

**CHARLOTTE LOCAL EDUCATION FOUNDATION, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**FINANCIAL STATEMENTS**

**JUNE 30, 2021 AND 2020**

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## INDEPENDENT AUDITORS' REPORT

**The Board of Directors  
Charlotte Local Education Foundation, Inc.  
Port Charlotte, Florida**

We have audited the accompanying financial statements of **Charlotte Local Education Foundation, Inc.**, which comprise of the statement of financial position as of **June 30, 2021 and 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.

### **Auditor's 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 of 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 organization'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.

**Charlotte Local Education Foundation, Inc.**

**November 2, 2021**


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**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Charlotte Local Education Foundation, Inc.** as of **June 30, 2021 and 2020**, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated November 2, 2021 on our consideration of the **Charlotte Local Education Foundation, Inc.'s** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 **Charlotte Local Education Foundation, Inc.'s** internal control over financial reporting and compliance.



DEES & DEES, C.P.A.'s, P.A.  
Port Charlotte, Florida  
November 2, 2021

Fred B. Dees, C.P.A.  
Fred B. Dees, Jr., C.P.A.

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

**Board of Directors  
Charlotte Local Education Foundation, Inc.**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of **Charlotte Local Education Foundation, Inc.** (a nonprofit organization), which comprise the statement of financial position as of **June 30, 2021**, 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 November 2, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the **Charlotte Local Education Foundation, Inc.'s**, internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the **Charlotte Local Education Foundation, Inc.'s**, internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether **Charlotte Local Education Foundation, Inc.'s**, financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

**Charlotte Local Education Foundation, Inc.**  
**November 2, 2021**  
**Page 2**

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink, appearing to read 'Dees & Dees', is written across the page.

DEES & DEES, C.P.A.'s, P.A.  
Port Charlotte, Florida  
November 2, 2021

## **FINANCIAL STATEMENTS**

**CHARLOTTE LOCAL EDUCATION FOUNDATION, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**STATEMENTS OF FINANCIAL POSITION**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
<u>Assets</u>		
Cash and cash equivalents	\$ 81,143	\$ 148,999
Accounts receivable	10,926	11,354
Bequest receivable with donor restrictions	6,580	-0-
Inventory	4,000	3,000
Investments	2,331,657	2,232,405
Prepaid tuition scholarships	819,115	896,364
Prepaid dormitory contracts	-0-	3,145
Total Assets	<u>\$ 3,253,421</u>	<u>\$ 3,295,267</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Liabilities</u>		
Accrued expenses	\$ 26,792	\$ 25,438
Total Liabilities	<u>26,792</u>	<u>25,438</u>
<u>Net Assets</u>		
Without donor restrictions	349,898	401,718
With donor restrictions	<u>2,876,731</u>	<u>2,868,111</u>
Total Net Assets	<u>3,226,629</u>	<u>3,269,829</u>
Total Liabilities and Net Assets	<u>\$ 3,253,421</u>	<u>\$ 3,295,267</u>

Read Independent Auditors' Report  
The accompanying notes are an integral part of this statement.



**CHARLOTTE LOCAL EDUCATION FOUNDATION, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
CHANGES IN NET ASSETS - WITHOUT DONOR RESTRICTIONS		
<b>REVENUES:</b>		
Contributions	\$ 13,112	\$ 100,255
In-Kind income	3,833	1,200
Interest income	113	182
Investment return	20,514	14,175
Other income	<u>357</u>	<u>25</u>
Total Revenues without Donor Restrictions	<u>37,929</u>	<u>115,837</u>
 NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of program restrictions	<u>458,363</u>	<u>278,003</u>
Total Revenues and Reclassifications – without Donor Restrictions	<u>496,292</u>	<u>393,840</u>
 <b>EXPENSES:</b>		
Program services	396,522	353,982
Management and general	44,450	30,848
Fundraising	<u>-0-</u>	<u>80</u>
Total Expenses	<u>440,972</u>	<u>384,910</u>
Increase (Decrease) in Net Assets without Donor Restrictions	<u>55,320</u>	<u>8,930</u>
 CHANGES IN NET ASSETS - WITH DONOR RESTRICTIONS		
Contribution and other income	135,361	476,440
State matching scholarship funds	22,819	29,829
Gain on scholarship repackaging	-0-	11,376
In-Kind income	7,500	7,500
Investment return, net	301,303	(59,513)
Loss on bequests receivable	-0-	(105,136)
Net assets released from restrictions	<u>(458,363)</u>	<u>(278,003)</u>
Increase (Decrease) in Net Assets with Donor Restrictions	<u>8,620</u>	<u>82,493</u>
 INCREASE (DECREASE) IN NET ASSETS	63,940	91,493
 PRIOR PERIOD ADJUSTMENT	(107,140)	-0-
 NET ASSETS BEGINNING OF YEAR	<u>3,269,829</u>	<u>3,178,406</u>
 NET ASSETS END OF YEAR	<u>\$3,226,629</u>	<u>\$3,269,829</u>

