

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

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2020**



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CONSULTING**

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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, 2020, 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, 2020, 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 September 8, 2020 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  
September 8, 2020

**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2020**

**ASSETS**

Cash and Cash Equivalents	\$ 1,347,624
Certificates of Deposit	513,912
Accounts Receivable	37,148
Office Equipment and Furnishings, Net of Accumulated Depreciation of \$96,665	5,747
Florida Prepaid Scholarships	2,053,862
Donated Assets Held for Sale	32,150
Other Assets	5,000
	\$ 3,995,443
Total Assets	\$ 3,995,443

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts Payable and Accrued Expenses	\$ 21,612
PPP Loan	135,756
	157,368
Total Liabilities	157,368

**NET ASSETS**

Without Donor Restrictions:	
Administration	85,855
Equipment and Furnishings	5,747
Total Without Donor Restrictions	91,602

With Donor Restrictions:

A-Team	80
Bonita Springs High School	187,062
C <sup>3</sup> College and Career	98,624
Collegium	20,120
Education Resource Center	17,810
FutureMakers	117,026
Golden Apple	89,414
Other Programs	358,049
Sanibel School	124,746
Student Advocacy and Mentoring	141,841
Take Stock in Children	2,591,701
Total With Donor Restrictions	3,746,473

Total Net Assets	3,838,075
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Total Liabilities and Net Assets	\$ 3,995,443
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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, 2020**

**CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS**

Revenues:

Contributions	\$ 72,681
In-Kind Contributions	275,950
Interest Income	6,718
Total Revenue Without Restrictions	355,349

Net Assets Released from Restrictions

Satisfaction of Program Restrictions	1,446,794
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Total Revenue Without Restrictions and Other Support Without Restrictions	1,802,143
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**EXPENSES**

Program Services	1,732,680
Management and General	137,443
Total Expenses	1,870,123

<b>DECREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	(67,980)
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**CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS**

Contributions	1,593,699
Net Assets Released from Restrictions	(1,446,794)

<b>INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS</b>	146,905
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<b>CHANGE IN NET ASSETS</b>	78,925
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Net Assets - Beginning of Year	3,759,150
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<b>NET ASSETS - END OF YEAR</b>	\$ 3,838,075
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**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2020**

EXPENSES	Programs			
	Golden Apple	Classroom Grants	A-Team	Collegium
Academy of Teachers	\$ 200	\$ -	\$ -	\$ -
Accounting and Tax Preparation	-	-	-	-
Administrative Expenses	-	-	-	-
Artwork	479	-	-	-
Awards	27,250	-	-	-
Bank Charges	-	-	-	-
Bonita Springs High School	-	-	-	-
Conferences	-	48	-	18
Contract Temporary Services	50	-	-	-
Depreciation	-	-	-	-
Dues and Subscriptions	-	-	-	-
Employee Salaries and Benefits	76,070	62,837	25,888	43,939
Environmental Education	-	-	-	-
Ester Education Initiative	-	-	-	-
Fort Myers High School Fund Scholarship	-	-	-	-
Golden Futures Scholarship	6,216	-	-	-
Grants	-	79,298	-	-
Insurance	-	-	-	-
Kids Tag Art	-	-	-	-
KTA Grant	-	-	-	-
Lead Like a Girl	-	-	-	-
Marketing	267	221	87	155
Meals and Lodging	344	202	-	47
Meetings	-	6	-	-
Mentor Background Checks	-	-	-	-
Miscellaneous	-	-	-	-
Music	-	-	-	-
Name Tags - Sponsor Boards	193	70	8	15
New Teacher Social Expense	-	-	-	-
Office Supplies and Equipment	1,187	1,048	414	5,205
Photography and Video	650	-	-	-
Postage	67	34	2	-
PreK Readiness	-	-	-	-
Printing	7,313	39	15	27
Program Costs	736	600	1,438	841
Reception	-	1,831	-	-
Related Events - Golden Apple	2,528	-	-	-
Richard Hagy Scholarships	-	-	-	-
Sanibel School Fund	-	-	-	-
Selection Committee	22	-	-	-
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	451	373	147	262
Training Costs	-	-	-	18,940
Travel	12	62	25	20
Website	493	408	161	286
In-Kind Expenses	55,784	9,269	5,677	6,502
<b>Total Expenses</b>	<b>\$ 180,312</b>	<b>\$ 156,346</b>	<b>\$ 33,862</b>	<b>\$ 76,257</b>

See accompanying Notes to Financial Statements.

