

**THE FOUNDATION FOR LEE COUNTY
PUBLIC SCHOOLS, INC.**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2019

**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Directors
The Foundation for Lee County Public Schools, Inc.
Fort Myers, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of The Foundation for Lee County Public Schools, Inc. (the Foundation), a direct support organization and component unit of the School District of Lee County, Florida, which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of activity revenue and schedule of changes in net assets are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with 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 financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 12, 2019 on our consideration of the Foundation'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 Foundation'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 Foundation's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Fort Myers, Florida
August 12, 2019

THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

ASSETS

Cash and Cash Equivalents	\$ 1,152,148
Certificates of Deposit	507,529
Accounts Receivable	53,302
Office Equipment and Furnishings, Net of Accumulated Depreciation of \$95,494	6,918
Florida Prepaid Scholarships	2,026,310
Donated Assets Held for Sale	32,150
Other Assets	<u>5,000</u>
Total Assets	<u><u>\$ 3,783,357</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable and Accrued Expenses	\$ 24,207
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NET ASSETS

Without Donor Restrictions:	
Administration	152,668
Equipment and Furnishings	<u>6,918</u>
Total Without Donor Restrictions	159,586

With Donor Restrictions:

Bonita Springs High School	202,317
C ³ College and Career	60,644
Collegium	15,468
Classroom Grants	2,606
Education Resource Center	15,039
FutureMakers	109,433
Golden Apple	69,546
Other Programs	347,663
Sanibel School	127,074
Student Advocacy and Mentoring	128,542
Take Stock in Children	<u>2,521,232</u>
Total With Donor Restrictions	<u>3,599,564</u>

Total Net Assets	<u>3,759,150</u>
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Total Liabilities and Net Assets	<u><u>\$ 3,783,357</u></u>
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See accompanying Notes to Financial Statements.

**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS

Revenues:

Contributions	\$ 95,561
In-Kind Contributions	270,860
Interest Income	5,505
Total Revenue Without Restrictions	371,926

Net Assets Released from Restrictions

Satisfaction of Program Restrictions	1,364,147
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Total Revenue Without Restrictions and Other Support Without Restrictions	1,736,073
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EXPENSES

Program Services	1,600,837
Management and General	178,603
Total Expenses	1,779,440

DECREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(43,367)
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CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS

Contributions	1,551,312
Net Assets Released from Restrictions	(1,364,147)

INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS	187,165
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CHANGE IN NET ASSETS	143,798
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Net Assets - Beginning of Year	3,615,352
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NET ASSETS - END OF YEAR	\$ 3,759,150
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THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

EXPENSES	Programs			
	Golden Apple	Classroom Grants	A-Team	Collegium
Accounting and Tax Preparation	\$ -	\$ -	\$ -	\$ -
Administrative Expenses	74	59	23	47
Allegretti Scholarship	-	-	-	-
Artwork	517	-	-	-
Awards	27,000	-	-	-
Babatz Tournament Winners	-	-	-	-
Bank Charges	-	-	-	-
Bonita Springs High School	-	-	-	-
Conferences	-	145	-	36
Contract Temporary Services	125	-	-	75
Decorations and Flowers	7,050	-	-	-
Depreciation	-	-	-	-
Dues and Subscriptions	-	-	-	-
Employee Salaries and Benefits	66,829	53,269	23,011	41,800
Environmental Education	-	-	-	-
Estero Education Initiative	-	-	-	-
Fort Myers High School Needy Student Fund	-	-	-	-
Fort Myers High School Fund Scholarship	-	-	-	-
Gold lapel pins	53	-	-	-
Golden Futures Scholarship	11,882	-	-	-
Grants	-	61,970	-	-
Harborside	-	-	-	-
Hurricane Irma Relief Fund (HIRF)	-	-	-	-
Insurance	-	-	-	-
Jeff Sommer Scholarships	-	-	-	-
Kids Tag Art	-	-	-	-
KTA Grant	-	-	-	-
Licensing Fee	-	-	-	-
Marketing	125	100	40	79
Meals and Lodging	45,307	341	301	29,824
Meetings	-	-	9	-
Mentor Background Checks	-	-	-	-
Mentor Events & Services	-	-	-	-
Miscellaneous	-	-	-	-
Music	400	-	-	-
Name Tags - Sponsor Boards	631	4	27	3
New Teacher Social Expense	-	-	-	-
Office Supplies and Equipment	1,100	859	374	672
Photography and Video	650	-	-	-
Postage	113	13	1	14
Printing	8,378	31	12	400
Production and Set Design	20,130	-	-	-
Program Costs	1,085	23	1,446	2,053
Reception	-	1,568	-	-
Red Sox Scholarships	-	-	-	-
Related Events - Golden Apple	3,515	-	-	-
Richard Hagy Scholarships	-	-	-	-
Rising Star Scholarships	-	-	-	-
Rotary Golf	-	-	-	-
Food for Thought Expenses	-	-	-	-
Sanibel School Fund	-	-	-	-
School Grants for the Arts	-	1,600	-	-
Selection Committee	21	-	-	-
Special Events	-	-	-	-
State of our Schools Breakfast	-	-	-	-
STEM Education	-	-	-	-
STAMP Scholarships	-	-	-	-
Stemtastic	-	-	-	-
Suncoast C.U. Scholarships	-	-	-	-
Take Stock in Children 5 K Expenses	-	-	-	-
Take Stock in Children Receptions	-	-	-	-
Take Stock in Children Scholarships	-	-	-	-
Telephone	422	335	133	265
Travel	404	271	100	264
Website	478	380	151	301
In-Kind Expenses	58,039	8,189	20,313	8,027
Total Expenses	<u>\$ 254,328</u>	<u>\$ 129,157</u>	<u>\$ 45,941</u>	<u>\$ 83,860</u>

See accompanying Notes to Financial Statements.

THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED JUNE 30, 2019

EXPENSES	Programs			
	Career Education	Dancing Classroom	Take Stock in Children	C3 College and Career
Accounting and Tax Preparation	\$ -	\$ -	\$ -	\$ -
Administrative Expenses	-	42	184	119
Allegretti Scholarship	-	-	-	-
Artwork	-	-	-	-
Awards	-	-	-	-
Babatz Tournament Winners	-	-	500	-
Bank Charges	-	-	-	-
Bonita Springs High School	-	-	-	-
Conferences	-	53	5	250
Contract Temporary Services	-	39,083	100	-
Decorations and Flowers	-	-	-	-
Depreciation	-	-	-	-
Dues and Subscriptions	-	-	-	-
Employee Salaries and Benefits	-	40,009	163,986	86,917
Environmental Education	-	-	-	-
Estero Education Initiative	-	-	-	-
Fort Myers High School Needy Student Fund	-	-	-	-
Fort Myers High School Fund Scholarship	-	-	-	-
Gold lapel pins	-	-	-	-
Golden Futures Scholarship	-	-	-	-
Grants	-	-	-	-
Harborside	-	-	-	-
Hurricane Irma Relief Fund (HIRF)	-	-	-	-
Insurance	-	-	-	-
Jeff Sommer Scholarships	-	-	-	-
Kids Tag Art	-	-	-	-
KTA Grant	-	-	-	-
Licensing Fee	-	5,000	-	-
Marketing	-	70	310	201
Meals and Lodging	-	202	565	1,666
Meetings	1,250	-	-	6
Mentor Background Checks	-	-	725	-
Mentor Events & Services	-	-	-	-
Miscellaneous	-	-	-	-
Music	-	-	-	300
Name Tags - Sponsor Boards	-	57	56	9
New Teacher Social Expense	-	-	-	-
Office Supplies and Equipment	-	599	3,004	1,751
Photography and Video	-	-	-	-
Postage	-	28	479	4
Printing	-	22	902	63
Production and Set Design	-	-	-	-
Program Costs	-	7,002	1,987	131
Reception	-	-	-	-
Red Sox Scholarships	-	-	-	-
Related Events - Golden Apple	-	-	-	-
Richard Hagy Scholarships	-	-	-	-
Rising Star Scholarships	-	-	-	-
Rotary Golf	-	-	94	-
Food for Thought Expenses	-	-	-	-
Sanibel School Fund	-	-	-	-
School Grants for the Arts	-	-	-	-
Selection Committee	-	-	-	-
Special Events	-	-	-	550
State of our Schools Breakfast	-	-	-	-
STEM Education	-	-	-	1,867
STAMP Scholarships	-	-	-	-
Stemtastic	-	-	-	96
Suncoast C.U. Scholarships	-	-	-	-
Take Stock in Children 5 K Expenses	-	-	24,309	-
Take Stock in Children Receptions	-	-	9,249	-
Take Stock in Children Scholarships	-	-	145,454	-
Telephone	-	236	1,042	678
Travel	-	774	2,557	960
Website	-	267	1,181	768
In-Kind Expenses	-	6,356	32,274	13,662
Total Expenses	\$ 1,250	\$ 99,800	\$ 388,963	\$ 109,998

See accompanying Notes to Financial Statements.

THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED JUNE 30, 2019

EXPENSES	Programs			
	Student Advocacy & Mentoring	Sanibel School	Bonita Springs High School	Education Resource Center
Accounting and Tax Preparation	\$ -	\$ 300	\$ -	\$ -
Administrative Expenses	75	-	-	35
Allegretti Scholarship	-	-	-	-
Artwork	-	-	-	-
Awards	-	-	-	-
Babatz Tournament Winners	-	-	-	-
Bank Charges	-	779	-	-
Bonita Springs High School	-	-	15,813	-
Conferences	62	-	-	-
Contract Temporary Services	-	-	-	3,850
Decorations and Flowers	-	-	-	-
Depreciation	-	-	-	-
Dues and Subscriptions	-	-	-	-
Employee Salaries and Benefits	71,244	-	-	31,460
Environmental Education	-	-	-	-
Esteros Education Initiative	-	-	-	-
Fort Myers High School Needy Student Fund	-	-	-	-
Fort Myers High School Fund Scholarship	-	-	-	-
Gold lapel pins	-	-	-	-
Golden Futures Scholarship	-	-	-	-
Grants	-	-	-	-
Harborside	445	-	-	-
Hurricane Irma Relief Fund (HIRF)	-	-	-	-
Insurance	-	-	-	-
Jeff Sommer Scholarships	-	-	-	-
Kids Tag Art	-	-	-	-
KTA Grant	-	-	-	-
Licensing Fee	-	-	-	-
Marketing	127	-	-	60
Meals and Lodging	2,214	-	-	-
Meetings	-	-	-	-
Mentor Background Checks	-	-	-	-
Mentor Events & Services	281	-	-	-
Miscellaneous	-	-	-	-
Music	-	-	-	-
Name Tags - Sponsor Boards	34	-	-	3
New Teacher Social Expense	-	-	-	-
Office Supplies and Equipment	1,121	-	-	1,021
Photography and Video	-	-	-	-
Postage	73	-	-	22
Printing	550	-	-	354
Production and Set Design	-	-	-	-
Program Costs	2,003	-	-	-
Reception	-	-	-	-
Red Sox Scholarships	-	-	-	-
Related Events - Golden Apple	-	-	-	-
Richard Hagy Scholarships	-	-	-	-
Rising Star Scholarships	-	-	-	-
Rotary Golf	-	-	-	-
Food for Thought Expenses	-	-	-	-
Sanibel School Fund	-	94,735	-	-
School Grants for the Arts	-	-	-	-
Selection Committee	-	-	-	-
Special Events	-	-	-	-
State of our Schools Breakfast	-	-	-	-
STEM Education	-	-	-	-
STAMP Scholarships	5,500	-	-	-
Stemtastic	-	-	-	-
Suncoast C.U. Scholarships	-	-	-	-
Take Stock in Children 5 K Expenses	-	-	-	-
Take Stock in Children Receptions	-	-	-	-
Take Stock in Children Scholarships	-	-	-	-
Telephone	428	-	-	201
Travel	314	-	-	131
Website	485	-	-	228
In-Kind Expenses	11,027	-	-	28,378
Total Expenses	<u>\$ 95,983</u>	<u>\$ 95,814</u>	<u>\$ 15,813</u>	<u>\$ 65,743</u>

