal of asset	(7,500)	-	(7,500)	-
Change in net assets	324,266	183,772	508,038	248,457
Net assets, beginning of year	6,328,642	1,213,387	7,542,029	7,293,572
Net assets, end of year	<u>\$ 6,652,908</u>	<u>\$ 1,397,159</u>	<u>\$ 8,050,067</u>	<u>\$ 7,542,029</u>

*See accompanying notes to financial statements.*

**THE PALM BEACH COUNTY  
LITERACY COALITION, INC.**

**For the Year Ended June 30, 2025**

**CONSOLIDATED STATEMENT OF  
CASH FLOWS**

**(with comparable totals for 2024)**

	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities:</b>		
Cash received from contributors and grantors	\$ 3,931,108	\$ 3,151,086
Cash received from customers	472,312	335,108
Cash received from fundraising	429,706	429,384
Cash paid to employees and suppliers for goods and services	(4,357,889)	(4,017,500)
Cash paid on operating leases	(79,061)	(80,978)
Investment income, net	168,914	136,280
Interest expense	(969)	(721)
Net cash provided by (used in) operating activities	<u>564,121</u>	<u>(47,341)</u>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(168,878)	-
Proceeds from sale of property and equipment	7,500	-
Proceeds from (purchase of) certificates of deposit	74,299	(1,216,942)
Proceeds from sale of investments	997,078	373,757
Purchase of investments	(1,464,166)	(410,108)
Net cash used in investing activities	<u>(554,167)</u>	<u>(1,253,293)</u>
<b>Cash flows from financing activities:</b>		
Principal payments on finance lease obligation	<u>(3,612)</u>	<u>(2,061)</u>
Net cash used in financing activities	<u>(3,612)</u>	<u>(2,061)</u>
Net change in cash and cash equivalents	6,342	(1,302,695)
Cash and cash equivalents, beginning of year	746,523	2,049,218
Cash and cash equivalents, end of year	<u>\$ 752,865</u>	<u>\$ 746,523</u>

*See accompanying notes to financial statements.*

**THE PALM BEACH COUNTY  
LITERACY COALITION, INC.**

**For the Year Ended June 30, 2025**

**CONSOLIDATED STATEMENT OF  
CASH FLOWS**

**(with comparable totals for 2024)**

	<b>2025</b>	<b>2024</b>
Reconciliation of change in net assets to net cash provided by (used in) operating activities:		
Change in net assets	\$ 508,038	\$ 248,457
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation & amortization	114,387	113,793
Realized and unrealized (gain) loss in investments	(165,129)	(232,339)
Lease expense	69,056	71,648
(Gain) on sale of equipment	(7,500)	-
Decrease (increase) in certain assets:		
Accounts receivable	93,273	(72,492)
Pledges receivable	(22,824)	(114,326)
Prepaid expenses	6,186	9,740
Increase (decrease) in certain liabilities:		
Accounts payable	4,393	(5,004)
Accrued payroll	32,349	7,750
Operating lease obligations	(68,108)	(74,568)
Net cash provided by (used in) operating activities	<b>\$ 564,121</b>	<b>\$ (47,341)</b>
Supplemental cash flow information:		
Noncash investing and financing transactions:	<b>\$ 359,081</b>	<b>\$ 11,367</b>

During fiscal 2025, the Coalition recorded debt, and corresponding right-of-use assets of \$359,081 in the form of an operating lease at its Belle Glade location of \$348,741 and a finance lease of \$10,340 for the right-of-use of a new copier.

*See accompanying notes to financial statements.*

**THE PALM BEACH COUNTY  
LITERACY COALITION, INC.**

**For the Year Ended June 30, 2025**

	<u>Program Services</u>	
	2025	2024
Salaries and wages	\$ 2,166,850	\$ 1,924,433
Payroll taxes	172,566	152,314
Employee benefits	300,724	249,013
Total salaries and related expenses	2,640,140	2,325,760
Advertising and promotion	3,447	1,282
Grants paid	56,000	-
Event expense	54,233	24,840
Dues and subscriptions	7,814	13,978
In-kind expenses:		
Advertising & promotion	31,140	20,241
Facilities	45,917	80,411
Services	31,383	-
Goods/Supplies	15,218	1,173
Insurance	79,918	70,392
Interest - lease	-	-
Licenses and taxes	109	134
Local travel	17,244	12,655
Miscellaneous expense	277	6,106
Occupancy	83,530	77,473
Office supplies and expense	11,646	11,224
Personnel expenses	11,368	17,794
Postage	1,374	968
Printing	15,687	13,911
Professional development	4,335	11,860
Professional fees	110,330	159,255
Program supplies	591,215	562,709
Repairs and maintenance	75,358	59,199
Utilities	43,545	41,316
Volunteer recognition	4,273	6,017
Total expenses before depreciation	3,935,501	3,518,698
Depreciation & amortization	90,974	91,952
<b>Total expenses</b>	<b>\$ 4,026,475</b>	<b>\$ 3,610,650</b>

