

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2022



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**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
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YEAR ENDED JUNE 30, 2022**

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Foundation for Lee County Public Schools, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Foundation for Lee County Public Schools, Inc. as of June 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Foundation for Lee County Public Schools, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Supplementary 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. The 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 16, 2022, on our consideration of The Foundation for Lee County Public Schools, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Foundation for Lee County Public Schools, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Foundation for Lee County Public Schools, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Fort Myers, Florida
August 16, 2022

THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

ASSETS

Cash and Cash Equivalents	\$	1,871,393
Certificates of Deposit		525,461
Accounts Receivable		29,600
Office Equipment and Furnishings, Net of Accumulated Depreciation of \$97,954		4,458
Florida Prepaid Scholarships		1,789,707
Donated Assets Held for Sale		24,740
Other Assets		5,000
		5,000
Total Assets	\$	4,250,359

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable and Accrued Expenses	\$	55,639
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NET ASSETS

Without Donor Restrictions:

Administration		125,815
Equipment and Furnishings		4,458
Total Without Donor Restrictions		130,273

With Donor Restrictions:

Bonita Springs High School		236,550
C ³ College and Career		264,875
Collegium		21,829
Classroom Grants		10,110
Education Resource Center		21,801
FutureMakers		154,964
Golden Apple		33,767
Other Programs		484,714
Sanibel School		204,840
Student Advocacy and Mentoring		187,639
Southwest Florida Theatrical Society		5,390
Take Stock in Children		2,437,968
Total With Donor Restrictions		4,064,447

Total Net Assets		4,194,720
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Total Liabilities and Net Assets	\$	4,250,359
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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, 2022**

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS

Revenues:

Contributions	\$ 83,348
In-Kind Contributions	235,524
Interest Income	5,659
Total Revenue Without Restrictions	324,531

Net Assets Released from Restrictions

Satisfaction of Program Restrictions	1,576,725
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Total Revenue Without Restrictions and Other Support Without Restrictions	1,901,256
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EXPENSES

Program Services	1,764,915
Management and General	187,449
Total Expenses	1,952,364

DECREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(51,108)
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CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS

Contributions	1,776,388
Net Assets Released from Restrictions	(1,576,725)

INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS	199,663
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CHANGE IN NET ASSETS	148,555
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Net Assets - Beginning of Year	4,046,165
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NET ASSETS - END OF YEAR	\$ 4,194,720
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See accompanying Notes to Financial Statements.

THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

EXPENSES	Programs						
	Golden Apple	Classroom Grants	Collegium	Take Stock in Children	C3 College and Career	Student Advocacy and Mentoring	Sanibel School
Accounting and Tax Preparation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative Expenses	-	-	-	-	-	-	-
Allegretti Scholarship	-	-	-	-	-	-	-
Angela Mates Scholarship	-	-	-	-	-	-	-
Artwork	502	-	-	-	-	-	-
Awards	27,000	-	-	-	-	-	-
Bank Charges	-	-	-	-	-	-	1,797
Bonita Springs High School	-	-	-	-	-	-	-
Bucket Fillers	-	-	-	-	-	-	-
Conferences	-	-	-	-	578	-	-
Contract Temporary Services	-	-	-	-	-	-	-
Decorations and Flowers	8,141	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Dues and Subscriptions	-	-	-	-	-	-	-
Employee Salaries and Benefits	66,396	51,905	36,726	212,357	71,474	57,947	-
Environmental Education	-	-	-	-	-	-	-
Estero Education Initiative	-	-	-	-	-	-	-
Golden Futures Scholarship	7,400	-	-	-	-	-	-
Grants	-	139,461	-	-	-	-	-
Harborside	500	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-
Jeff Sommer Scholarships	-	-	-	-	-	-	-
Kids Tag Art	-	-	-	-	-	-	-
KTA Grant	-	-	-	-	-	-	-
Lead Like a Girl	-	-	-	-	-	1,969	-
Marketing	291	225	154	749	249	225	-
Meals and Lodging	41,665	-	42,600	78	1,429	98	-
Meetings	-	20	-	-	33	-	-
Mentor Background Checks	-	-	-	1,053	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Music	400	-	-	-	-	-	-
Name Tags - Sponsor Boards	566	98	-	122	-	-	-
New Teacher Social Expense	-	-	-	-	-	-	-
Office Supplies and Equipment	1,511	1,127	1,859	4,611	1,259	1,165	-
Postage	204	62	2	1,658	25	194	-
Printing	7,003	120	409	193	9	8	-
Production and Set Design	18,255	-	-	-	-	-	-
Program Costs	125	3,900	1,442	707	471	814	-
Reception	-	2,441	-	-	-	-	-
Related Events - Golden Apple	3,812	-	-	-	-	-	-
Richard Hagy Scholarships	-	-	-	-	-	-	-
Rotary Golf	-	-	-	62	-	-	-
Sanibel School Fund	-	-	-	-	-	-	157,184
School Grants for the Arts	-	2,320	-	-	-	-	-
Selection Committee	111	-	-	-	-	-	-
Shadow Wood Scholarship	-	-	-	-	-	-	-
Special Events	-	-	-	-	600	-	-
State of our Schools Breakfast	-	-	-	-	-	-	-
STEM Education	-	-	-	-	6,598	-	-
STAMP Scholarships	-	-	-	-	-	(919)	-
Stemtastic	-	-	-	-	929	-	-
Suncoast C.U. Scholarships	-	-	-	-	-	-	-
SWFL Theatrical Society Expenses	-	-	-	-	-	-	-
Take Stock in Children 5 K Expenses	-	-	-	23,919	-	-	-
Take Stock in Children Auction	-	-	-	-	-	-	-
Take Stock in Children Receptions	-	-	-	11,204	-	-	-
Take Stock in Children Scholarships	-	-	-	292,322	-	-	-
Telephone	468	363	248	1,205	400	363	-
Travel	75	11	149	1,779	495	16	-
Website	566	440	281	1,452	505	440	-
Young Men Lead Expenses	-	-	-	-	-	1,703	-
In-Kind Expenses	39,948	8,141	7,986	41,198	11,807	9,285	-
Total Expenses	\$ 224,939	\$ 210,634	\$ 91,856	\$ 594,669	\$ 96,861	\$ 73,308	\$ 158,981

See accompanying Notes to Financial Statements.

THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED JUNE 30, 2022

EXPENSES	Programs					Support Services		
	Bonita Springs High School	Education Resource Center	Future Makers	Southwest Florida Theatrical Society	Other Programs	Total	Management and General	Total
Accounting and Tax Preparation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,500	\$ 20,500
Administrative Expenses	-	-	-	-	-	-	4,203	4,203
Allegretti Scholarship	-	-	-	-	1,151	1,151	-	1,151
Angela Mates Scholarship	-	-	-	-	3	3	-	3
Artwork	-	-	-	-	-	502	-	502
Awards	-	-	-	-	-	27,000	-	27,000
Bank Charges	-	-	-	-	-	1,797	1,918	3,715
Bonita Springs High School	7,146	-	-	-	-	7,146	-	7,146
Bucket Fillers	-	-	-	-	3,568	3,568	-	3,568
Conferences	-	-	-	-	-	578	433	1,011
Contract Temporary Services	-	160	-	-	-	160	-	160
Decorations and Flowers	-	-	-	-	-	8,141	-	8,141
Depreciation	-	-	-	-	644	644	-	644
Dues and Subscriptions	-	-	-	-	-	-	8,244	8,244
Employee Salaries and Benefits	-	40,568	48,235	-	-	585,608	89,008	674,616
Environmental Education	-	-	-	-	19,513	19,513	-	19,513
Estero Education Initiative	-	-	-	-	5,128	5,128	-	5,128
Golden Futures Scholarship	-	-	-	-	-	7,400	-	7,400
Grants	-	-	-	-	-	139,461	-	139,461
Harborside	-	-	-	-	-	500	-	500
Insurance	-	-	-	-	17,622	17,622	5,328	22,950
Jeff Sommer Scholarships	-	-	-	-	3,000	3,000	-	3,000
Kids Tag Art	-	-	-	-	5,242	5,242	-	5,242
KTA Grant	-	-	-	-	16,400	16,400	-	16,400
Lead Like a Girl	-	-	-	-	-	1,969	-	1,969
Marketing	-	169	163	-	-	2,225	296	2,521
Meals and Lodging	-	80	12	-	-	85,962	876	86,838
Meetings	-	-	-	-	-	53	207	260
Mentor Background Checks	-	-	-	-	-	1,053	-	1,053
Miscellaneous	-	-	-	-	4,969	4,969	-	4,969
Music	-	-	-	-	-	400	-	400
Name Tags - Sponsor Boards	-	-	-	-	-	786	190	976
New Teacher Social Expense	-	-	-	-	1,842	1,842	-	1,842
Office Supplies and Equipment	-	5,292	847	-	-	17,671	2,348	20,019
Postage	-	89	-	-	-	2,234	(363)	1,871
Printing	-	20	6	-	-	7,768	352	8,120
Production and Set Design	-	-	-	-	-	18,255	-	18,255
Program Costs	-	-	-	-	1	7,460	(1,529)	5,931
Reception	-	-	-	-	-	2,441	-	2,441
Related Events - Golden Apple	-	-	-	-	-	3,812	-	3,812
Richard Hagy Scholarships	-	-	-	-	8,659	8,659	-	8,659
Rotary Golf	-	-	-	-	-	62	-	62
Sanibel School Fund	-	-	-	-	-	157,184	-	157,184
School Grants for the Arts	-	-	-	-	-	2,320	-	2,320
Selection Committee	-	-	-	-	-	111	-	111
Shadow Wood Scholarship	-	-	-	-	23,786	23,786	-	23,786
Special Events	-	-	-	-	-	600	-	600
State of our Schools Breakfast	-	-	-	-	-	-	5,854	5,854
STEM Education	-	-	-	-	-	6,598	-	6,598
STAMP Scholarships	-	-	-	-	-	(919)	-	(919)
Stemtastic	-	-	-	-	-	929	-	929
Suncoast C.U. Scholarships	-	-	-	-	7,603	7,603	-	7,603
SWFL Theatrical Society Expenses	-	-	-	8,463	-	8,463	-	8,463
Take Stock in Children 5 K Expenses	-	-	-	-	-	23,919	-	23,919
Take Stock in Children Auction	-	-	-	-	11,629	11,629	-	11,629
Take Stock in Children Receptions	-	-	-	-	-	11,204	-	11,204
Take Stock in Children Scholarships	-	-	-	-	-	292,322	-	292,322
Telephone	-	272	263	-	-	3,582	476	4,058
Travel	-	17	1,257	-	-	3,799	210	4,009
Website	-	349	318	-	-	4,351	920	5,271
Young Men Lead Expenses	-	-	-	-	-	1,703	-	1,703
In-Kind Expenses	-	61,261	7,741	-	179	187,546	47,978	235,524
Total Expenses	\$ 7,146	\$ 108,277	\$ 58,842	\$ 8,463	\$ 130,939	\$ 1,764,915	\$ 187,449	\$ 1,952,364

See accompanying Notes to Financial Statements.

THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 148,555
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation Expense	644
Donated Assets Held for Sale	7,410
Interest Income Rolled into Certificates of Deposit	(5,311)
Decrease in Accounts Receivable	24,694
Decrease in Prepaid Scholarships	111,144
Increase in Accounts Payable and Accrued Expenses	2,428
Net Cash Provided by Operating Activities	<u>289,564</u>
Cash and Cash Equivalents - Beginning of Year	<u>1,581,829</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 1,871,393</u></u>

See accompanying Notes to Financial Statements.

THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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 and 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 Program 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 the Golden Apple program 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 Fund reflects contributions received and related expenditures made specifically for the Fort Myers High School.

THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 NATURE AND PURPOSE OF THE FOUNDATION (CONTINUED)

FutureMakers (FM) – The FutureMakers Program 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.

Golden Apple (GA) – The Golden Apple Teacher Recognition Program gives a high level of recognition to outstanding classroom teachers. This program presents many opportunities to Lee County educators. The 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 has historically been 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, New Teachers Social, Partners in Education Academy, Jeff Sommer Memorial Scholarships, Suncoast C. U. Scholarships, Allegratti Foundation Scholarships, Richard Hagy Memorial Scholarships, Shevach Scholarships, and Shadow Wood 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.

Southwest Florida Theatrical Society – This program provides for an annual theatrical competition.

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

THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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 (GAAP).

Net Asset Classifications

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported 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.

THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Federal Deposit Insurance Corporation (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 FDIC 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 \$1,715,008 for the year ended June 30, 2022. 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 the straight line method over the estimated useful life of the asset.