**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

EXPENSES	Programs			
	Dancing Classroom	Take Stock in Children	C3 College and Career	Student Advocacy & Mentoring
Academy of Teachers	\$ -	\$ -	\$ -	\$ -
Accounting and Tax Preparation	-	-	-	-
Administrative Expenses	-	-	-	-
Artwork	-	-	-	-
Awards	-	-	-	-
Bank Charges	-	-	-	-
Bonita Springs High School	-	-	-	-
Conferences	-	-	14	10
Contract Temporary Services	-	50	-	-
Depreciation	-	-	-	-
Dues and Subscriptions	-	-	-	-
Employee Salaries and Benefits	2,711	178,530	111,116	59,139
Environmental Education	-	-	-	-
Esterio Education Initiative	-	-	-	-
Fort Myers High School Fund Scholarship	-	-	-	-
Golden Futures Scholarship	-	-	-	-
Grants	-	-	-	-
Insurance	-	-	-	-
Kids Tag Art	-	-	-	-
KTA Grant	-	-	-	-
Lead Like a Girl	-	-	-	3,942
Marketing	-	690	410	251
Meals and Lodging	-	1,412	492	1,488
Meetings	-	-	12	-
Mentor Background Checks	-	1,375	-	-
Miscellaneous	-	-	-	-
Music	-	-	250	-
Name Tags - Sponsor Boards	-	6	-	2
New Teacher Social Expense	-	-	-	-
Office Supplies and Equipment	-	3,817	2,100	1,146
Photography and Video	-	-	-	-
Postage	-	364	170	116
PreK Readiness	-	-	-	-
Printing	-	1,403	148	51
Program Costs	-	1,515	79	1,267
Reception	-	-	-	-
Related Events - Golden Apple	-	-	-	-
Richard Hagy Scholarships	-	-	-	-
Sanibel School Fund	-	-	-	-
Selection Committee	-	-	-	-
Special Events	-	-	474	-
State of our Schools Breakfast	-	-	-	-
STEM Education	-	-	1,946	-
STAMP Scholarships	-	-	-	8,500
Stemtastic	-	-	838	-
Suncoast C.U. Scholarships	-	-	-	-
Take Stock in Children 5 K Expenses	-	25,070	-	-
Take Stock in Children Receptions	-	388	-	-
Take Stock in Children Scholarships	-	412,344	-	-
Telephone	-	1,164	693	424
Training Costs	-	-	-	-
Travel	-	2,197	1,021	50
Website	-	1,272	757	463
In-Kind Expenses	-	37,716	16,217	9,046
<b>Total Expenses</b>	<b>\$ 2,711</b>	<b>\$ 669,313</b>	<b>\$ 136,737</b>	<b>\$ 85,895</b>

See accompanying Notes to Financial Statements.