*See accompanying notes to financial statements.*

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

*(with comparable totals for 2024)*

Support Services				Totals	
Management and General		Fundraising			
2025	2024	2025	2024	2025	2024
\$ 257,842	\$ 158,935	\$ 109,058	\$ 197,485	\$ 2,533,750	\$ 2,280,853
18,410	14,167	8,586	14,205	199,562	180,686
16,442	5,581	12,096	19,979	329,262	274,573
292,694	178,683	129,740	231,669	3,062,574	2,736,112
-	-	2,994	4,375	6,441	5,657
-	-	-	-	56,000	-
-	-	117,544	123,574	171,777	148,414
4,594	4,995	6,806	5,412	19,214	24,385
-	-	20,969	33,007	52,109	53,248
-	-	1,200	-	47,117	80,411
-	-	-	-	31,383	-
-	-	19,436	15,070	34,654	16,243
8,247	8,345	7,400	7,259	95,565	85,996
969	721	-	-	969	721
1,308	1,049	-	224	1,417	1,407
(1,809)	(2,011)	1,589	1,201	17,024	11,845
(1,132)	27,068	6,839	6,805	5,984	39,979
141	238	611	346	84,282	78,057
7,804	5,871	11,022	11,975	30,472	29,070
-	119	-	3,075	11,368	20,988
216	176	3,197	4,066	4,787	5,210
919	995	4,831	8,869	21,437	23,775
257	557	6,282	1,549	10,874	13,966
12,006	12,771	14,583	13,036	136,919	185,062
-	-	-	2,171	591,215	564,880
7,010	5,355	6,501	6,657	88,869	71,211
4,080	4,311	4,036	4,134	51,661	49,761
2,552	3,369	3,596	2,883	10,421	12,269
342,281	252,612	369,176	487,357	4,646,958	4,258,667
10,550	9,889	12,863	11,952	114,387	113,793
<b>\$ 352,831</b>	<b>\$ 262,501</b>	<b>\$ 382,039</b>	<b>\$ 499,309</b>	<b>\$ 4,761,345</b>	<b>\$ 4,372,460</b>

*See accompanying notes to financial statements.*

*For the Year Ended June 30, 2025*

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**1. Business and Summary of Significant Accounting Policies**

*Organization and Nature of Activities*

The Palm Beach County Literacy Coalition, Inc. d/b/a Literacy Coalition of Palm Beach County (the "Coalition") is a private non-profit corporation organized under the laws of the State of Florida on November 13, 1989. The Coalition is dedicated to encourage and enable cooperative efforts among groups that promote and coordinate adult, children, and family literacy programs in Palm Beach County, as well as to provide assistance in the development of a county-wide literacy network. The Board of Directors is comprised of area business leaders and dedicated individuals.

On May 30, 2017, Palm Beach Literacy Coalition Foundation, Inc. was formed to act as a supporting organization for the Coalition in the promotion of literacy. On August 2, 2017 the name was changed to Palm Beach County Literacy Coalition Foundation, Inc. (the "Foundation"). On October 19, 2017 an amendment was filed to add officers to the Foundation, where two of the three officers are employees of the Coalition. In fiscal year 2018, the Coalition funded the Foundation with \$500,000 of the Coalition's temporarily restricted net assets. Given the Foundation is a supporting organization of the Coalition, and the organizations are under common control, these consolidated financial statements include the accounts of both organizations, and all material inter-company transactions and balances have been eliminated.

*Basis of Accounting*

The consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, whereby revenues are recognized when earned, and expenses are recognized when incurred.

*Financial Statement Presentation*

The accompanying financial statements have been prepared with the disclosure and display requirements of the Financial Accounting Standards Board (FASB) as set forth under FASB Accounting Standards Codification (FASB ASC) 958-205 *Not-for-Profit Entities, Presentation of Financial Statements*. Accordingly, the net assets of the Coalition are reported in each of the following classes:

Net Assets without Donor Restrictions: are not restricted by donors, even though their use may be limited in other respects, such as by contract or by board designation. Changes arising from exchange transactions are included in this category.

Net Assets with Donor Restrictions: are those subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, whereby the donor stipulates those resources be maintained in perpetuity.