**CHARLOTTE LOCAL EDUCATION FOUNDATION, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Totals</u>
<b>COMPENSATION AND RELATED EXPENSES</b>				
Salaries and benefits	\$ 133,178	\$ 9,315	\$ -0-	\$ 142,493
Total Compensation and Related Expenses	<u>133,178</u>	<u>9,315</u>	<u>-0-</u>	<u>\$ 142,493</u>
<b>GRANTS AND ALLOCATIONS</b>				
Program expenses	108,115	-0-	-0-	108,115
Teacher of the Year	11,677	-0-	-0-	11,677
Scholarship value used	126,333	-0-	-0-	126,333
TSIC other expenses	<u>4,694</u>	<u>-0-</u>	<u>-0-</u>	<u>4,694</u>
Total Grants and Allocations	<u>250,819</u>	<u>-0-</u>	<u>-0-</u>	<u>250,819</u>
<b>ADMINISTRATION</b>				
Occupancy and utilities	7,500	1,200	-0-	8,700
Supplies and other administrative costs	-0-	18,479	-0-	18,479
Postage and marketing	-0-	1,006	-0-	1,006
Professional fees	5,025	10,945	-0-	15,970
Insurance	-0-	1,643	-0-	1,643
Conference and meetings	<u>-0-</u>	<u>1,862</u>	<u>-0-</u>	<u>1,862</u>
Total Administrative Expenses	<u>12,525</u>	<u>35,135</u>	<u>-0-</u>	<u>47,660</u>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b><u>\$ 396,522</u></b>	<b><u>\$ 44,450</u></b>	<b><u>\$ -0-</u></b>	<b><u>\$ 440,972</u></b>

Read Independent Auditors' Report

The accompanying notes are an integral part of this statement.

**CHARLOTTE LOCAL EDUCATION FOUNDATION, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Totals</u>
<b>COMPENSATION AND RELATED EXPENSES</b>				
Salaries and benefits	\$ 125,214	\$ 8,571	\$ -0-	\$ 133,785
Total Compensation and Related Expenses	<u>125,214</u>	<u>8,571</u>	<u>-0-</u>	<u>\$ 133,785</u>
<b>GRANTS AND ALLOCATIONS</b>				
Program expenses	123,165	-0-	80	123,245
Teacher of the Year	25,363	-0-	-0-	25,363
Scholarship value used	62,415	-0-	-0-	62,415
TSIC other expenses	<u>5,300</u>	<u>-0-</u>	<u>-0-</u>	<u>5,300</u>
Total Grants and Allocations	<u>216,243</u>	<u>-0-</u>	<u>80</u>	<u>216,323</u>
<b>ADMINISTRATION</b>				
Occupancy and utilities	7,500	1,200	-0-	8,700
Supplies and other administrative costs	-0-	4,101	-0-	4,101
Postage and marketing	-0-	3,045	-0-	3,045
Professional fees	5,025	9,475	-0-	14,500
Insurance	-0-	1,574	-0-	1,574
Conference and meetings	<u>-0-</u>	<u>2,882</u>	<u>-0-</u>	<u>2,882</u>
Total Administrative Expenses	<u>12,525</u>	<u>22,277</u>	<u>-0-</u>	<u>34,802</u>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b><u>\$ 353,982</u></b>	<b><u>\$ 30,848</u></b>	<b><u>\$ 80</u></b>	<b><u>\$ 384,910</u></b>

Read Independent Auditors' Report

The accompanying notes are an integral part of this statement.