See accompanying Notes to Financial Statements.

THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED JUNE 30, 2019

EXPENSES	Programs			Support Services	Total
	Future Makers	Other Programs	Total	Management and General	
Accounting and Tax Preparation	\$ -	\$ -	\$ 300	\$ 18,855	\$ 19,155
Administrative Expenses	51	-	709	444	1,153
Allegretti Scholarship	-	5,003	5,003	-	5,003
Artwork	-	-	517	-	517
Awards	-	-	27,000	-	27,000
Babatz Tournament Winners	-	-	500	-	500
Bank Charges	-	-	779	1,885	2,664
Bonita Springs High School	-	-	15,813	-	15,813
Conferences	639	-	1,190	179	1,369
Contract Temporary Services	-	985	44,218	-	44,218
Decorations and Flowers	-	-	7,050	-	7,050
Depreciation	-	3,140	3,140	-	3,140
Dues and Subscriptions	-	-	-	6,935	6,935
Employee Salaries and Benefits	48,507	-	627,032	55,516	682,548
Environmental Education	-	28,180	28,180	-	28,180
Estero Education Initiative	-	12,000	12,000	-	12,000
Fort Myers High School Needy Student Fund	-	6,001	6,001	-	6,001
Fort Myers High School Fund Scholarship	-	10,004	10,004	-	10,004
Gold Iapel pins	-	-	53	-	53
Golden Futures Scholarship	-	-	11,882	-	11,882
Grants	-	-	61,970	-	61,970
Harborside	-	-	445	-	445
Hurricane Irma Relief Fund (HIRF)	-	5,017	5,017	-	5,017
Insurance	-	12	12	5,458	5,470
Jeff Sommer Scholarships	-	3,003	3,003	-	3,003
Kids Tag Art	-	3,545	3,545	-	3,545
KTA Grant	-	36,800	36,800	-	36,800
Licensing Fee	-	-	5,000	-	5,000
Marketing	86	-	1,198	93	1,291
Meals and Lodging	315	-	80,735	2,217	82,952
Meetings	-	-	1,265	196	1,461
Mentor Background Checks	-	-	725	-	725
Mentor Events & Services	-	-	281	-	281
Miscellaneous	-	8,728	8,728	-	8,728
Music	-	-	700	-	700
Name Tags - Sponsor Boards	4	-	828	164	992
New Teacher Social Expense	-	4,423	4,423	-	4,423
Office Supplies and Equipment	751	-	11,252	1,170	12,422
Photography and Video	-	-	650	-	650
Postage	-	-	747	1,101	1,848
Printing	27	-	10,739	969	11,708
Production and Set Design	-	-	20,130	-	20,130
Program Costs	1,979	2	17,711	3,445	21,156
Reception	-	-	1,568	-	1,568
Red Sox Scholarships	-	5,000	5,000	-	5,000
Related Events - Golden Apple	-	-	3,515	-	3,515
Richard Hagy Scholarships	-	4,000	4,000	-	4,000
Rising Star Scholarships	-	501	501	-	501
Rotary Golf	-	-	94	-	94
Food for Thought Expenses	-	2,867	2,867	-	2,867
Sanibel School Fund	-	-	94,735	-	94,735
School Grants for the Arts	-	-	1,600	-	1,600
Selection Committee	-	-	21	-	21
Special Events	-	-	550	-	550
State of our Schools Breakfast	-	-	-	5,134	5,134
STEM Education	-	-	1,867	-	1,867
STAMP Scholarships	-	-	5,500	-	5,500
Stemtastic	-	-	96	-	96
Suncoast C.U. Scholarships	-	10,003	10,003	-	10,003
Take Stock in Children 5 K Expenses	-	-	24,309	-	24,309
Take Stock in Children Receptions	-	-	9,249	-	9,249
Take Stock in Children Scholarships	-	-	145,454	-	145,454
Telephone	290	-	4,030	314	4,344
Travel	1,153	-	6,928	418	7,346
Website	329	-	4,568	356	4,924
In-Kind Expenses	7,486	3,356	197,107	73,754	270,861
Total Expenses	\$ 61,617	\$ 152,570	\$ 1,600,837	\$ 178,603	\$ 1,779,440

See accompanying Notes to Financial Statements.

THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 143,798
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation Expense	3,140
Interest Income Rolled into Certificates of Deposit	(5,217)
Increase in Accounts Receivable	(6,109)
Increase in Prepaid Scholarships	(63,603)
Increase in Accounts Payable and Accrued Expenses	<u>16,453</u>
Net Cash Provided by Operating Activities	88,462
Cash and Cash Equivalents - Beginning of Year	<u>1,063,686</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 1,152,148</u></u>

See accompanying Notes to Financial Statements.

THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 NATURE AND PURPOSE OF THE FOUNDATION

The Foundation for Lee County Public Schools, Inc. (the Foundation) is a nonprofit organization which affords community interaction and financial support for the enrichment of educational programs within the School District of Lee County (the District). The Foundation is organized and operates as a direct-support organization of the District and is a component unit of the District.

A brief description of the Foundation's activities that support its program is as follows:

Administration – Administration includes fund-raisers, Business Partners/State of our Schools, and other activities and special events not specifically identified in other activities.

A-Team – The A-Team Challenge is a televised academic competition created to honor academic excellence and achievement and to foster pride and spirit of competition among high school students, teachers, and coaches.

Bonita Springs High School Fund - The Bonita Springs High School reflects contributions received and related expenditures made specifically for the Bonita Springs High School.

C³ College and Career – The College and Career Center prepares Lee County public school students for post-secondary education, technical training, or entering the workforce. This is accomplished through scholarship opportunities, soft-skills training, and workshops focused on several topics including financial aid, vocational training, interviewing skills, resume building and career exploration.

Classroom Grants – The Classroom Grants activity offers educators the ability to apply for and receive funds to offer unique learning opportunities and experiences for their students.

Collegium for the Advancement of Education – The Collegium for the Advancement of Education is the teacher development element of Golden Apple that offers opportunities for networking, as well as educational opportunities to a select group of educators.

Dancing Classroom – This is an arts-in-education activity teaching ballroom dance to 5th grade students of participating schools. This activity instills self-esteem, confidence, and social skills.

Education Resource Center – The Center collects new and used donated items to benefit teachers, students, and schools at no cost to them.

FutureMakers – The FutureMakers activity inspires more high school seniors to take the next step after graduation.

Golden Apple – The Golden Apple Teacher Recognition Activity gives a high level of recognition to outstanding classroom teachers. This activity, now in its 27th year, presents many opportunities to Lee County educators. The activity also included Academy of Teachers and Golden Futures Scholarships.

NEAF Grant – Closing the Achievement Gaps Initiative.

THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 NATURE AND PURPOSE OF THE FOUNDATION (CONTINUED)

Other Programs – Other Programs includes the Discretionary Fund, Access Homeless Fund, Environmental Education (Edison Fairs), Estero Education Initiative, Fort Myers High School, Rotary Golf Fundraiser, Erik Babatz Memorial Fishing Tournament, Welcome Back to Education 5K, Rising Star Scholarship Fund, Fort Myers Technical College Revenue, Food for Thought, Hurricane Irma Relief Fund, New Teachers Social, Healthy Me, Kids Tag Art, Partners in Education Academy, Jeff Sommer Memorial Scholarships, Suncoast C. U. Scholarships, Red Sox Scholarships, Allegretti Foundation Scholarships and the Richard Hagy Memorial Scholarships.

Sanibel School – The Sanibel School reflects contributions received and related expenditures made specifically for the Sanibel School.

Student Advocacy & Mentoring – This activity offers resources and volunteer mentors to assist low-income at-risk students in the District complete their high school education and continuing post-secondary education.

Take Stock in Children – This scholarship activity provides educational scholarships and mentoring to low income at-risk students.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net Asset Classifications

Resources for various purposes are classified for accounting and financial reporting purposes into net asset categories established according to their nature and purpose as follows:

Net Assets Without Donor Restrictions – represents funds which are fully available to be utilized in any Foundation activity or for supporting services, and those resources invested in equipment and furnishings.

Net Assets With Donor Restrictions – represents funds which are restricted by donors for specific purposes. The restrictions are satisfied either by the passage of time or by actions of the Foundation.

All contributions are considered available for unrestricted use unless specifically restricted by the donor or subject to other legal restrictions.

THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. The discounts on those amounts are computed using an imputed interest rate applicable to the year in which the promise is to be received.

Donations of personal property are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use or the use of proceeds derived from the sales of such assets are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated assets are sold. At the time of sale, the Foundation reclassifies net assets with donor restrictions to net assets without donor restrictions, reports an expense based on the donor-imposed restriction at the time of sale and adjusts the contribution amount by the net gain or loss from the sale of the asset.

Donated Services

Donated services are recognized only if services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically be purchased if not provided by donation. Donated services meeting the requirement for recognition in the financial statements are recorded at the fair market value of professional services rendered.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking, savings, and money market accounts and certificates of deposits with original maturities of three months or less. At times, cash balances with financial institutions exceed FDIC limits.

Certificates of Deposits

Certificates of deposit with original maturities greater than three months are shown at the original amount deposited plus accrued interest, which approximates fair value because of the short-term nature of these deposits (one-year or less).

THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Office Equipment and Furnishings

Office equipment and furnishings have been recorded at cost. The Foundation has a capitalization threshold of \$500. Depreciation is recorded using a double declining balance method over the estimated useful life of the asset.

Donated Assets Held for Sale

As of June 30, 2019, donated assets held for sale consists of four boats that were donated to the Organization for the use in the marine technology department of the Fort Myers Technical College, part of the Lee County Public School District. The boats are used for the purposes of student training until they are sold. Donor restrictions indicate that proceeds must be used to subsidize the marine technology program at the college.