*Contributions*

The Coalition reports gifts of cash and other donated assets as support with donor restrictions if they are received with donor stipulations that limit the use of the gifts of cash or donated assets, or if they are restricted as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

*For the Year Ended June 30, 2025*

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**1. Business and Summary of Significant Accounting Policies, continued**

***Receivables***

In accordance with FASB ASC 958-605, *Revenue Recognition*, unconditional promises to give are generally recognized at their net realizable value in the period received and as net assets without or with donor restrictions, depending upon donor restrictions and/or expected time of payment. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become net assets without donor restrictions. Accounts receivable are primarily those amounts due from grants, while pledges receivable are contributions and allocations receivable. Both the accounts and pledges receivable are for non-exchange type transactions. See further detail of each category at Note 5.

***Use of Estimates***

The preparation of consolidated 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 disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

***Cash and Cash Equivalents***

The Coalition considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents, except such similar investments that are held and remain classified within the investment portfolio.

***Certificates of Deposit***

The certificates of deposit held by the Coalition have initial maturities of twelve months and therefore are not considered cash and cash equivalents.

***Investments***

The investments held by the Foundation are comprised of publicly traded mutual funds, exchange traded products, and a money market account. The funds are invested for long-term investment return. The investment held by the Coalition was contributed to the Community Foundation of Palm Beach and Martin Counties (CFPBMC) during fiscal 2019 and is established as a component charitable fund with CFPBMC known as the "Literacy Coalition of Palm Beach County" fund (the "fund"). Control over the administration, investment and distribution of the fund shall be exercised exclusively by the CFPBMC. The Coalition can request distributions from the fund up to 100% of the balance, in writing with a Board Resolution, subject to CFPBMC Board approval. Total investment income, net, includes interest and dividend income of \$183,045, less fees of \$14,231, for a net of \$168,814. Listed separately on the financial statements are realized losses of \$5,081, offset by unrealized gains of \$170,210, for a net gain of \$165,129 at June 30, 2025.

Under FASB ASC 958-320, *Investments – Debt and Equity Securities*, investments in marketable securities with readily-determinable fair values are reported at their fair values in the consolidated statement of financial position, with the amount of unrealized gains or losses on investments not previously recognized shown in the consolidated statement of activities.

*For the Year Ended June 30, 2025*

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**1. Business and Summary of Significant Accounting Policies, continued**

*Property and Equipment*

Property and equipment of at least \$2,000 is recorded at cost if purchased, or at estimated fair market value at the date of donation. Depreciation is computed using the straight-line method over estimated useful lives of the assets, which range from two to forty years. Expenditures for repairs and maintenance are charged to expense as incurred. Major improvements are capitalized.

*Concentration of Contributions*

The Coalition is funded primarily through grants, contributions, memberships, and fundraising events. Government grants are funded principally on a reimbursement basis.

*Donated Services and In-kind Support*

Donated services and in-kind support are recognized as contributions in accordance with FASB ASC 958-605, *Revenue Recognition*, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. These services are reflected in the consolidated financial statements at their estimated fair market value at the date of receipt. The donated services and in-kind support are recorded as gifts of in-kind income and expense in the period rendered.

The Coalition follows the provisions of FASB ASU Accounting Standards Update 2020-07—*Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard clarifies the presentation and disclosure of contributed nonfinancial assets with an intention to provide the reader of the financial statements a clearer understanding of what type of nonfinancial assets were received and how they are used and recognized by the not-for-profit. Donated services and in-kind support of \$220,075 are reflected in the consolidated statement of activities as part of public support. The allocation of the use of the in-kind support by type is included in the consolidated statement of functional expenses, apart from \$54,812 which was previously received as donated items that were ultimately auctioned at various fundraising events. Advertising and promotion are valued based on prices of advertising time and/or space. Facilities are valued according to the market price of the actual or comparable space provided. Services are based on current rates for the type of service provided, such as guest speakers, trainers, consulting, etc. Goods and supplies are based on the estimated price of identical or similar products if purchased in our region.

*Advertising*

The Coalition expenses advertising costs as incurred. Actual expenditures for advertising costs for the year ended June 30, 2025 were \$6,441.

*Leases*

The Coalition follows provisions of FASB Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842). ASU 2016-02 is a comprehensive lease measurement and recognition standard with expanded disclosure requirements. Under the guidance, leases with terms of more than 12 months are required to be recognized in the balance sheet as liabilities, with corresponding “right-of-use” assets.

*For the Year Ended June 30, 2025*

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**1. Business and Summary of Significant Accounting Policies, continued**

*Expense Allocation*

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statement of activities, and further detailed by natural classification in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

*Income Tax Status*

The Coalition and the Foundation are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Coalition and Foundation qualify for a charitable contribution deduction under Section 170(b)(1)(A). The Coalition has been classified as an organization other than a private foundation under Section 509(a)(2).