**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

EXPENSES	Programs			
	Sanibel School	Bonita Springs High School	Education Resource Center	Future Makers
Academy of Teachers	\$ -	\$ -	\$ -	\$ -
Accounting and Tax Preparation	-	-	-	-
Administrative Expenses	-	-	-	-
Artwork	-	-	-	-
Awards	-	-	-	-
Bank Charges	-	-	-	-
Bonita Springs High School	-	43,655	-	-
Conferences	-	-	-	10
Contract Temporary Services	-	-	3,150	-
Depreciation	-	-	-	-
Dues and Subscriptions	-	-	-	-
Employee Salaries and Benefits	-	-	41,543	41,667
Environmental Education	-	-	-	-
Estero Education Initiative	-	-	-	-
Fort Myers High School Fund Scholarship	-	-	-	-
Golden Futures Scholarship	-	-	-	-
Grants	-	-	-	-
Insurance	-	-	-	-
Kids Tag Art	-	-	-	-
KTA Grant	-	-	-	-
Lead Like a Girl	-	-	-	-
Marketing	-	-	125	164
Meals and Lodging	-	-	-	26
Meetings	-	-	-	-
Mentor Background Checks	-	-	-	-
Miscellaneous	-	-	-	-
Music	-	-	-	-
Name Tags - Sponsor Boards	-	-	31	1
New Teacher Social Expense	-	-	-	-
Office Supplies and Equipment	-	-	5,153	700
Photography and Video	-	-	-	-
Postage	-	-	18	1
PreK Readiness	-	-	-	-
Printing	-	-	247	29
Program Costs	-	-	175	1,477
Reception	-	-	-	-
Related Events - Golden Apple	-	-	-	-
Richard Hagy Scholarships	-	-	-	-
Sanibel School Fund	52,878	-	-	-
Selection Committee	-	-	-	-
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	-	-	212	277
Training Costs	-	-	-	-
Travel	-	-	92	403
Website	-	-	276	302
In-Kind Expenses	-	-	75,051	6,477
<b>Total Expenses</b>	<b>\$ 52,878</b>	<b>\$ 43,655</b>	<b>\$ 126,073</b>	<b>\$ 51,534</b>

See accompanying Notes to Financial Statements.

**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

EXPENSES	Programs		Support Services	
	Other Programs	Total	Management and General	Total
Academy of Teachers	\$ -	\$ 200.00	\$ -	\$ 200.00
Accounting and Tax Preparation	-	-	19,175	19,175
Administrative Expenses	-	-	595	595
Artwork	-	479	-	479
Awards	-	27,250	-	27,250
Bank Charges	-	-	1,042	1,042
Bonita Springs High School	-	43,655	-	43,655
Conferences	-	100	250	350
Contract Temporary Services	-	3,250	-	3,250
Depreciation	1,171	1,171	-	1,171
Dues and Subscriptions	-	-	5,148	5,148
Employee Salaries and Benefits	-	643,440	57,771	701,211
Environmental Education	14,573	14,573	-	14,573
Estero Education Initiative	3,188	3,188	-	3,188
Fort Myers High School Fund Scholarship	1	1	-	1
Golden Futures Scholarship	-	6,216	-	6,216
Grants	-	79,298	-	79,298
Insurance	12,973	12,973	5,693	18,666
Kids Tag Art	4,800	4,800	-	4,800
KTA Grant	39,200	39,200	-	39,200
Lead Like a Girl	-	3,942	-	3,942
Marketing	-	2,370	245	2,615
Meals and Lodging	-	4,011	455	4,466
Meetings	-	18	42	60
Mentor Background Checks	-	1,375	-	1,375
Miscellaneous	8,092	8,092	-	8,092
Music	-	250	-	250
Name Tags - Sponsor Boards	-	326	199	525
New Teacher Social Expense	3,736	3,736	-	3,736
Office Supplies and Equipment	-	20,770	1,094	21,864
Photography and Video	-	650	-	650
Postage	-	772	1,082	1,854
PreK Readiness	2,404	2,404	-	2,404
Printing	-	9,272	441	9,713
Program Costs	3	8,131	-	8,131
Reception	-	1,831	-	1,831
Related Events - Golden Apple	-	2,528	-	2,528
Richard Hagy Scholarships	6,000	6,000	-	6,000
Sanibel School Fund	-	52,878	-	52,878
Selection Committee	-	22	-	22
Special Events	-	474	-	474
State of our Schools Breakfast	-	-	1	1
STEM Education	-	1,946	-	1,946
STAMP Scholarships	-	8,500	-	8,500
Stemtastic	-	838	-	838
Suncoast C.U. Scholarships	10,000	10,000	-	10,000
Take Stock in Children 5 K Expenses	-	25,070	-	25,070
Take Stock in Children Receptions	-	388	-	388
Take Stock in Children Scholarships	-	412,344	-	412,344
Telephone	-	4,003	353	4,356
Training Costs	-	18,940	-	18,940
Travel	-	3,882	115	3,997
Website	-	4,418	497	4,915
In-Kind Expenses	10,966	232,705	43,245	275,950
<b>Total Expenses</b>	<b>\$ 117,107</b>	<b>\$ 1,732,680.00</b>	<b>\$ 137,443.00</b>	<b>\$ 1,870,123.00</b>

See accompanying Notes to Financial Statements.

