

THE CONSORTIUM OF FLORIDA EDUCATION FOUNDATIONS, INC.
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JUNE 30, 2019 AND 2018

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INDEPENDENT AUDITORS' REPORT

Board of Directors,
The Consortium of Florida Education Foundations, Inc.:

We have audited the accompanying financial statements of The Consortium of Florida Education Foundations, Inc. (the Consortium), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, cash flows, and functional expenses for the years 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 audits. We conducted our audits 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 Consortium as of June 30, 2019 and 2018, 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 Matters

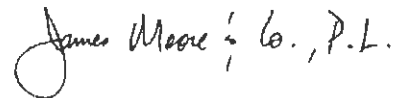
Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Consortium taken as a whole. The accompanying Schedule of Expenditures of State Financial Assistance, is presented for the purpose of additional analysis as required by Chapter 10.650, *State of Florida Rules of the Auditor General*, and is not a required part of the basic 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 records used to prepare the financial statements or 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 Schedule of Expenditures of State Financial Assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

The financial statements of the Consortium for the year ended June 30, 2018, were audited by another auditor who expressed an unmodified opinion on those statements on November 13, 2018.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2019, on our consideration of The Consortium of Florida Education Foundations, Inc. 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 Consortium of Florida Education Foundations, Inc.' internal control over financial reporting and compliance.

James Moore & Co., P.L.

Gainesville, Florida
October 18, 2019

THE CONSORTIUM OF FLORIDA EDUCATION FOUNDATIONS, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

	2019	2018
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 351,130	\$ 352,081
Certificates of deposit	308,635	309,144
Receivables	6,150	3,852
Prepaid Expenses	220	220
Total current assets	666,135	665,297
Noncurrent assets		
Office equipment, net of accumulated depreciation	699	311
Total Assets	\$ 666,834	\$ 665,608
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 32,671	\$ 39,980
Deferred revenue	150,930	215,959
Total current liabilities	183,601	255,939
Net Assets		
Without donor restrictions		
Operating	169,053	100,489
Board designated	314,180	309,180
Total net assets	483,233	409,669
Total Liabilities and Net Assets	\$ 666,834	\$ 665,608

The accompanying notes to financial statements
are an integral part of these statements.

THE CONSORTIUM OF FLORIDA EDUCATION FOUNDATIONS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
Net assets without donor restrictions		
Public support and revenue		
Public support		
State grant	\$ 4,000,000	\$ 4,000,000
Private grants	722,927	621,649
Membership dues	73,800	74,550
Membership fees	14,300	9,800
Contributions	293,716	236,967
Total public support	5,104,743	4,942,966
Other revenue		
Interest income	7,042	4,861
License tag marketing assessment	69,672	-
Other	11,589	9,025
Total other revenue	88,303	13,886
Total public support and revenue	5,193,046	4,956,852
Expenses		
Program services	4,913,817	4,805,271
Management and general	126,777	100,920
Fundraising	78,888	68,207
Total expenses	5,119,482	4,974,398
Change in net assets without donor restrictions	73,564	(17,546)
Net assets, beginning of year	409,669	427,215
Net assets, end of year	\$ 483,233	\$ 409,669

The accompanying notes to financial statements
are an integral part of these statements.

THE CONSORTIUM OF FLORIDA EDUCATION FOUNDATIONS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Expenses				
Grants to local education foundations	\$ 4,507,085	\$ -	\$ -	\$ 4,507,085
Salaries and benefits	216,750	27,094	27,094	270,938
Contract services	-	32,792	32,792	65,584
Membership meetings	43,563	-	-	43,563
Travel	5,331	-	-	5,331
Accounting fees	-	16,567	-	16,567
Insurance	-	2,725	-	2,725
Repairs and maintenance	6,277	785	785	7,847
Awards	3,591	-	-	3,591
Website	14,106	-	-	14,106
Office expenses	2,073	259	259	2,591
Rent	8,512	1,064	1,064	10,640
Telephone	2,012	252	251	2,515
Printing and reproduction	3,902	488	488	4,878
Marketing	64,621	-	16,155	80,776
Depreciation	595	66	-	661
Professional development	6,530	344	-	6,874
Professional fees	-	43,902	-	43,902
Consulting	27,115	-	-	27,115
Postage	1,754	439	-	2,193
Total expenses	<u>\$ 4,913,817</u>	<u>\$ 126,777</u>	<u>\$ 78,888</u>	<u>\$ 5,119,482</u>

The accompanying notes to the financial statements
are an integral part of this statement.