**CHARLOTTE LOCAL EDUCATION FOUNDATION, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
INCREASE (DECREASE) IN NET ASSETS	\$ 63,940	\$ 91,423
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by Operating Activities		
Unrealized gains/loss on investments	(301,303)	58,913
Donated investments included in contributions	-0-	(216,603)
Prepaid tuition scholarships value used	123,188	56,125
Prepaid dormitory contracts value used	3,145	6,291
State matching funds for scholarship purchases	(22,819)	(29,829)
Gain on scholarship repackaging	-0-	(11,376)
 (Increase) decrease in:		
Accounts receivable	428	(628)
Bequest receivable	(6,580)	1,855,136
Inventory	(1,000)	3,300
Increases (decrease) in:		
Accrued expenses	<u>1,354</u>	<u>4,692</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(139,647)</u>	<u>1,817,444</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from investments	115,153	59,860
Purchases of investments	-0-	(1,749,998)
Purchases of prepaid scholarships	(23,119)	(18,854)
Return on investments, net	<u>(20,243)</u>	<u>(3,467)</u>
 NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>71,791</u>	<u>(1,712,459)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES:	<u>-0-</u>	<u>-0-</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(67,856)	104,985
 CASH AND CASH EQUIVALENTS – AT BEGINNING OF FISCAL YEAR	<u>148,999</u>	<u>44,014</u>
 CASH AND CASH EQUIVALENTS – AT END OF FISCAL YEAR	<u>\$ 81,143</u>	<u>\$ 148,999</u>

Read Independent Auditors' Report

The accompanying notes are an integral part of this statement.

**CHARLOTTE LOCAL EDUCATION FOUNDATION, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 1 – Summary of Significant Accounting Policies**

**Organization and Nature of Activities**

Charlotte Local Education Foundation, Inc. (the “Foundation”) was incorporated as a Florida not-for-profit corporation on April 16, 1985. The Foundation’s mission is “for scientific, educational, and charitable purposes, to enhance the quality of programs administered and supported by the Charlotte County Board of Education.” The Foundation’s support comes primarily from the business and individual donors’ contributions and volunteer services

**Basis of Presentation**

Financial statement presentation follows the United States generally accepted accounting principles for not-for-profit organizations.

**Donated Assets**

Donated marketable securities and other non-cash donations are recorded as support at their estimated fair value at the date of donation.

**Donated Services**

No amounts, other than those disclosed in Note 5, have been reflected in the financial statements for donated services. The Foundation pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Foundation with specific programs, campaign solicitations, and various committee assignments. The Foundation and related programs received more than 5,000 volunteer hours during each of the years ended June 30, 2021 and 2020.

**Cash and Cash Equivalents**

The Foundation considers all monies in banks and unrestricted highly liquid investments if any, with an initial maturity of three months or less to be cash equivalents.

**Investments**

Investments in marketable securities with readily determinable fair values and all other investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

**Expense Allocation**

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

**CHARLOTTE LOCAL EDUCATION FOUNDATION, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 1 – Summary of Significant Accounting Policies (Continued)**

Use of Estimates

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

Concentrations of Credit Risk

Financial instruments that potentially subject the Foundation to credit risk currently include cash and cash equivalents and investments. The Foundation maintains its cash in accounts at high quality financial institutions in Charlotte County, Florida. As of June 30, 2021 and 2020, no deposits at any one financial institution were in excess of the \$250,000 insurance provided through the Federal Deposit Insurance Corporation.

The Foundation has investments in mutual funds and exchange traded products. Investments are managed by various investment managers and monitored by the management of the Foundation pursuant to an investment policy adopted by the Board of Directors. Though the market value of investments is subject to fluctuations on a year-to-year basis, management believes that the investment policy is prudent for the long-term welfare of the Foundation.

Inventory

Inventory consisted of school supplies most of which were donated to the Foundation's Teacher Supply Depot Program. These supplies were recorded at their estimated fair value on the date of donation.

Equipment

The Foundation capitalizes all expenditures for property and equipment in excess of \$250. Equipment is recorded at cost, or if donated, at fair market value at the date of acquisition. Assets are depreciated over their estimated useful lives using the straight-line method

Reclassifications

Certain amounts have been reclassified in the June 30, 2019 financial statements to conform to the June 30, 2020 presentation.

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions

Income Taxes

The Foundation operates as a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Foundation's Federal Return of Organization Exempt from Income Tax (Form 990) for 2018, 2019, and 2020 are subject to examination by the IRS, generally for three years after they are filed.

**CHARLOTTE LOCAL EDUCATION FOUNDATION, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 2 – Cash and Cash Equivalents**

Cash consisted of the following at June 30, 2021 and 2020:

	2021	2020
Petty Cash	\$ 274	\$ 274
Checking Accounts	80,869	116,750
Savings Accounts	-0-	31,975
	<u>\$ 81,143</u>	<u>\$148,999</u>

**Note 3 – Liquidity and Availability of Financial Assets**

The Foundation has \$92,069 of financial assets available within one year of the statement of financial position to meet cash needs for expenditures, consisting of cash of \$81,143 and receivable of \$10,926. In addition to these resources, the Foundation has \$339,330 of investments which could support operations without restrictions as to use.