**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2020**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ 78,925
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation Expense	1,171
Interest Income Rolled into Certificates of Deposit	(6,383)
Decrease in Accounts Receivable	16,154
Increase in Prepaid Scholarships	(27,552)
Decrease in Accounts Payable and Accrued Expenses	(2,595)
Net Cash Provided by Operating Activities	59,720

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds Received From PPP Loan	135,756
Net Cash Provided by Investing Activities	135,756

Cash and Cash Equivalents - Beginning of Year	1,152,148
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<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 1,347,624</b>
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See accompanying Notes to Financial Statements.

**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

A-Team (AT) – 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 (BS) - The Bonita Springs High School reflects contributions received and related expenditures made specifically for the Bonita Springs High School.

College & Career Initiatives (CC) – In collaboration with local Lee County businesses, we offer various opportunities to educate students and educators in the district. Our programs give them the opportunity to learn about local career fields focused on STEM and educational requirements for those careers.

Our 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 search, ACT prep, financial literacy, and career exploration

Classroom Grants (CG) – 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 (TR) – 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.

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

Estero Education Initiative (OP) – The Estero Education Initiative reflects contributions received and related expenditures made specifically for the Estero Schools.

Fort Myers High School Fund (OP) – The Fort Myers High School reflects contributions received and related expenditures made specifically for the Fort Myers High School.

FutureMakers (FM) – The FutureMakers activity inspires more high school seniors to take the next step after graduation, whether it is a university, college, or technical/vocational training through presentations and financial aid workshops.

**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 NATURE AND PURPOSE OF THE FOUNDATION (CONTINUED)**

Golden Apple (GA) – The Golden Apple Teacher Recognition Activity gives a high level of recognition to outstanding classroom teachers. This program presents many opportunities to Lee County educators. Program also includes Academy of Teachers.

Kids Tag Art (OP) – Lee County Kids Tag Art is an educational fundraising project created in partnership with the Lee County Tax Collectors Office and designed to benefit the art classrooms in Lee County District Schools. This program is offered annually to each elementary school's fifth-grade students.

Other Programs (OP) – At this time, other programs includes Discretionary Fund, Access Homeless Fund, Environmental Education (Edison Fairs), Rotary Golf Fundraiser, Erik Babatz Memorial Fishing Tournament, Rising Star Scholarship Fund, Fort Myers Technical College Revenue, Food for Thought, New Teachers Social, Healthy Me, Partners in Education Academy, Jeff Sommer Memorial Scholarships, Suncoast C. U. Scholarships, Allegretti Foundation Scholarships & Richard Hagy Memorial Scholarships.

S.O.S. Enrichment Program (OP) – Support Our Students (S.O.S.) Program provides a unique opportunity for students of low-income families. This community-based initiative offers high school students exceptional learning opportunities, cultural arts, and career enrichment activities that inspire them to discover, embrace, and appreciate their self-worth. It also includes six weeks of subsidized work experience. We have teamed with community partners who offer job/internship opportunities to qualified students.

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

Student Advocacy & Mentoring (SA) – This program works with at-risk, low-income students in the District by offering resources and volunteer mentors to assist students completing their high school education and continuing post-secondary education.

Take Stock in Children (SC) – 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.

**New Accounting Pronouncement – ASU 2018-08**

The Foundation adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. There was no material impact on the Foundation's financial position or change in net assets upon adoption of the new standard.

**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**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. At the time of sale, the Foundation records any gain or loss related to the sale of the donated 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.