The Foundation has been classified as an organization other than a private foundation under 509(a)(3), as a supporting organization that is operated, supervised, or controlled by one or more publicly supported charities. Amounts considered to be unrelated business income, if any, are taxed net of related expenses at corporate rates. There was no unrelated business income for the year ended June 30, 2025. There is no provision for income taxes reflected in the accompanying consolidated financial statements.

The Coalition and the Foundation follow FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. This standard seeks to reduce the diversity in practice associated with certain aspects of measurement and recognition in accounting for income taxes. It prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position that an entity takes or expects to take in a tax return. An entity may only recognize or continue to recognize tax positions that meet a “more likely than not” threshold. The Coalition and the Foundation assess the income tax positions based on management’s evaluation of the facts, circumstances and information available at the reporting date. The Coalition and the Foundation use the prescribed more likely than not threshold when making their assessment. There are currently no open Federal or State tax years under audit.

*Prior-year Comparable Information*

The consolidated financial statements include certain prior-year summarized comparative information in total, but not necessarily by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Coalition’s financial statements for the year ended June 30, 2024, from which the summarized information was derived. Certain 2024 amounts may be reclassified to conform to 2025 classifications. Such reclassifications have no effect on the change in net assets as previously reported.

*For the Year Ended June 30, 2025*

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**2. Liquidity and Availability of Resources**

Financial assets available for general expenditure within one year of the consolidated statement of financial position date, that are without donor restrictions, or other restrictions limiting their use are comprised of the following as of June 30, 2025:

Cash and cash equivalents	\$ 752,865
Certificates of deposit	1,142,643
Receivables:	
Accounts receivable	170,608
Pledges receivable	<u>301,600</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 2,367,716</u>

The Coalition is substantially supported by contributions without donor and with donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Coalition must maintain sufficient resources to meet those responsibilities to its donors. Some of the Coalition's net assets with donor restrictions are available for general expenditure within one year of June 30, 2025 because the restrictions on the net assets are expected to be met by conducting the normal program activities of Literacy Coalition of Palm Beach County in the coming year. Accordingly, related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year.

Additionally, part of the Coalition's liquidity management plan is to invest cash in excess of the monthly requirements into investments that it is able to access such as its investment with the Community Foundation as described in Note 1.

Furthermore, the Coalition's endowment funds consist of contributions created to provide ongoing support to the Coalition and are held within the Foundation. The endowment is subject to annual appropriations as determined at the discretion of the Board of Directors as described in Note 12. Although the Coalition does not intend to spend from this endowment (other than amounts appropriated for general expenditures as per the Foundation Board's approval and appropriation), these amounts could be made available if necessary. There was \$138,000 appropriated for fiscal year ended June 30, 2025 for program services and building maintenance.

**3. Program Services**

The following programs and supporting services are included in the accompanying consolidated financial statements:

- Building Better Readers – recruits, trains, and supports volunteers to provide tutoring in reading for children who are reading below grade level.
- Early Literacy Book Distribution – provides children's books to nine program partners for families who participate in home-visiting and other early childhood programs. Furthermore, see Reach out Read description on the following page.
- Glades Family Education – provides comprehensive literacy training for adults and their preschool children in the rural western communities of Palm Beach County.

For the Year Ended June 30, 2025

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**3. Program Services, continued**

- Literacy AmeriCorps – recruits, trains and supervises college graduates from across the United States to spend a year tutoring, mentoring, and teaching in Palm Beach County.
- ParentChild+ – supplies books and educational toys, which are given to the families along with instruction on how to use these items to increase verbal interaction between parent and child.
- Reach Out and Read – partners with medical providers to bring early literacy into the pediatric examination room. The pediatricians and nurse practitioners advise the parents about the importance of reading with their children and give books to the families at the birth to five-year-old well-child checkups. The agreement with Reach Out and Read terminated in December 2024. However, the Coalition continues to provide the services under the Early Literacy Book Distribution program.
- Read! Lead! Succeed! – educates children in after-school programs and summer camps through a literature based, social-emotional learning program.
- Stories and STEM – uses children's literature and hands-on activities to teach science, technology, engineering, and math lessons in after-school programs and summer camps.
- Village Readers – provides comprehensive literacy training for adults and their elementary school age children in the Delray Beach area.
- Workplace & Community Education – helps close the gap between workplace needs and employee skills. This program provides the opportunity for local businesses and community sites to partner with the Coalition to provide on-site educational classes.
- Other Programs & Initiatives – includes small programs or program initiatives, such as the Read for the Record, Adult Essay Contest, Mayors' Literacy Initiative Luncheon, and Read Together, which is a community-wide reading campaign coordinated by the Coalition.