Donated Assets Held for Sale

As of June 30, 2022, donated assets held for sale consists of three 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. One boat was sold during the year ended June 30, 2022. The net proceeds were recorded as restricted contribution revenue.

THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. 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, 2022.

Estimates

The preparation of financial statements in conformity with GAAP 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 16, 2022, 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 FOR LEE COUNTY PUBLIC SCHOOLS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 LIQUIDITY (CONTINUED)

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, 2022:

Financial Assets at Year-End:	
Cash and Cash Equivalents	\$ 1,871,393
Certificates of Deposit	525,461
Accounts Receivable	29,600
Total	<u>2,426,454</u>
Less: Net Assets With Donor Restrictions	(4,064,447)
Prepaid Expenses Included in Net Assets With Donor Restrictions	<u>1,789,707</u>
Financial Assets Available to Meet General Expenditures within One Year	<u><u>\$ 151,714</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, 2022, the Foundation owns prepaid scholarships worth \$9,431,743, which are reported on the statement of financial position at a cost of \$1,789,707. Of the prepaid scholarships owned at June 30, 2022, \$360,157 was purchased in the current fiscal year for \$9,331 plus \$171,847 of Florida Prepaid Credits for a total cost of \$180,078 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, 790 Lee County public school students have been awarded Florida Prepaid Scholarships. The remaining 262 prepaid scholarships have been designated for future Lee County public school graduates.

Scholarship activity for the year ended June 30, 2022 was as follows:

	Unawarded	Awarded	Total
Beginning Balance	\$ 649,158	\$ 1,251,693	\$ 1,900,851
Scholarship Reinvestment Opportunity (SRO)	-	-	-
Scholarships Purchased	180,078	-	180,078
Scholarships Awarded	53,862	(53,862)	-
Value Used	-	(291,222)	(291,222)
Ending Balance	<u>\$ 883,098</u>	<u>\$ 906,609</u>	<u>\$ 1,789,707</u>

THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022:

ADMINISTRATION

Administration - Professional Services, Facilities, and Salaries	\$	47,978
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PROGRAMS

Golden Apple - Advertising, Promotion, and Television Airtime		39,948
Classroom Grants - Printing and Donated Facilities		8,141
Collegium - Donated Facilities and Event Expenses		7,986
Take Stock in Children - Facilities, Event Expenses, and Advertising		41,198
C ³ College and Career - Printing and Donated Facilities		11,807
FutureMakers - Donated Facilities and Supplies		7,741
Student Advocacy & Mentoring - Donated Facilities		9,285
Education Resource Center - Donated Facilities and Supplies		61,261
Other Programs - Use of Facilities and Event Expenses		179
Total Programs		187,546
Total Contributed Goods, Services, and Use of Facilities	\$	235,524

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, 2022 were \$82,684.

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, 2022. Bank depository account balances at Edison National Bank totaled approximately \$1,877,145 at June 30, 2022. Bank depository account balances at FineMark Bank totaled approximately \$130,714 at June 30, 2022.

THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 CONCENTRATIONS

The Foundation received contributions and in-kind contributions of \$435,818 and \$168,385, respectively, for the year ended June 30, 2022, from board of directors or entities affiliated with board members.

NOTE 9 COVID-19

The World Health Organization has 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 2023 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, 2022