**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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).

**Concentration of Credit Risks**

The Foundation's policy is to place its cash with high credit quality financial institutions. Cash and cash equivalents consist of bank deposits which, at times, may exceed federally insured limits. The Foundation maintains its cash deposit accounts in institutions which are insured by either the Federal Deposit Insurance Corporation or the National Credit Union Administration, both of which provide coverage on balances up to \$250,000 per depositor per institution.

The uncollateralized combined bank balance comprised of demand deposits is subject to custodial credit risk as it exceeds the FDIC limits by \$1,185,224 for the year ended June 30, 2020. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash or cash equivalents.

**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, 2020, 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, 2020.

**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 September 8, 2020, the date the financial statements were available to be issued.

**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 FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 3 LIQUIDITY (CONTINUED)**

The table below presents financial assets available for general expenditures within one year at June 30, 2020:

Financial Assets at Year-End:	
Cash and Cash Equivalents	\$ 1,347,624
Certificates of Deposit	513,912
Accounts Receivable	37,148
Total	1,898,684
Less: Net Assets With Donor Restrictions	(3,746,473)
Prepaid Expenses Included in Net Assets With Donor Restrictions	2,053,862
Financial Assets Available to Meet General Expenditures within One Year	\$ 206,073

**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, 2020, the Foundation owns prepaid scholarships worth \$8,521,280, which are reported on the statement of financial position at a cost of \$2,053,862. Of the prepaid scholarships owned at June 30, 2020, \$348,081 was purchased in the current fiscal year for \$212,526 plus \$10,077 of Florida Prepaid Credit for a total cost of \$221,203 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.

Scholarship activity for the year ended June 30, 2020 was as follows:

	Unawarded	Awarded	Total
Beginning Balance	\$ 1,535,243	\$ 491,067	\$ 2,026,310
Scholarship Reinvestment			
Opportunity (SRO)	217,293	-	217,293
Scholarships Purchased	221,203	-	221,203
Scholarships Awarded	(1,405,974)	1,405,974	-
Value Used	-	(410,944)	(410,944)
Ending Balance	\$ 567,765	\$ 1,486,097	\$ 2,053,862

**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**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, 2020:

**Administration**

Administration - Professional Services, Facilities, and Salaries	\$	43,245
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**Programs**

Golden Apple - Advertising, Promotion, and Television Airtime		55,784
Classroom Grants - Printing and Donated Facilities		9,269
A-Team - Television Airtime and Production Costs		5,677
Collegium - Donated Facilities and Event Expenses		6,502
Take Stock in Children - Facilities, Event Expenses, and Advertising		37,716
C <sup>3</sup> College and Career - Printing and Donated Facilities		16,217
FutureMakers - Donated Facilities and Supplies		6,477
Student Advocacy & Mentoring - Donated Facilities		9,046
Education Resource Center - Donated Facilities and Supplies		75,051
Other Programs - Use of Facilities and Event Expenses		10,966
Total Programs		232,705
Total Contributed Goods, Services, and Use of Facilities	\$	275,950

**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, 2020 were \$78,154.

**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, 2020. Bank depository account balances at Edison National Bank totaled approximately \$1,331,783 at June 30, 2020. Bank depository account balances at FineMark Bank totaled approximately \$128,851 at June 30, 2020.

**NOTE 8 CONCENTRATIONS**

The Foundation received contributions and in-kind contributions of \$383,719 and \$194,032 for the year ended June 30, 2020, from Board of Directors or entities affiliated with Board members.

**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 9 PPP LOAN**

On May 1, 2020, the Foundation received a loan from Edison Bank in the amount of \$135,756 to fund payroll, rent, and utilities through the Paycheck Protection Program Flexibility Act of 2020 (the "PPP Loan"). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over twenty-four months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of the funds in accordance with the program. To the extent that all or part of the PPP Loan is not forgiven, the Company will be required to pay interest on the PPP Loan at a rate of 1.0% annum, and commencing in November 2020 principal and interest payments will be required through the maturity date in May 2022.