Income Taxes

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). The Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as a foundation that is not a private foundation under Section 509(a)(2).

The Foundation follows the income tax standard for uncertain tax positions and has evaluated its tax positions and determined it has no uncertain tax positions as of June 30, 2019.

Estimates

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

Functional Allocation of Expenses

The costs of providing the program and various other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the activities and supporting services benefited. Salaries and benefits are allocated based on the direct amount of time each person spends in each program. Other expenses, such as supplies, printing and copying, or services required for conducting the programs are charged based on the direct invoice cost of the items or services. Rent (Donated Facility Usage) is allocated to various programs and administration accounts based on the salary percentages of employees by location. Fundraising costs are considered immaterial and have been included in program services.

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through August 12, 2019, the date the financial statements were available to be issued.

THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3 LIQUIDITY

The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. The Foundation considers contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, fundraising expenses, and program expenses expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Foundation's fiscal year.

The Foundation routinely monitors liquidity to meet its operating needs. In addition to financial assets available to meet general expenditures, the Foundation operates with a balanced operating budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

The table below presents financial assets available for general expenditures within one year at June 30, 2019:

Financial Assets at Year-End:	
Cash and Cash Equivalents	\$ 1,152,148
Certificates of Deposit	507,529
Accounts Receivable	<u>53,302</u>
Financial Assets Available to Meet General Expenditures within One Year	<u><u>\$ 1,712,979</u></u>

NOTE 4 FLORIDA PREPAID SCHOLARSHIPS

The Foundation, through its donors, has purchased prepaid scholarships from the Florida Prepaid College Foundation, Inc. As of June 30, 2019, the Foundation owns prepaid scholarships worth \$6,458,232, which are reported on the statement of financial position at a cost of \$2,026,310. Of the prepaid scholarships owned at June 30, 2019, \$410,931 was purchased in the current fiscal year for \$205,465 plus \$-0- of Florida Prepaid Credit for a total cost of \$205,465 from the Florida Prepaid College Foundation, Inc. The state of Florida matches, dollar for dollar, the Foundation's cost of prepaid scholarships purchased.

Upon graduation from a public high school, students are awarded prepaid scholarships. To date, 365 Lee County public school students have been awarded Florida Prepaid Scholarships. The remaining 221 prepaid scholarships have been designated for future Lee County public school graduates.

THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 FLORIDA PREPAID SCHOLARSHIPS (CONTINUED)

Scholarship activity for the year ended June 30, 2019 was as follows:

	Unawarded	Awarded	Total
Beginning Balance	\$ 1,475,672	\$ 487,035	\$ 1,962,707
Scholarship Reinvestment			
Opportunity (SRO)	2,392	-	2,392
Scholarships Purchased	205,465	-	205,465
Scholarships Awarded	(148,744)	148,744	-
Scholarships Unawarded	457	(457)	-
Value Used	-	(144,254)	(144,254)
Ending Balance	<u>\$ 1,535,242</u>	<u>\$ 491,068</u>	<u>\$ 2,026,310</u>

NOTE 5 CONTRIBUTED GOODS, SERVICES, AND USE OF FACILITIES

Contributed goods, services, and use of facilities reported are as follows for the year ended June 30, 2019:

Administration

Administration - Professional Services, Facilities, and Salaries \$ 73,754

Programs

Golden Apple - Advertising, Promotion, and Television Airtime	58,039
Classroom Grants - Printing and Donated Facilities	8,189
A-Team - Television Airtime and Production Costs	20,313
Collegium - Donated Facilities and Event Expenses	8,027
Dancing Classrooms - Use of Facilities and Event Expenses	6,356
Take Stock in Children - Facilities, Event Expenses, and Advertising	32,274
C ³ College and Career - Printing and Donated Facilities	13,662
FutureMakers - Donated Facilities and Supplies	7,486
Student Advocacy & Mentoring - Donated Facilities	11,027
Education Resource Center - Donated Facilities and Supplies	28,377
Other Programs - Use of Facilities and Event Expenses	3,356
Total Programs	<u>197,106</u>
Total Contributed Goods, Services, and Use of Facilities	<u>\$ 270,860</u>

NOTE 6 RETIREMENT PLAN

The Foundation offers its employees a defined contribution plan. The plan covers substantially all employees subject to a minimum age and days of service requirement. The employer contributes a minimum of 5%, up to a maximum of 20% of each eligible participant's compensation minus the annual cost of medical insurance premiums, individual or family coverage, as applicable. Participants' interest in elective deferral contributions is vested at 100%. Total contributions to the plan for the year ended June 30, 2019 were \$66,292.

THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7 RELATED PARTY TRANSACTIONS

The Foundation maintains, either directly or through a custodial relationship, a portion of its investments and bank depository balances with Edison National Bank and FineMark Bank. Board Members were officers of Edison National Bank and FineMark Bank during the year ended June 30, 2019. Bank depository account balances at Edison National Bank totaled approximately \$1,140,300 at June 30, 2019. Bank depository account balances at FineMark Bank totaled approximately \$127,300 at June 30, 2019.

NOTE 8 CONCENTRATIONS

The Foundation received contributions and in-kind contributions of \$390,997 and \$226,013 for the year ended June 30, 2019, from Board of Directors or entities affiliated with Board members.

THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
SCHEDULE OF ACTIVITY REVENUE
YEAR ENDED JUNE 30, 2019

REVENUE	Golden Apple	Classroom Grants	A-Team	Collegium
Contributions and Sponsors	\$ 6,859	\$ 35,000	\$ 15,000	\$ 11,900
Academy of Teachers	1,000	-	-	-
Access Homeless Fund	-	-	-	-
Allegretti Scholarships	-	-	-	-
Babatz Memorial Scholarship	-	-	-	-
Classroom Grant Special Projects	-	3,002	-	-
Environmental Education	-	-	-	-
Estero Education Initiative	-	-	-	-
Facebook Donations	-	-	-	-
Food for Thought	-	-	-	-
Fort Myers High School Fund	-	-	-	-
Fort Myers High School Fund Scholarship	-	-	-	-
Golden Apple Dinner	8,245	-	-	-
Golden Future Scholarship	20,984	-	-	-
Golden Apple Table Sponsors	64,750	-	-	-
Grants	-	-	-	-
Kids Tag Art	-	-	-	-
Matching Funds Consortium	-	57,246	-	15,992
License Plate	-	-	-	-
Major Sponsors	70,008	-	-	-
New Teacher Social Sponsor	-	-	-	-
Richard Hagy Memorial Scholarship	-	-	-	-
Rising Star Scholarship Fund	-	-	-	-
Rotary Golf Fundraiser	-	-	-	-
Sanibel School	-	-	-	-
School Grants for Arts	-	1,812	-	-
Showcase Tickets	-	-	-	-
State of our Schools	-	-	-	-
State of our Schools Breakfast	-	-	-	-
STAMP Scholarship	-	-	-	-
STEM Education	-	-	-	-
Jeff Sommer Scholarship Fund	-	-	-	-
Sales Tax PAC Fund	-	-	-	-
S.O.S. Enrichment Program	-	-	-	-
Suncoast C.U. Scholarships	-	-	-	-
Take Stock in Children	-	-	-	-
Take Stock in Children Receptions	-	-	-	-
Take Stock in Children Florida Prepaid Credit	-	-	-	-
Vision 2020	-	-	-	-
Interest	-	-	-	-
In-Kind Income	58,039	8,189	20,313	8,027
Total Revenue	\$ 229,885	\$ 105,249	\$ 35,313	\$ 35,919

THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
SCHEDULE OF ACTIVITY REVENUE (CONTINUED)
YEAR ENDED JUNE 30, 2019

REVENUE (Continued)	<u>Career Education</u>	<u>Dancing Classroom</u>	<u>Take Stock in Children</u>	<u>C³ College and Career</u>
Contributions and Sponsors	\$ -	\$ 54,700	\$ 125,564	\$ 30,000
Academy of Teachers	-	-	-	-
Access Homeless Fund	-	-	-	-
Allegretti Scholarships	-	-	-	-
Babatz Memorial Scholarship	-	-	1,655	-
Classroom Grant Special Projects	-	-	-	-
Environmental Education	-	-	-	-
Estero Education Initiative	-	-	-	-
Facebook Donations	-	-	-	-
Food for Thought	-	-	-	-
Fort Myers High School Fund	-	-	-	-
Fort Myers High School Fund Scholarship	-	-	-	-
Golden Apple Dinner	-	-	-	-
Golden Future Scholarship	-	-	-	-
Golden Apple Table Sponsors	-	-	-	-
Grants	-	22,365	-	80,000
Kids Tag Art	-	-	-	-
Matching Funds Consortium	-	-	-	-
License Plate	-	7,869	-	-
Major Sponsors	-	-	-	-
New Teacher Social Sponsor	-	-	-	-
Richard Hagy Memorial Scholarship	-	-	-	-
Rising Star Scholarship Fund	-	-	-	-
Rotary Golf Fundraiser	-	-	42,475	-
Sanibel School	-	-	-	-
School Grants for Arts	-	-	-	-
Showcase Tickets	-	75	-	-
State of our Schools	-	-	-	-
State of our Schools Breakfast	-	-	-	-
STAMP Scholarship	-	-	-	-
STEM Education	-	-	-	22,000
Jeff Sommer Scholarship Fund	-	-	-	-
Sales Tax PAC Fund	-	-	-	-
S.O.S. Enrichment Program	-	-	-	-
Suncoast C.U. Scholarships	-	-	-	-
Take Stock in Children	-	-	269,860	-
Take Stock in Children Receptions	-	-	2,500	-
Take Stock in Children Florida Prepaid Credit	-	-	2,392	-
Vision 2020	-	-	-	-
Interest	-	-	-	-
In-Kind Income	-	6,356	32,274	13,662
Total Revenue	\$ -	\$ 91,365	\$ 476,720	\$ 145,662

THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
SCHEDULE OF ACTIVITY REVENUE (CONTINUED)
YEAR ENDED JUNE 30, 2019