**4. Investments and Fair Value**

FASB ASC 820-10, *Fair Value Measurement and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

The three levels of the fair value hierarchy under the standard are described below:

*Level 1* - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

*Level 2* - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;

For the Year Ended June 30, 2025

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**4. Investments and Fair Value, continued**

- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3* - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following valuation methodologies are used for assets measured at fair value on a recurring basis. There have been no changes in the methodologies used as of June 30, 2025.

*Balanced funds* - valued by the Community Foundation as a sub-fund of underlying fixed income and equity-based securities.

*Money Market, and ETFs (Exchange Traded Funds)* - valued at quoted market prices.

*Mutual funds* - valued at quoted market prices of a national securities exchange as of the close of business at fiscal year-end, of units held by the Plan at year end.

The following table sets forth by level, within the fair value hierarchy, the investments at fair value as of June 30, 2025:

	<u>Assets at Fair Value</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>%</u>	<u>Total</u>
Coalition investments:					
Balanced funds (80% fixed, 20% equity)	\$ -	\$ 109,781	\$ -	100%	\$ 109,781
Foundation investments:					
Money market	\$ 65,123	\$ -	\$ -	2%	\$ 65,123
Equity ETFs	302,945	-	-	10%	302,945
Mutual funds:					
Fixed	890,051	-	-	30%	890,051
Equity	1,759,379	-	-	58%	1,759,379
Foundation investments	<u>3,017,498</u>	<u>-</u>	<u>-</u>	<u>100%</u>	<u>3,017,498</u>
Total investments by Level	<u>\$ 3,017,498</u>	<u>\$ 109,781</u>	<u>\$ -</u>		<u>\$ 3,127,279</u>

*For the Year Ended June 30, 2025*

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**5. Receivables**

As of June 30, 2025, the Coalition held the following receivables and allocations, all of which are deemed to be fully collectible within a year:

Accounts receivable:

Volunteer Florida	\$ 91,240
Children's Services Council	48,879
Prime Time Palm Beach County	20,798
Palm Beach County Community Youth Services	5,666
Others	<u>4,025</u>
	<u>\$ 170,608</u>

Pledges receivable:

Town of Palm Beach United Way	\$ 195,000
Tischler	55,000
Jim Moran Foundation	50,000
Other	<u>1,600</u>
	<u>\$ 301,600</u>

Accounts receivable generally relate to grants from other nonprofit organizations to fund the Coalitions programs. Pledges receivable generally relate to promises to give received from various individuals, foundations, and corporate donors supporting the development of the Coalition. The accounts and pledges receivable are recorded at their net realizable value, and are deemed to be fully collectible. Accordingly, there is no provision for doubtful accounts. The balance has been or is expected to be collected in the following fiscal year.

**6. Property and Equipment**

Property and equipment consist of the following:

Building (Literacy Center)	\$ 2,401,534
Office furniture and equipment	586,432
Vehicles	120,583
Computer software	30,487
Leasehold improvements	<u>41,394</u>
	<u>3,180,430</u>
(Less) accumulated depreciation	(1,142,909)
Plus land (Literacy Center, not depreciated)	648,585
Plus artwork (not depreciated)	<u>13,325</u>
	<u>\$ 2,699,431</u>

**7. Lease Obligations**

*Operating Leases*

The Coalition leases a facility for the Glades Family Education program in Belle Glade, Florida. The original term expired January 31, 2010. However, the Coalition exercised three five-year renewal options, with the third option expiring on January 31, 2025. A third amendment to the original lease was entered into on January 31, 2025, extending the term another five years to January 31, 2030. The Coalition also leased a copier, which expired in December 2024.

*For the Year Ended June 30, 2025*

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**7. Lease Obligations, continued**

Operating right-of-use assets as of June 30, 2025, consisted of the following:

Operating right-of-use assets	\$ 348,741
Less accumulated amortization	<u>(24,463)</u>
Net operating right-of-use assets	<u><u>\$ 324,278</u></u>

Operating lease obligations as of June 30, 2025, consisted of the following:

Right-of-use liability	\$ 326,309
Less current portion	<u>(57,779)</u>
Non-current portion	<u><u>\$ 268,530</u></u>

Operating lease expense for the year ended June 30, 2025, consisted of the following:

	<u>Amortization</u>	<u>Finance Charges</u>	<u>Total</u>
Operating leases	<u><u>\$ 69,055</u></u>	<u><u>\$ 10,954</u></u>	<u><u>\$ 80,009</u></u>

Lease expense under the operating leases was \$80,009 during the year ended June 30, 2025. The difference between total lease expense of \$84,282 included in the consolidated statement of functional expenses under the occupancy caption and operating lease expense as noted above of \$80,009 is \$4,273, which includes rent payments for equipment that does not have long-term lease agreements.