**NOTE 10 COVID-19**

The World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Foundation, COVID-19 may impact various parts of its 2021 operations and financial results, including, but not limited to, potential shortages of personnel, or potential loss of revenue due to reductions in certain revenue streams. Management believes the Foundation is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.**  
**SCHEDULE OF ACTIVITY REVENUE**  
**YEAR ENDED JUNE 30, 2020**

<b>REVENUE</b>	Golden Apple	Classroom Grants	A-Team	Collegium
Contributions and Sponsors	\$ -	\$ 38,419	\$ 16,000	\$ 19,500
Academy of Teachers	1,000	-	-	-
Access Homeless Fund	-	-	-	-
Allegretti Scholarships	-	-	-	-
Bonita Springs HS Restrictive Funds	-	-	-	-
Bonita Springs HS Art Fund	-	-	-	-
Crisis Relief Fund	-	-	-	-
Environmental Education	-	-	-	-
Estero Education Initiative	-	-	-	-
Facebook Donations	-	-	-	-
Fort Myers High School Fund	-	-	-	-
Golden Apple Bus Sponsor	1,500	-	-	-
Golden Future Scholarship	16,888	-	-	-
Golden Apple Table Sponsors	50,000	-	-	-
Grants	-	5,000	-	-
Kids Tag Art	-	-	-	-
Matching Funds Consortium	-	80,870	-	26,907
License Plate	-	8,082	-	-
Major Sponsors	75,008	-	-	-
New Teacher Social Sponsor	-	-	-	-
Previous Year Scholarship Refund	-	-	-	-
PreK Readiness	-	-	-	-
Richard Hagy Memorial Scholarship	-	-	-	-
Sanibel School	-	-	-	-
School Grants for Arts	-	1,816	-	-
State of our Schools	-	-	-	-
STAMP Scholarship	-	-	-	-
STEM Education	-	-	-	-
STEM Work	-	-	-	-
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	55,784	9,269	5,677	6,502
<b>Total Revenue</b>	<b>\$ 200,180</b>	<b>\$ 143,456</b>	<b>\$ 21,677</b>	<b>\$ 52,909</b>

**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.**  
**SCHEDULE OF ACTIVITY REVENUE (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

<b>REVENUE (Continued)</b>	Dancing Classroom	Take Stock in Children	C <sup>3</sup> College and Career	Student Advocacy & Mentoring
Contributions and Sponsors	\$ -	\$ 128,592	\$ 30,000	\$ 25,250
Academy of Teachers	-	-	-	-
Access Homeless Fund	-	-	-	-
Allegretti Scholarships	-	-	-	-
Bonita Springs HS Restrictive Funds	-	-	-	-
Bonita Springs HS Art Fund	-	-	-	-
Crisis Relief Fund	-	-	-	-
Environmental Education	-	-	-	-
Esterio Education Initiative	-	-	-	-
Facebook Donations	-	-	-	-
Fort Myers High School Fund	-	-	-	-
Golden Apple Bus Sponsor	-	-	-	-
Golden Future Scholarship	-	-	-	-
Golden Apple Table Sponsors	-	-	-	-
Grants	1,250	-	100,000	20,000
Kids Tag Art	-	-	-	-
Matching Funds Consortium	-	-	-	15,000
License Plate	-	-	-	-
Major Sponsors	-	-	-	-
New Teacher Social Sponsor	-	-	-	-
Previous Year Scholarship Refund	-	-	-	1,000
PreK Readiness	-	-	-	-
Richard Hagy Memorial Scholarship	-	-	-	-
Sanibel School	-	-	-	-
School Grants for Arts	-	-	-	-
State of our Schools	-	-	-	-
STAMP Scholarship	-	-	-	3,500
STEM Education	-	-	16,500	-
STEM Work	-	-	12,000	-
S.O.S. Enrichment Program	-	-	-	-
Suncoast C.U. Scholarships	-	-	-	-
Take Stock in Children	-	333,905	-	-
Take Stock in Children Receptions	-	2,500	-	-
Take Stock in Children Florida Prepaid Credit	-	224,370	-	-
Vision 2020	-	12,699	-	25,398
Interest	-	-	-	-
In-Kind Income	-	37,716	16,217	9,046
<b>Total Revenue</b>	<b>\$ 1,250</b>	<b>\$ 739,782</b>	<b>\$ 174,717</b>	<b>\$ 99,194</b>