THE CONSORTIUM OF FLORIDA EDUCATION FOUNDATIONS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Expenses				
Grants to local education foundations	\$ 4,419,307	\$ -	\$ -	\$ 4,419,307
Salaries and benefits	218,710	27,339	27,339	273,388
Contract services	-	32,400	32,400	64,800
Membership meetings	40,504	-	-	40,504
Travel	12,107	-	-	12,107
Accounting fees	-	15,421	-	15,421
Insurance	-	2,637	-	2,637
Repairs and maintenance	6,315	790	790	7,895
Awards	3,716	-	-	3,716
Website	7,926	-	-	7,926
Office expenses	2,242	281	281	2,804
Rent	7,680	960	960	9,600
Telephone	2,082	260	260	2,602
Printing and reproduction	3,947	494	494	4,935
Marketing	22,725	-	5,683	28,408
Depreciation	468	52	-	520
Professional development	6,353	334	-	6,687
Professional fees	-	19,676	-	19,676
Consulting	50,088	-	-	50,088
Postage	1,101	276	-	1,377
Total expenses	<u>\$ 4,805,271</u>	<u>\$ 100,920</u>	<u>\$ 68,207</u>	<u>\$ 4,974,398</u>

The accompanying notes to the financial statements
are an integral part of this statement.

THE CONSORTIUM OF FLORIDA EDUCATION FOUNDATIONS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
Cash flows from operating activities		
Change in net assets	\$ 73,564	\$ (17,546)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	661	520
Receivables	(2,298)	(3,852)
Accounts payable and deferred revenue	(72,338)	55,145
Total adjustments	(73,975)	51,813
Net cash provided by (used in) operating activities	(411)	34,267
Cash flows from investing activities		
Cash proceeds received from matured certificates of deposit	105,715	-
Purchase of certificates of deposit	(105,206)	(104,271)
Purchase of office equipment	(1,049)	-
Net cash used in investing activities	(540)	(104,271)
Net increase (decrease) in cash and cash equivalents	(951)	(70,004)
Cash and cash equivalents, beginning of year	352,081	422,085
Cash and cash equivalents, end of year	\$ 351,130	\$ 352,081

The accompanying notes to financial statements
are an integral part of these statements.

THE CONSORTIUM OF FLORIDA EDUCATION FOUNDATIONS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

(1) **Summary of Significant Accounting Policies:**

The following is a summary of the significant accounting policies and practices of The Consortium of Florida Education Foundations, Inc. (the Consortium), which affect the accompanying financial statements:

(a) **Nature of operations**—The Consortium was incorporated in March 2001 to support the development of local education foundations aligned with Florida’s 67 county-wide school districts and their efforts to enhance public education at the community level. The Consortium acts as a conduit for public and private sector grant support on a statewide, regional or programs-specific basis, matching the goals and interests of the funders with opportunities to have a direct impact for students, teachers and schools. The main programs of the Consortium are as follows:

School District Education Foundation Matching Grant Program: The Consortium manages a statewide program leveraging funds appropriated by the Florida Legislature as a 1:1 match for private funds raised for eligible initiatives in six areas: Literacy, Support for Low Performing Students, STEM Education, Career/Technical Education, Teaching Quality and Increasing Graduation Rates.

STEM Education & Career Pathways: The Consortium facilitates grants from several corporate foundations for local projects that engage students in hands-on, real world learning activities that connect math and science curriculum and career/technical education programs to the workplace and career pathways.

Teacher Leadership & Instructional Impact: The Consortium encourages development of peer-to-peer learning for teachers and alignment of school district curriculum and resources with support from the other foundations and private companies.

College Readiness & Scholarships: The Consortium facilitates support for underserved students to be successful in post-secondary education and earn college scholarships through partnerships with other organizations.

Basic Classroom, Teacher & Student Needs: Through an annual customer-giving campaign with Ainscot Financial, the Consortium facilitates funding for student school supplies, hygiene items and other basic needs to eliminate barriers to learning. The Consortium also has developed systems to respond to immediate needs caused by hurricanes and other events that disrupt the school year, facilitating support in recent years from support from other foundations and private companies.