Undiscounted future lease payments under operating leases as of June 30, 2025, are as follows:

Year ended June 30, 2025	\$ 385,676
Less discount to present value	<u>(59,367)</u>
Present value of future lease payments	<u>326,309</u>
Less current portion	<u><u>(57,779)</u></u>
Non-current portion	<u><u>\$ 268,530</u></u>

The lease discount for the lease that expired in January 2025 for program space, and copier that expired in December 2024 has been calculated using an interest rate of 4.75%, which approximated the incremental borrowing rate of the Coalition for the acquisition of the related assets at the time the leases were signed. The lease discount for the lease extension that was signed on January 2025 for the program space has been calculated using an interest rate of 7.50%, which was the Prime rate in effect at the time the leases were signed.

The weighted average lease term for the operating leases is 4.58 years. The weighted average discount rate for the operating leases is 7.50%.

***Finance Lease***

The Coalition entered into a new copier lease in February 2025 under a finance lease agreement that has a maturity date through January 2029. The Coalition also has an existing lease for a copier it entered into in September 2023 under a finance lease agreement that has a maturity date through August 2027. These assets are amortized over their estimated useful life on the straight-line basis. Amortization of the equipment under the finance leases are reported with depreciation in the statement of functional expenses.

*For the Year Ended June 30, 2025*

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**7. Lease Obligations, continued**

Finance right-of-use asset as of June 30, 2025, consisted of the following:

Office equipment	\$ 21,706
Less accumulated amortization	<u>(6,288)</u>
Net finance right-of-use assets	<u>\$ 15,418</u>

Finance lease obligation as of June 30, 2025, consisted of the following:

Right-of-use liability	\$ 16,032
Less current portion	<u>(5,286)</u>
Non-current portion	<u>\$ 10,746</u>

Undiscounted future lease payments under finance leases as of June 30, 2025, are as follows:

Year ended June 30,	
2026	\$ 6,320
2027	6,320
2028	3,538
2029	<u>1,738</u>
	17,916
Less discount to present value	<u>(1,884)</u>
Present value of future lease payments	16,032
Less current portion	<u>(5,286)</u>
Non-current portion	<u>\$ 10,746</u>

The lease discount for the existing copier has been calculated using an interest rate of 8.50%, which approximates the incremental borrowing rate of the Coalition for the acquisition of the related asset at the time the lease was signed. The lease discount for the new copier has been calculated using an interest rate of 7.50%, which was the Prime rate in effect at the time the lease was signed.

The weighted average lease term for the finance leases is 3 years. The weighted average discount rate for the operating leases is 7.90%.

**8. Contingencies**

Financial awards from governmental entities, in the form of grants, are subject to audit by the various agencies. Such audits could result in claims against the Coalition for disallowed costs or noncompliance with grantor restrictions. Management does not believe that the Coalition owes any significant funds with respect to disallowed costs or noncompliance with grantor restrictions. Accordingly, no provision has been made for any liabilities that may arise from such audits.

The Coalition receives the majority of its funding from public sources and is dependent upon the availability of federal and local grants and awards for its continued existence. A significant reduction in the level of this support, if it were to occur, could have a material effect on the Coalition's programs and activities.

*For the Year Ended June 30, 2025*

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**9. Concentrations of Credit Risk**

Government receivables account for approximately 30% of outstanding receivables. Management has evaluated its sources of support and revenue, and does not believe it is subject to significant credit risk as the principal account debtors are governmental agencies and credit worthy organizations. The remaining balance of its receivables is owed by a variety of organizations or companies.

At various times during the year, the Coalition has funds on deposit at financial institutions, which exceed the \$250,000 insured by the Federal Deposit Insurance Corporation. The Coalition minimizes its risk by depositing cash in financial institutions which management believes are in sound financial condition. The Coalition has not experienced any losses of such funds and management believes the Coalition is not exposed to significant risk in cash. As of June 30, 2025, the Coalition had approximately \$507,000 in excess of insured limits. Balances at brokerage accounts are guaranteed by the Securities Investor Protection Corporation (SIPC) up to \$500,000, which includes a \$250,000 limit for cash. As of June 30, 2025, the security balances exceeded the SIPC insurance limit.

**10. Employee Benefit Plan**

The Coalition provides a 401(k) defined contribution retirement plan, covering all employees who have attained 21 years of age and have completed at least thirty days of service. However, part-time, temporary, or seasonal employees are excluded from participation, which would include those employees whose regularly scheduled service is less than 1000 hours in a year.