**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.**  
**SCHEDULE OF ACTIVITY REVENUE (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

<b>REVENUE (Continued)</b>	Sanibel School	Bonita Springs High School	Education Resource Center	Future Makers
Contributions and Sponsors	\$ -	\$ 25,400	\$ 26,140	\$ 17,650
Academy of Teachers	-	-	-	-
Access Homeless Fund	-	-	-	-
Allegretti Scholarships	-	-	-	-
Bonita Springs HS Restrictive Funds	-	2,000	-	-
Bonita Springs HS Art Fund	-	1,000	-	-
Crisis Relief Fund	-	-	2,500	-
Environmental Education	-	-	-	-
Estero Education Initiative	-	-	-	-
Facebook Donations	-	-	-	-
Fort Myers High School Fund	-	-	-	-
Golden Apple Bus Sponsor	-	-	-	-
Golden Future Scholarship	-	-	-	-
Golden Apple Table Sponsors	-	-	-	-
Grants	-	-	-	20,000
Kids Tag Art	-	-	-	-
Matching Funds Consortium	-	-	-	15,000
License Plate	-	-	8,081	-
Major Sponsors	-	-	-	-
New Teacher Social Sponsor	-	-	-	-
Previous Year Scholarship Refund	-	-	-	-
PreK Readiness	-	-	-	-
Richard Hagy Memorial Scholarship	-	-	-	-
Sanibel School	50,550	-	-	-
School Grants for Arts	-	-	-	-
State of our Schools	-	-	-	-
STAMP Scholarship	-	-	-	-
STEM Education	-	-	-	-
STEM Work	-	-	-	-
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	-	-	75,051	6,477
<b>Total Revenue</b>	<b>\$ 50,550</b>	<b>\$ 28,400</b>	<b>\$ 111,772</b>	<b>\$ 59,127</b>

**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.**  
**SCHEDULE OF ACTIVITY REVENUE (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

<b>REVENUE (Continued)</b>	Other Programs	Administration	Totals
Contributions and Sponsors	\$ -	\$ 40,773	\$ 367,724
Academy of Teachers	-	-	1,000
Access Homeless Fund	5,800	-	5,800
Allegretti Scholarships	5,000	-	5,000
Bonita Springs HS Restrictive Funds	-	-	2,000
Bonita Springs HS Art Fund	-	-	1,000
Crisis Relief Fund	-	-	2,500
Environmental Education	24,366	-	24,366
Estero Education Initiative	1,500	-	1,500
Facebook Donations	-	258	258
Fort Myers High School Fund	8,000	-	8,000
Golden Apple Bus Sponsor	-	-	1,500
Golden Future Scholarship	-	-	16,888
Golden Apple Table Sponsors	-	-	50,000
Grants	-	10,000	156,250
Kids Tag Art	42,905	-	42,905
Matching Funds Consortium	-	-	137,777
License Plate	-	-	16,163
Major Sponsors	-	-	75,008
New Teacher Social Sponsor	2,000	-	2,000
Previous Year Scholarship Refund	-	-	1,000
PreK Readiness	5,000	-	5,000
Richard Hagy Memorial Scholarship	16,303	-	16,303
Sanibel School	-	-	50,550
School Grants for Arts	-	-	1,816
State of our Schools	-	21,650	21,650
STAMP Scholarship	-	-	3,500
STEM Education	-	-	16,500
STEM Work	-	-	12,000
S.O.S. Enrichment Program	9,650	-	9,650
Suncoast C.U. Scholarships	10,000	-	10,000
Take Stock in Children	-	-	333,905
Take Stock in Children Receptions	-	-	2,500
Take Stock in Children Florida Prepaid Credit	-	-	224,370
Vision 2020	1,900	-	39,997
Interest	-	6,718	6,718
In-Kind Income	10,966	43,245	275,950
<b>Total Revenue</b>	<b>\$ 143,390</b>	<b>\$ 122,644</b>	<b>\$ 1,949,048</b>