REVENUE	Golden Apple	Classroom Grants	Collegium
Contributions and Sponsors	\$ 3,000	\$ 199,062	\$ 41,266
Academy of Teachers	1,000	-	-
Access Homeless Fund	-	-	-
Allegretti Scholarships	-	-	-
Angela Mates Scholarship	-	-	-
Babatz Memorial Scholarship	-	-	-
Betty Smith Carriere Scholarship	-	-	-
Bonita Bay AAA Scholarship Fund	-	-	-
Dunbar High School Fund	-	-	-
Environmental Education	-	-	-
Fort Myers High School Fund	-	-	-
Shadow Wood Scholarship (OP)	-	-	-
Shevach Scholarship (OP)	-	-	-
Golden Apple Dinner	5,645	-	-
Golden Future Scholarship	15,127	-	-
Golden Apple Table Sponsors	77,250	-	-
Kids Tag Art	-	-	-
License Plate	-	10,917	-
Major Sponsors	105,000	-	-
Pandemic Relief Fund	-	-	-
Rotary Golf Fundraiser	-	-	-
Sanibel School	-	-	-
School Grants for Arts	-	2,373	-
State of Our Schools	-	-	-
State of Our Schools Breakfast	-	-	-
STAMP Scholarship	-	-	-
STEM Education	-	-	-
STEM Work	-	-	-
Jeff Sommer Scholarship Fund	-	-	-
S.O.S. Internship Program	-	-	-
S.O.S. Enrichment Program	-	-	-
Suncoast C.U. Scholarships	-	-	-
SWFL Theatrical Society	-	-	-
SWFL Workforce Scholarship	-	-	-
Take Stock in Children	-	-	-
Take Stock in Children Receptions	-	-	-
Take Stock in Children Florida Prepaid Credit	-	-	-
Vision 2020	-	-	-
Interest	-	-	-
In-Kind Income	39,948	8,141	7,986
	<u>39,948</u>	<u>8,141</u>	<u>7,986</u>
Total Revenue	<u>\$ 246,970</u>	<u>\$ 220,493</u>	<u>\$ 49,252</u>

THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
SCHEDULE OF ACTIVITY REVENUE (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Take Stock in Children	C ³ College and Career	Student Advocacy and Mentoring	Sanibel School
REVENUE (Continued)				
Contributions and Sponsors	\$ 118,401	\$ 121,370	\$ 75,399	\$ -
Academy of Teachers	-	-	-	-
Access Homeless Fund	-	-	-	-
Allegretti Scholarships	-	-	-	-
Angela Mates Scholarship	-	-	-	-
Babatz Memorial Scholarship	1,310	-	-	-
Betty Smith Carriere Scholarship	-	-	-	-
Bonita Bay AAA Scholarship Fund	-	-	-	-
Dunbar High School Fund	-	-	-	-
Environmental Education	-	-	-	-
Fort Myers High School Fund	-	-	-	-
Shadow Wood Scholarship (OP)	-	-	-	-
Shevach Scholarship (OP)	-	-	-	-
Golden Apple Dinner	-	-	-	-
Golden Future Scholarship	-	-	-	-
Golden Apple Table Sponsors	-	-	-	-
Kids Tag Art	-	-	-	-
License Plate	-	-	-	-
Major Sponsors	-	-	-	-
Pandemic Relief Fund	-	-	-	-
Rotary Golf Fundraiser	10,000	-	-	-
Sanibel School	-	-	-	212,666
School Grants for Arts	-	-	-	-
State of Our Schools	-	-	-	-
State of Our Schools Breakfast	-	-	-	-
STAMP Scholarship	-	-	9,000	-
STEM Education	-	46,500	-	-
STEM Work	-	5,000	-	-
Jeff Sommer Scholarship Fund	-	-	-	-
S.O.S. Internship Program	-	-	-	-
S.O.S. Enrichment Program	-	-	-	-
Suncoast C.U. Scholarships	-	-	-	-
SWFL Theatrical Society	-	-	-	-
SWFL Workforce Scholarship	-	-	-	-
Take Stock in Children	203,334	-	-	-
Take Stock in Children Receptions	2,500	-	-	-
Take Stock in Children Florida Prepaid Credit	171,847	-	-	-
Vision 2020	-	-	-	-
Interest	-	-	-	-
In-Kind Income	41,198	11,807	9,285	-
Total Revenue	\$ 548,590	\$ 184,677	\$ 93,684	\$ 212,666

THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
SCHEDULE OF ACTIVITY REVENUE (CONTINUED)
YEAR ENDED JUNE 30, 2022