(b) **Basis of accounting**—The Consortium follows the provisions of the Financial Accounting Standards Board of Accounting Standards Codification (“FASB ASC”) and the standards of financial reporting for not-for-profit organizations as described in the American Institute of Certified Public Accountants’ *Industry Guide for Not-for-Profit Organizations*. Accordingly, the financial statements are prepared on an accrual basis of accounting. The financial statements of the Consortium are the representation of management and include estimates of amounts and judgments it believes are reasonable under the circumstances.

(c) **Basis of presentation**—Net assets of the Consortium and changes therein are classified and reported as follows:

Net assets without donor restrictions—Net assets that are not subject to donor-imposed stipulations.

THE CONSORTIUM OF FLORIDA EDUCATION FOUNDATIONS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

(1) **Summary of Significant Accounting Policies:** (Continued)

Net assets with donor restrictions—Net assets subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that will be met either by actions of the Consortium and/or passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by laws. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions. The Consortium implemented ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, during 2019.

(d) **Cash and cash equivalents**—Cash equivalents consist of highly liquid short-term money market instruments with a maturity of three months or less when purchased and approximated \$99,000 and \$92,000 for the years ended June 30, 2019 and 2018, respectively.

(e) **Certificates of deposit**—Investments in certificates of deposit with original maturities of greater than three months are recorded at cost, which represents purchases of certificates of deposit plus accrued interest. Investment income is included in the statement of activities. The maturity dates as of June 30, 2019 range from September 2019 to December 2019. Subsequent to year end, the certificates that matured in September were rolled into new 12 and 18 month certificates.

(f) **Accounts receivable**—The Consortium considers all receivables to be fully collectible at June 30, 2019 and 2018. Therefore, no provision for uncollectible amounts has been made in the accompanying financial statements.

(g) **Fixed assets**—Equipment and software are stated at cost or fair value at the date of donation. Depreciation and amortization is calculated using the straight-line method over an estimated useful life of three to five years. The Consortium capitalizes asset acquisitions over \$1,000.

(h) **Income taxes**—Income taxes are not provided for in the financial statements since the Consortium is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions. Management is not aware of any activities that would jeopardize the Consortium's tax exempt status. The Consortium is not aware of any tax positions it has taken that are subject to a significant degree of uncertainty. Tax years for the past three years remain subject to examination by taxing authorities.

(i) **Concentrations of credit risk**—Financial instruments that potentially subject the Consortium to concentrations of credit risk consist principally of cash and money market accounts.

(j) **Use of estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make various estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

(k) **Functional allocation of expenses**—The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

THE CONSORTIUM OF FLORIDA EDUCATION FOUNDATIONS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

(1) **Summary of Significant Accounting Policies:** (Continued)

(l) **Advertising**—Advertising costs are charged to operations as incurred. Advertising costs for the year ended June 30, 2019 were \$80,776.

(m) **Subsequent events**—The Consortium has evaluated events and transactions for potential recognition or disclosure in the financial statements through October 18, 2019, the date the financial statements were available to be issued. See note 1e for disclosure of subsequent event related to certificates of deposit.

(n) **Recent accounting pronouncements**—The FASB and other entities issued new or modifications to, or interpretations of, existing accounting guidance during 2019 and 2018. The Consortium has considered the new pronouncements that altered accounting principles generally accepted in the United States of America, and other than as disclosed in the notes to the financial statements, does not believe that any other new or modified principles will have a material impact on the Consortium's reported financial position or operations in the near term.

In May 2014, the FASB issued Accounting Standards Update 2014-09: *Revenue from Contracts with Customers*, to clarify the principles used to recognize revenue for all entities. The new standard (as amended) is effective for fiscal years beginning after December 15, 2018 and may be adopted early. The Consortium is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

In February 2016, the FASB issued Accounting Standards Update 2016-02: *Leases (Topic 842)*, to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the consolidated statement of financial position and disclosing key information about leasing arrangements. The new standard is effective for fiscal years beginning after December 15, 2019, and may be adopted early. The Consortium is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

In June 2018, the FASB issued Accounting Standards Update 2018-08: *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, to clarify whether a transaction should be considered a contribution or an exchange transaction and to determine whether a contribution is conditional. The new standard is effective for fiscal years beginning after December 15, 2018 and may be adopted earlier. The Consortium is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

(2) **Liquidity and Availability:**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Financial assets available within one year, at year end	
Cash and cash equivalents	\$ 351,130
Certificates of deposit	308,635
Less those unavailable for general expenditures within one year, due to:	
Board designated	(314,180)
Additional available assets for use over the next 12 months - not designated by donor or board restrictions	<u>\$ 345,585</u>

THE CONSORTIUM OF FLORIDA EDUCATION FOUNDATIONS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

(2) **Liquidity and Availability:** (Continued)

The Consortium has funds that the board designated. Board designated funds consists of amounts allocated for future working capital needs. \$10,000 is included in the \$314,180 at June 30, 2019 for the Consortium's Find it and Fund it Teachers Grant Portal. As these amounts are already designated for expenses, these are removed from assets available for general expenditures.