Each year the Coalition's Board has authority to determine the discretionary employer match. This year the Board voted to match 100% of each employee's contribution up to 3% of the participant's compensation. Total employer expense for the year ended June 30, 2025 was \$28,939, and is reported under employee benefits in the consolidated statement of functional expenses.

**11. Restriction and Designation of Net Assets**

Net assets with donor restrictions are available for the following purposes or subsequent periods:

Building Better Readers	\$ 462,367
Glades Family Education	178,496
Village Readers	94,861
Literacy AmeriCorps	40,000
Stories and Stem	34,864
Other Programs & Initiatives	19,200
Read for the Record	15,000
Foundation – restricted endowment	<u>552,371</u>
	<u>\$ 1,397,159</u>

The allocation receivable from the Town of Palm Beach United Way of \$195,000 is restricted for both time and purpose; allocated between four of the purposes listed above.

The Coalition's designated net assets are comprised of endowment funds held with the Foundation that are not subject to donor restriction.

*For the Year Ended June 30, 2025*

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**12. Endowment**

The Organization's endowment consists of investment funds created to provide ongoing financial support to the Coalition and are held within the Foundation. The endowment is to be held for a specific purpose or in perpetuity and the earnings on the endowment are both with and without donor restrictions. The original \$500,000 contribution is temporarily restricted by the donor, along with its allocated earnings.

FASB ASC 958, *Not-for-Profit Entities*, provides guidance on the net asset classification of endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and improves disclosures about an organization's endowment funds (both donor-restricted endowment funds and Board-designated endowment funds), whether or not the organization is subject to UPMIFA.

The State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA), which became effective July 1, 2012, and provides a) consistent investment and spending standards to all forms of charitable funds, b) strengthens the concept of prudent investing, c) abandons historic dollar value as a floor for expenditures and provides more flexibility to the organization in making decisions about whether to expend any portion of an endowment fund, and d) provides a process for the release or modification of restrictions on a gift instrument.

The adoption by the Foundation of the provisions of the law did not have a significant change in the management and investment policies of the endowment.

As a result of this standard, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The Foundation has adopted conservative investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment, while seeking to maintain the purchasing power of the endowment assets.

Under this policy, the endowment assets are invested in a manner that is intended to produce results while assuming a moderate level of investment risk.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total-return-based distribution strategy, meaning that it will fund distributions from net investment income, appreciation in the portfolio, and proceeds from the sale of investments. The distribution of the portfolio's assets will be permitted to the extent that such distributions do not exceed a level that would erode the portfolio's real assets over time. The Foundation utilizes the services of a financial advisor who provides input into the investment strategy policy. Furthermore, the Board of Directors of the Foundation will review its investment and spending policies on an annual basis for possible revision.

The Foundation's annual appropriations, if any, are determined at the discretion of the Board of Directors unless specific instructions are provided by future endowment donors.

*For the Year Ended June 30, 2025*

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**12. Endowment, continued**

The changes in endowment net assets for the year ended June 30, 2025 are as follows:

	<u>Endowment Net Assets</u>
Endowment net assets, beginning	\$ 2,386,626
Transfer from (to) Literacy Coalition	362,000
Contributions	-
Professional fees	(2,425)
Licenses –unpaid at year-end	(70)
Investment return:	
Investment income	120,399
Investment expenses	(14,231)
Net realized gains/(losses)	(5,081)
Net unrealized gains/(losses)	<u>170,210</u>
Endowment net assets, ending	<u>\$ 3,017,428</u>
Endowment net assets, ending	\$ 3,017,428
Endowment net assets, with donor restrictions	<u>552,371</u>
Endowment net assets, board designated	<u>\$ 2,465,057</u>

The financial institution where the investments are held for the endowment are managed under that institution's foundations and endowments specialty practice which separately tracks the donor restricted balance including allocation of the investment activity, expenses, etc. The \$362,000 net transfer includes a \$500,000 transfer from the Coalition to the Foundation offset by \$138,000 transfer back to the Coalition from the Foundation. The \$138,000 was transferred from the donor restricted balance for program services and building maintenance per the donor's direction.

**13. Subsequent Events**

Management has evaluated subsequent events through December 18, 2025, the date on which the consolidated financial statements were available to be issued, and determined there were no events to disclose in these consolidated financial statements.

# Holyfield & Thomas, LLC

Certified Public Accountants & Advisors

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## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
The Palm Beach County Literacy Coalition, Inc.  
Boynton Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of The Palm Beach County Literacy Coalition, Inc. (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 18, 2025.