REVENUE (Continued)	Bonita Springs High School	Education Resource Center	Future Makers	Southwest Florida Theatrical Society
Contributions and Sponsors	\$ -	\$ 26,993	\$ 57,500	\$ -
Academy of Teachers	-	-	-	-
Access Homeless Fund	-	-	-	-
Allegretti Scholarships	-	-	-	-
Angela Mates Scholarship	-	-	-	-
Babatz Memorial Scholarship	-	-	-	-
Betty Smith Carriere Scholarship	-	-	-	-
Bonita Bay AAA Scholarship Fund	60,320	-	-	-
Dunbar High School Fund	-	-	-	-
Environmental Education	-	-	-	-
Fort Myers High School Fund	-	-	-	-
Shadow Wood Scholarship (OP)	-	-	-	-
Shevach Scholarship (OP)	-	-	-	-
Golden Apple Dinner	-	-	-	-
Golden Future Scholarship	-	-	-	-
Golden Apple Table Sponsors	-	-	-	-
Kids Tag Art	-	-	-	-
License Plate	-	10,917	-	-
Major Sponsors	-	-	-	-
Pandemic Relief Fund	-	15,000	-	-
Rotary Golf Fundraiser	-	-	-	-
Sanibel School	-	-	-	-
School Grants for Arts	-	-	-	-
State of Our Schools	-	-	-	-
State of Our Schools Breakfast	-	-	-	-
STAMP Scholarship	-	-	-	-
STEM Education	-	-	-	-
STEM Work	-	-	-	-
Jeff Sommer Scholarship Fund	-	-	-	-
S.O.S. Internship Program	-	-	-	-
S.O.S. Enrichment Program	-	-	-	-
Suncoast C.U. Scholarships	-	-	-	-
SWFL Theatrical Society	-	-	-	13,853
SWFL Workforce Scholarship	-	-	-	-
Take Stock in Children	-	-	-	-
Take Stock in Children Receptions	-	-	-	-
Take Stock in Children Florida Prepaid Credit	-	-	-	-
Vision 2020	-	-	-	-
Interest	-	-	-	-
In-Kind Income	-	61,261	7,741	-
Total Revenue	\$ 60,320	\$ 114,171	\$ 65,241	\$ 13,853

THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
SCHEDULE OF ACTIVITY REVENUE (CONTINUED)
YEAR ENDED JUNE 30, 2022

REVENUE (Continued)	<u>Other Programs</u>	<u>Administration</u>	<u>Totals</u>
Contributions and Sponsors	\$ -	\$ 46,498	\$ 689,489
Academy of Teachers	-	-	1,000
Access Homeless Fund	5,575	-	5,575
Allegretti Scholarships	5,000	-	5,000
Angela Mates Scholarship	1,250	-	1,250
Babatz Memorial Scholarship	-	-	1,310
Betty Smith Carriere Scholarship	2,169	-	2,169
Bonita Bay AAA Scholarship Fund	-	-	60,320
Dunbar High School Fund	9,008	-	9,008
Environmental Education	11,874	-	11,874
Fort Myers High School Fund	(8,000)	-	(8,000)
Shadow Wood Scholarship (OP)	35,158	-	35,158
Shevach Scholarship (OP)	20,000	-	20,000
Golden Apple Dinner	-	-	5,645
Golden Future Scholarship	-	-	15,127
Golden Apple Table Sponsors	-	-	77,250
Kids Tag Art	22,542	-	22,542
License Plate	-	-	21,834
Major Sponsors	-	-	105,000
Pandemic Relief Fund	-	-	15,000
Rotary Golf Fundraiser	-	-	10,000
Sanibel School	-	-	212,666
School Grants for Arts	-	-	2,373
State of Our Schools	-	30,850	30,850
State of Our Schools Breakfast	-	6,000	6,000
STAMP Scholarship	-	-	9,000
STEM Education	-	-	46,500
STEM Work	-	-	5,000
Jeff Sommer Scholarship Fund	14,362	-	14,362
S.O.S. Internship Program	5,000	-	5,000
S.O.S. Enrichment Program	13,700	-	13,700
Suncoast C.U. Scholarships	10,000	-	10,000
SWFL Theatrical Society	-	-	13,853
SWFL Workforce Scholarship	6,000	-	6,000
Take Stock in Children	-	-	203,334
Take Stock in Children Receptions	-	-	2,500
Take Stock in Children Florida Prepaid Credit	-	-	171,847
Vision 2020	200	-	200
Interest	-	5,659	5,659
In-Kind Income	179	47,978	235,524
	<u>179</u>	<u>47,978</u>	<u>235,524</u>
Total Revenue	<u>\$ 154,017</u>	<u>\$ 136,985</u>	<u>\$ 2,100,919</u>

**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
SCHEDULE OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2022**