REVENUE (Continued)	Student Advocacy & Mentoring	Sanibel School	Bonita Springs High School	Education Resource Center
Contributions and Sponsors	\$ 46,700	\$ -	\$ 72,610	\$ 31,365
Academy of Teachers	-	-	-	-
Access Homeless Fund	-	-	-	-
Allegretti Scholarships	-	-	-	-
Babatz Memorial Scholarship	-	-	-	-
Classroom Grant Special Projects	-	-	-	-
Environmental Education	-	-	-	-
Estero Education Initiative	-	-	-	-
Facebook Donations	-	-	-	-
Food for Thought	-	-	-	-
Fort Myers High School Fund	-	-	-	-
Fort Myers High School Fund Scholarship	-	-	-	-
Golden Apple Dinner	-	-	-	-
Golden Future Scholarship	-	-	-	-
Golden Apple Table Sponsors	-	-	-	-
Grants	32,500	-	-	-
Kids Tag Art	-	-	-	-
Matching Funds Consortium	10,000	-	-	-
License Plate	-	-	-	7,869
Major Sponsors	-	-	-	-
New Teacher Social Sponsor	-	-	-	-
Richard Hagy Memorial Scholarship	-	-	-	-
Rising Star Scholarship Fund	-	-	-	-
Rotary Golf Fundraiser	-	-	-	-
Sanibel School	-	81,992	-	-
School Grants for Arts	-	-	-	-
Showcase Tickets	-	-	-	-
State of our Schools	-	-	-	-
State of our Schools Breakfast	-	-	-	-
STAMP Scholarship	3,500	-	-	-
STEM Education	-	-	-	-
Jeff Sommer Scholarship Fund	-	-	-	-
Sales Tax PAC Fund	-	-	-	-
S.O.S. Enrichment Program	-	-	-	-
Suncoast C.U. Scholarships	-	-	-	-
Take Stock in Children	-	-	-	-
Take Stock in Children Receptions	-	-	-	-
Take Stock in Children Florida Prepaid Credit	-	-	-	-
Vision 2020	-	-	-	-
Interest	-	-	-	-
In-Kind Income	11,027	-	-	28,377
Total Revenue	\$ 103,727	\$ 81,992	\$ 72,610	\$ 67,611

THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
SCHEDULE OF ACTIVITY REVENUE (CONTINUED)
YEAR ENDED JUNE 30, 2019

REVENUE (Continued)	Future Makers	Other Programs	Administration	Totals
Contributions and Sponsors	\$ 22,650	\$ -	\$ 56,296	\$ 508,644
Academy of Teachers	-	-	-	1,000
Access Homeless Fund	-	8,836	-	8,836
Allegretti Scholarships	-	10,000	-	10,000
Babatz Memorial Scholarship	-	-	-	1,655
Classroom Grant Special Projects	-	-	-	3,002
Environmental Education	-	56,748	-	56,748
Estero Education Initiative	-	30,000	-	30,000
Facebook Donations	-	-	705	705
Food for Thought	-	2,000	-	2,000
Fort Myers High School Fund	-	12,000	-	12,000
Fort Myers High School Fund Scholarship	-	3,500	-	3,500
Golden Apple Dinner	-	-	-	8,245
Golden Future Scholarship	-	-	-	20,984
Golden Apple Table Sponsors	-	-	-	64,750
Grants	22,500	-	10,000	167,365
Kids Tag Art	-	40,798	-	40,798
Matching Funds Consortium	15,000	-	-	98,238
License Plate	-	-	-	15,738
Major Sponsors	-	-	-	70,008
New Teacher Social Sponsor	-	4,000	-	4,000
Richard Hagy Memorial Scholarship	-	17,159	-	17,159
Rising Star Scholarship Fund	-	2,000	-	2,000
Rotary Golf Fundraiser	-	-	-	42,475
Sanibel School	-	-	-	81,992
School Grants for Arts	-	-	-	1,812
Showcase Tickets	-	-	-	75
State of our Schools	-	-	24,900	24,900
State of our Schools Breakfast	-	-	3,660	3,660
STAMP Scholarship	-	-	-	3,500
STEM Education	-	-	-	22,000
Jeff Sommer Scholarship Fund	-	11,332	-	11,332
Sales Tax PAC Fund	-	1,000	-	1,000
S.O.S. Enrichment Program	-	21,885	-	21,885
Suncoast C.U. Scholarships	-	10,000	-	10,000
Take Stock in Children	-	-	-	269,860
Take Stock in Children Receptions	-	-	-	2,500
Take Stock in Children Florida Prepaid Credit	-	-	-	2,392
Vision 2020	-	115	-	115
Interest	-	-	5,505	5,505
In-Kind Income	7,486	3,356	73,754	270,860
Total Revenue	\$ 67,636	\$ 234,729	\$ 174,820	\$ 1,923,238

**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
SCHEDULE OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2019**

	<u>Golden Apple</u>	<u>Classroom Grants</u>	<u>A-Team</u>	<u>Collegium</u>	<u>Career Education</u>
SUPPORT AND REVENUE	\$ 229,885	\$ 105,249	\$ 35,313	\$ 35,919	\$ -
EXPENSES	(254,328)	(129,157)	(45,941)	(83,860)	(1,250)
TRANSFERS	<u>-</u>	<u>20,378</u>	<u>7,992</u>	<u>62,508</u>	<u>1,250</u>
CHANGE IN NET ASSETS	(24,443)	(3,530)	(2,636)	14,567	-
Net Assets - Beginning of Year	<u>93,989</u>	<u>6,136</u>	<u>2,636</u>	<u>901</u>	<u>-</u>
NET ASSETS - END OF YEAR	<u>\$ 69,546</u>	<u>\$ 2,606</u>	<u>\$ -</u>	<u>\$ 15,468</u>	<u>\$ -</u>

**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
SCHEDULE OF CHANGES IN NET ASSETS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

	Dancing Classroom	Take Stock in Children	C ³ College and Career	Student Advocacy & Mentoring	Sanibel School
SUPPORT AND REVENUE	\$ 91,365	\$ 476,720	\$ 145,662	\$ 103,727	\$ 81,992
EXPENSES	(99,800)	(388,963)	(109,998)	(95,983)	(95,814)
TRANSFERS	6,824	-	-	-	-
CHANGE IN NET ASSETS	(1,611)	87,757	35,664	7,744	(13,822)
Net Assets - Beginning of Year	1,611	2,433,475	24,980	120,798	140,896
NET ASSETS - END OF YEAR	<u>\$ -</u>	<u>\$ 2,521,232</u>	<u>\$ 60,644</u>	<u>\$ 128,542</u>	<u>\$ 127,074</u>