**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.  
SCHEDULE OF CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2020**

	<u>Golden Apple</u>	<u>Classroom Grants</u>	<u>A-Team</u>	<u>Collegium</u>	<u>Dancing Classroom</u>
<b>SUPPORT AND REVENUE</b>	\$ 200,180	\$ 143,456	\$ 21,677	\$ 52,909	\$ 1,250
<b>EXPENSES</b>	(180,312)	(156,346)	(33,862)	(76,257)	(2,711)
<b>TRANSFERS</b>	<u>-</u>	<u>10,284</u>	<u>12,265</u>	<u>28,000</u>	<u>1,461</u>
<b>CHANGE IN NET ASSETS</b>	19,868	(2,606)	80	4,652	-
Net Assets - Beginning of Year	<u>69,546</u>	<u>2,606</u>	<u>-</u>	<u>15,468</u>	<u>-</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 89,414</u>	<u>\$ -</u>	<u>\$ 80</u>	<u>\$ 20,120</u>	<u>\$ -</u>



**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.  
SCHEDULE OF CHANGES IN NET ASSETS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

	Take Stock in Children	C <sup>3</sup> College and Career	Student Advocacy & Mentoring	Sanibel School	Bonita Springs High School
<b>SUPPORT AND REVENUE</b>	\$ 739,782	\$ 174,717	\$ 99,194	\$ 50,550	\$ 28,400
<b>EXPENSES</b>	(669,313)	(136,737)	(85,895)	(52,878)	(43,655)
<b>TRANSFERS</b>	-	-	-	-	-
<b>CHANGE IN NET ASSETS</b>	70,469	37,980	13,299	(2,328)	(15,255)
Net Assets - Beginning of Year	2,521,232	60,644	128,542	127,074	202,317
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 2,591,701</u>	<u>\$ 98,624</u>	<u>\$ 141,841</u>	<u>\$ 124,746</u>	<u>\$ 187,062</u>

**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.  
SCHEDULE OF CHANGES IN NET ASSETS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

	Education Resource Center	Future Makers	Other Programs	Administration	Furnishings and Equipment
<b>SUPPORT AND REVENUE</b>	\$ 111,772	\$ 59,127	\$ 143,390	\$ 122,644	\$ -
<b>EXPENSES</b>	(126,073)	(51,534)	(115,936)	(137,443)	(1,171)
<b>TRANSFERS</b>	17,072	-	(17,072)	(52,010)	-
<b>CHANGE IN NET ASSETS</b>	2,771	7,593	10,382	(66,809)	(1,171)
Net Assets - Beginning of Year	15,039	109,433	347,667	152,664	6,918
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 17,810</u>	<u>\$ 117,026</u>	<u>\$ 358,049</u>	<u>\$ 85,855</u>	<u>\$ 5,747</u>

**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.  
SCHEDULE OF CHANGES IN NET ASSETS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

	Totals
<b>SUPPORT AND REVENUE</b>	\$ 1,949,048
<b>EXPENSES</b>	(1,870,123)
<b>TRANSFERS</b>	-
<b>CHANGE IN NET ASSETS</b>	78,925
Net Assets - Beginning of Year	3,759,150
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 3,838,075</b>



**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, 2020, 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 September 8, 2020.

**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.

**2020-001 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.

**2020-002 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.

**2020-002 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**

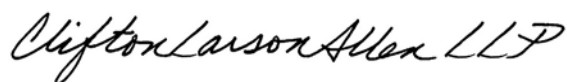
As part of obtaining reasonable assurance about whether the Foundation’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material 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  
September 8, 2020

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\*Past Board Chairman



September 8, 2020

Amy C. Cooper, CPA  
Principal, Nonprofit  
CliftonLarsonAllen LLP  
4501 Tamiani Trail North, Suite 200  
Naples, FL 34103

Dear Ms. Cooper,

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, 2020.

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:ml

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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