### ***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the consolidated financial statements, we considered The Palm Beach County Literacy Coalition, Inc.'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 Palm Beach County Literacy Coalition, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of The Palm Beach County Literacy Coalition, Inc.'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 consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether The Palm Beach County Literacy Coalition, Inc.'s consolidated 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 statement amounts. 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 Palm Beach County Literacy Coalition, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Holyfield & Thomas, LLC*

West Palm Beach, Florida  
December 18, 2025

## **SUPPLEMENTARY INFORMATION**

**THE PALM BEACH COUNTY  
LITERACY COALITION, INC.**

**For the Year Ended June 30, 2025**

	Early Literacy				
	Building Better Readers	Book Distribution	Glades Family Education	Literacy AmeriCorps	ParentChild+
Salaries and wages	\$ 180,735	\$ 113,180	\$ 226,633	\$ 1,118,217	\$ 12,627
Payroll taxes	14,336	8,911	19,263	89,205	984
Employee benefits	23,212	17,448	29,204	159,192	2,597
Total salaries and related expenses	218,283	139,539	275,100	1,366,614	16,208
Advertising and promotion	1,595	-	-	35	-
Grants paid			32,000		
Conference expense	-	6,000	-	-	-
Dues and subscriptions	2,467	46	217	3,448	34
In-kind expenses:					
Advertising & promotion	15,570	-	-	-	-
Facilities	-	-	-	45,917	-
Services	-	-	-	31,383	-
Goods/Supplies	1,031	-	-	14,066	-
Insurance	11,224	6,837	16,078	10,261	1,068
Interest	-	-	-	-	-
Licenses and taxes	-	-	16	58	-
Local travel	3,392	2,618	2,628	1,704	-
Miscellaneous expense	98	-	29	150	-
Occupancy	543	590	79,413	689	248
Office supplies and expense	1,855	971	733	4,966	288
Personnel expenses	3,284	65	599	6,912	-
Postage	237	83	42	203	21
Printing	1,294	1,458	989	1,017	103
Professional development	-	-	-	3,812	-
Professional fees	14,092	9,758	20,256	17,922	1,784
Program supplies	25,912	259,743	7,488	8,023	162,278
Repairs and maintenance	5,777	7,225	12,287	7,339	2,633
Utilities	4,375	4,125	13,760	6,287	1,305
Volunteer recognition	1,312	-	386	2,445	-
Total expenses before depreciation	312,341	439,058	462,021	1,533,251	185,970
Depreciation & amortization	11,042	15,557	4,807	14,649	5,050
<b>Total expenses</b>	<b>\$ 323,383</b>	<b>\$ 454,615</b>	<b>\$ 466,828</b>	<b>\$ 1,547,900</b>	<b>\$ 191,020</b>

*See independent auditor's report.*

**CONSOLIDATED SCHEDULE OF PROGRAM EXPENSES**

Reach Out and Read	Read! Lead! Succeed!	Stories & STEM	Village Readers	WorkPlace & Community Education	Other Programs & Initiatives	Total
\$ 44,480	\$ 74,633	\$ 68,734	\$ 176,748	\$ 34,747	\$ 116,116	\$ 2,166,850
3,403	5,935	5,231	13,784	2,873	8,641	172,566
7,663	13,978	10,151	24,422	1,339	11,518	300,724
55,546	94,546	84,116	214,954	38,959	136,275	2,640,140
-	13	12	-	-	1,792	3,447
			24,000			56,000
49	-	-	-	-	48,184	54,233
194	155	235	822	190	6	7,814
-	-	-	-	-	15,570	31,140
-	-	-	-	-	-	45,917
-	-	-	-	-	-	31,383
-	121	-	-	-	-	15,218
3,004	5,388	5,178	14,834	1,535	4,511	79,918
-	-	-	-	-	-	-
-	35	-	-	-	-	109
1,270	1,831	2,356	282	535	628	17,244
-	-	-	-	-	-	277
439	368	324	113	26	777	83,530
551	524	553	284	94	827	11,646
-	-	226	229	53	-	11,368
110	106	102	23	9	438	1,374
6,504	521	1,357	895	71	1,478	15,687
-	-	523	-	-	-	4,335
5,308	7,754	7,492	18,386	1,936	5,642	110,330
78,426	22,237	24,906	1,928	66	208	591,215
3,738	3,924	3,448	1,200	282	27,505	75,358
2,233	2,597	2,357	2,007	199	4,300	43,545
-	-	-	-	130	-	4,273
157,372	140,120	133,185	279,957	44,085	248,141	3,935,501
5,389	7,573	6,605	3,636	541	16,125	90,974
<b>\$ 162,761</b>	<b>\$ 147,693</b>	<b>\$ 139,790</b>	<b>\$ 283,593</b>	<b>\$ 44,626</b>	<b>\$ 264,266</b>	<b>\$ 4,026,475</b>

*See independent auditor's report.*