	<u>Golden Apple</u>	<u>Classroom Grants</u>	<u>Collegium</u>	<u>Take Stock in Children</u>
SUPPORT AND REVENUE	\$ 246,970	\$ 220,493	\$ 49,252	\$ 548,590
EXPENSES	(224,939)	(210,634)	(91,856)	(594,669)
TRANSFERS	<u>(56,000)</u>	<u>-</u>	<u>56,000</u>	<u>-</u>
CHANGE IN NET ASSETS	(33,969)	9,859	13,396	(46,079)
Net Assets - Beginning of Year	<u>67,736</u>	<u>251</u>	<u>8,433</u>	<u>2,484,047</u>
NET ASSETS - END OF YEAR	<u><u>\$ 33,767</u></u>	<u><u>\$ 10,110</u></u>	<u><u>\$ 21,829</u></u>	<u><u>\$ 2,437,968</u></u>

**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
SCHEDULE OF CHANGES IN NET ASSETS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	<u>C³ College and Career</u>	<u>Student Advocacy and Mentoring</u>	<u>Sanibel School</u>	<u>Bonita Springs High School</u>
SUPPORT AND REVENUE	\$ 184,677	\$ 93,684	\$ 212,666	\$ 60,320
EXPENSES	(96,861)	(73,308)	(158,981)	(7,146)
TRANSFERS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS	87,816	20,376	53,685	53,174
Net Assets - Beginning of Year	<u>177,059</u>	<u>167,263</u>	<u>151,155</u>	<u>183,376</u>
NET ASSETS - END OF YEAR	<u><u>\$ 264,875</u></u>	<u><u>\$ 187,639</u></u>	<u><u>\$ 204,840</u></u>	<u><u>\$ 236,550</u></u>

**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
SCHEDULE OF CHANGES IN NET ASSETS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Education Resource Center	Future Makers	Southwest Florida Theatrical Society	Other Programs
SUPPORT AND REVENUE	\$ 114,171	\$ 65,241	\$ 13,853	\$ 154,017
EXPENSES	(108,277)	(58,842)	(8,463)	(130,295)
TRANSFERS	-	-	-	-
CHANGE IN NET ASSETS	5,894	6,399	5,390	23,722
Net Assets - Beginning of Year	15,907	148,565	-	460,992
NET ASSETS - END OF YEAR	<u>\$ 21,801</u>	<u>\$ 154,964</u>	<u>\$ 5,390</u>	<u>\$ 484,714</u>

**THE FOUNDATION FOR LEE COUNTY PUBLIC SCHOOLS, INC.
SCHEDULE OF CHANGES IN NET ASSETS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	<u>Administration</u>	<u>Furnishings and Equipment</u>	<u>Totals</u>
SUPPORT AND REVENUE	\$ 136,985	\$ -	\$ 2,100,919
EXPENSES	(187,449)	(644)	(1,952,364)
TRANSFERS	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS	(50,464)	(644)	148,555
Net Assets - Beginning of Year	<u>176,279</u>	<u>5,102</u>	<u>4,046,165</u>
NET ASSETS - END OF YEAR	<u>\$ 125,815</u>	<u>\$ 4,458</u>	<u>\$ 4,194,720</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) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 16, 2022.

Report on 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) 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 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 identified a certain deficiency in internal control, as described below, that we consider to be a material weakness. This material weakness was identified and communicated in a prior period.

2022-001 Annual Financial Reporting Under 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 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.

Report on 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 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 that are required to be reported under *Government Auditing Standards*.

The Foundation's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Foundation's response to the findings identified in our audit and described above. The Foundation's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Fort Myers, Florida
August 16, 2022

**2021-2022 Officers and
Executive Committee**

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Michael Wukitch
Vice Chair

Kyle DeCicco
Treasurer

Deana Hornil
Secretary

Harlan C. Parish
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E. Bruce Skayham*
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Gary V. Trippel*

*Past Board Chairman

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.

A COPY OF THE OFFICIAL REGISTRATION AND FINANCIAL INFORMATION MAY BE OBTAINED FROM THE DIVISION OF CONSUMER SERVICES, BY CALLING TOLL-FREE 1-800-435-7352 WITHIN THE STATE. REGISTRATION DOES NOT IMPLY ENDORSEMENT, APPROVAL OR RECOMMENDATION BY THE STATE.



August 2, 2022

Amy C. Cooper, CPA
Principal, Nonprofit
CliftonLarsonAllen LLP
4501 Tamiami 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, 2022.

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

We look forward to receiving the finalized audit and want to thank you once again for your services.

Sincerely,

Marshall T. Bower, Esq.
President & CEO

MTB:aa

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