**Note 4 – Investments**

Long-term investments are carried at fair value based on quoted prices in active markets (all Level 1 Measurements). Market risk could occur and is dependent on future changes in market prices of the various investments held. An analysis of investments held consists of the following at June 30, 2021.

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Cash, money funds & FDIC deposits	\$ 64,229	\$ 64,229	\$ -0-
Mutual Funds	94,510	95,511	1,001
Equities	<u>1,826,003</u>	<u>2,171,917</u>	<u>345,914</u>
	<u>\$1,984,742</u>	<u>\$2,331,657</u>	<u>\$ 346,915</u>

Investment return is summarized as follows:

	<u>Net Assets Without Donor Restrictions</u>
Dividend income	\$ 20,514
Net realized and unrealized gains (losses)	301,419
Capital gains (loss)	<u>(116)</u>
Total investment income (loss)	<u>\$ 321,817</u>

**CHARLOTTE LOCAL EDUCATION FOUNDATION, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 5 – Net Assets with Donor Restrictions**

Donor restricted net assets are available for the following purposes:

	<u>2021</u>	<u>2020</u>
Take Stock in Children	\$ 863,260	\$ 910,167
Other	10,564	42,111
Teacher Supply Depot	4,000	3,000
The Max R. Farrell Scholarship Fund	<u>1,998,907</u>	<u>1,912,833</u>
	<b><u>\$2,876,731</u></b>	<b><u>\$2,868,111</u></b>

**Note 6 – Statement of Cash Flows**

The Foundation did not participate in any non-cash investing and financing activities during the fiscal years ended June 30, 2021 and 2020 and no payments relating to income taxes or interest expense were made during these fiscal years.

**Note 7 – Related Party Transactions and In-Kind Contributions**

The Foundation is considered a direct support organization related to the Charlotte County School Board (the “Board”). The Foundation’s office, related utilities and clerical services have been provided by the Board since May 2002 and in-kind revenue, as well as occupancy, utilities and program expense, of \$11,333 for the fiscal years ended June 30, 2021 and 2020 have been recognized by the Foundation.

**Note 8 – Prepaid Scholarships**

The Foundation, through its donors, has purchased 161 scholarship contracts. As of June 30, 2020 and 2019, the Foundation owns 98 scholarship contracts, with a cost of \$819,115 and 96 scholarship contracts, with a cost of \$892,431 respectively. Of the 98 contracts owned at June 30, 2021, six were purchased in the current fiscal year, at a cost of \$45,939. During the current year, no unused credits from the Florida Prepaid College Foundation were utilized. Of the 96 contracts owned at June 30, 2019 seven were purchased in the fiscal year then ended, at a cost of \$60,058 including the value obtained through repackaging of unused credits which resulted in a gain of \$11,376. Through the Florida Prepaid College Foundation, the state of Florida matches, dollar for dollar, the Foundation’s cost of scholarship contracts. Upon graduation, students are awarded scholarships.

Scholarship activity for the years ended June 30, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 896,364	\$ 892,430
Scholarships purchased	45,939	48,682
Gain of repackaged scholarships	-0-	11,376
Value used	<u>(123,188)</u>	<u>(56,124)</u>
Ending Balance	<b><u>\$ 819,115</u></b>	<b><u>\$ 896,364</u></b>



**CHARLOTTE LOCAL EDUCATION FOUNDATION, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**Note 9 – Prior Period Adjustment**

During a prior period, the bequest receivable was overstated due to misinformation relayed by the Bank as the Trust Advisor for the Estate. A reduction of \$107,140 was adjusted to reflect the decrease in the amount recorded as being received from the Estate.

**Note 10 – Subsequent Event**

Charlotte Local Education Foundation, Inc.’s management has performed subsequent events procedures through November 2, 2021, which is the date the financial statements were available to be issued. Other than the following there were no subsequent events requiring adjustment to the financial statements or disclosures as stated herein except as follows.

In March 2020, the World Health Organization (“WHO”) declared the coronavirus (COVID 19), a global pandemic and public health emergency. The WHO has recommended containment and mitigation measures worldwide and domestically, self-isolation and shelter-in place requirements have been or are being put in place.

At this point, the Foundation cannot reasonably estimate the length or severity of this pandemic, or the extent to which this disruption may impact the Foundation’s financial statements and future results of operations. The Foundation will continue to monitor and evaluate the nature and extent of the impact on their ongoing activities and the potential effect on the future contributions or funding and expenses, financial condition and liquidity.