**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
SCHEDULE OF CHANGES IN NET ASSETS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

	Bonita Springs High School	Education Resource Center	NEAF Grant	Future Makers	Other Programs
SUPPORT AND REVENUE	\$ 72,610	\$ 67,611	\$ -	\$ 67,636	\$ 234,729
EXPENSES	(15,813)	(65,743)	-	(61,617)	(149,430)
TRANSFERS	-	-	(62,508)	-	-
CHANGE IN NET ASSETS	56,797	1,868	(62,508)	6,019	85,299
Net Assets - Beginning of Year	145,520	13,171	62,508	103,414	262,364
NET ASSETS - END OF YEAR	<u>\$ 202,317</u>	<u>\$ 15,039</u>	<u>\$ -</u>	<u>\$ 109,433</u>	<u>\$ 347,663</u>

**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
SCHEDULE OF CHANGES IN NET ASSETS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

	<u>Administration</u>	<u>Furnishings and Equipment</u>	<u>Totals</u>
SUPPORT AND REVENUE	\$ 174,820	\$ -	\$ 1,923,238
EXPENSES	(178,603)	(3,140)	(1,779,440)
TRANSFERS	<u>(36,444)</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS	(40,227)	(3,140)	143,798
Net Assets - Beginning of Year	<u>192,895</u>	<u>10,058</u>	<u>3,615,352</u>
NET ASSETS - END OF YEAR	<u><u>\$ 152,668</u></u>	<u><u>\$ 6,918</u></u>	<u><u>\$ 3,759,150</u></u>



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

Board of Directors
The Foundation for Lee County Public Schools, Inc.
Fort Myers, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Foundation for Lee County Public Schools, Inc. (the Foundation), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 12, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, as described below, that we consider to be material weaknesses. These material weaknesses were identified and communicated in the prior period.

2019-001 Annual Financial Reporting Under Generally Accepted Accounting Principles (GAAP)

Criteria:

Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial statements, including the related disclosures, in accordance with accounting principles generally accepted in the United States of America (GAAP).

Condition:

The entity does not have an internal control policy in place over annual financial reporting that would enable management to prepare its annual financial statements and related footnote disclosures are complete and presented in accordance with GAAP.

Context:

Management has informed us that they do not have an internal control policy in place over the annual financial reporting and that they do not have the necessary staff capacity to prepare the annual financial statements, including disclosures.

Cause:

The entity relies on the audit firm to prepare the annual financial statements and related disclosures. However, management has reviewed and approved the annual financial statements and the related disclosures.

Effect:

The potential exists that a material misstatement of the annual financial statements could occur and not be prevented or detected by the entity's internal controls.

Recommendation:

Management should continue to evaluate their internal staff capacity to determine if an internal control policy over the annual financial reporting is beneficial.

2019-002 Audit Adjustment

Criteria:

Management is responsible for establishing and maintaining internal controls for the proper recording of all the Foundation's receipts and disbursements, year-end accruals, and in-kind contributions activity.

Condition:

As part of the audit, we proposed audit adjustments to revise the Foundation's books at year-end. These adjustments involved adjusting the recorded value of the Florida Prepaid Scholarships to the amount of tuition hours available to be awarded, record receivable for remaining amount of a grant that has been earned, and recording a refund for unused scholarship.

2019-002 Audit Adjustment (Continued)

Cause:

The entity relies on the audit firm to propose audit adjustment necessary for the preparation of the annual financial statements and related disclosures. However, management has reviewed and approved the proposed audit adjustments.

Effect:

The potential exists that a material misstatement of the annual financial statements could occur and not be prevented or detected by the Foundation’s internal controls.

Recommendation:

We recommend management be consistently aware of all procedures involved in recording receipts and disbursements, and accruals, and develop internal control policies to ensure proper recording of these items.

Compliance and Other Matters

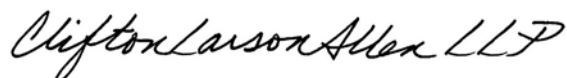
As part of obtaining reasonable assurance about whether the Foundation’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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 that are required to be reported under *Government Auditing Standards*.

The Foundation’s Response to Findings

The Foundation’s responses to the findings identified in our audit are described in the accompanying schedule of management responses. The Foundation’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Foundation’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 Foundation’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Fort Myers, Florida
August 12, 2019

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August 19, 2019

Mr. Marty Redovan
Principal
CliftonLarson Alcen, LLP
12800 University Dr., Suite 210
Fort Myers, FL 33907-5332

Dear Mr. Redovan,

On behalf of The Foundation for Lee County Public Schools, Inc., this letter will confirm that we have reviewed the final draft of the audited financial statements for the fiscal year ended June 30, 2019.

The deficiencies described in the audit are similar to past audit findings and are known to management and the Board of Directors. Due to cost and other considerations, we accept the degree of risk associated with these deficiencies.

I want to take this opportunity to thank you once again for your services with regard to this audit. We look forward to receiving the finalized audit.

Sincerely,

Marshall T. Bower, Esq.
President & CEO

MTB:jmc

The Foundation for Lee County Schools, Inc., is a not for profit, 501 (c)(3) organization established in 1986. Its mission is to enhance and enrich the quality of public education in Lee County for students and educators through programs, resources and experiences made possible through corporate, individual and educational partnerships.

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