As shown in the table above, the Consortium has adequate financial assets available to meet unexpected liquidity needs. Although board designated funds are set aside for a particular purpose, these amounts could be made available if necessary.

(3) **Concentrations and Contingencies:**

The Consortium is the recipient of various grants which restrict the use of funds granted exclusively for the purposes and in the manner indicated in the grant application.

The Consortium disbursed \$4,507,085 and \$4,419,307, in grant funds to local Florida education foundations during the years ended June 30, 2019 and 2018, respectively. This included a grant from the Florida Department of Education of \$4,000,000 and \$4,000,000 for years ended June 30, 2019 and 2018, respectively. The funds were appropriated as specified in the 2018 and 2017 General Appropriations Acts as challenge grants to public school district education foundations for low performing students. The amount of each grant shall be equal to the private contribution made to a qualifying public school district education foundation. Before any funds are released to any public school district education foundation, the public school district foundation must certify to the Commissioner of Education that private cash has actually been received by the public school district education foundation seeking state matching funds.

The 2018 and 2017 General Appropriations Act dictates The Consortium of Florida Education Foundations, Inc. shall be the fiscal agent for this program. The Consortium is allowed administrative costs not to exceed 5%.

Approximately 77% and 81% of the Consortium's funding was provided by the State of Florida during the fiscal years ended June 30, 2019 and 2018, respectively.

(4) **Fixed Assets:**

Fixed assets consist of the following at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Software	\$ 45,800	\$ 45,800
Computer Equipment	16,610	23,813
	62,410	69,613
Less: Accumulated depreciation	<u>(61,711)</u>	<u>(69,302)</u>
	<u>\$ 699</u>	<u>\$ 311</u>

For the years ended June 30, 2019 and 2018, depreciation expense was \$661 and \$520.

THE CONSORTIUM OF FLORIDA EDUCATION FOUNDATIONS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

(5) **Retirement Plan:**

The Consortium has a defined contribution retirement plan covering all of its eligible staff members. Contributions to the plan are determined annually by the Consortium's Board of Directors and are based on the participant's annual compensation.

The Consortium contributed \$11,350 and \$9,155 to the plan for each of the years ended June 30, 2019 and 2018, respectively.

(6) **Related Party Transaction:**

The Consortium's Board of Directors is comprised of executives from education foundations throughout the state of Florida. These executives generally received compensation from their respective foundation.

Each of these foundations can and does receive grant funds from the Consortium through the grant request process. These transactions were consummated on terms no less favorable than would have been obtained from an unrelated party.

THE CONSORTIUM OF FLORIDA EDUCATION FOUNDATIONS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2019

Federal / State Agency / Pass-Through Grantor Program Title	CFDA/ CSFA Number	Contract Grant Identification Number	Expenditures
STATE AGENCY			
<u>State of Florida Department of Education</u>			
School District Education Foundation Matching Grants	48.061	298-93990-9D001	\$ 4,000,000
Total State of Florida Department of Education			\$ 4,000,000
TOTAL STATE FINANCIAL ASSISTANCE			\$ 4,000,000

THE CONSORTIUM OF FLORIDA EDUCATION FOUNDATIONS, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS
AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2019 AND 2018

(1) **Basis of Presentation:**

The accompanying Schedule of Expenditures of State Financial includes the State grant activity of The Consortium of Florida Education Foundations, Inc. (Consortium) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Chapter 10.650, Rules of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts presented, or used in the preparation of the basic financial statements.

(2) **Contingencies:**

These State projects are subject to financial and compliance audits by grantor agencies which, if instances of material noncompliance are found, may result in disallowed expenditures and affect the Consortium's continued participation in specific projects. The amount of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the Consortium expects such amounts, if any to be immaterial.

(3) **Subrecipients:**

The Consortium provided State awards of \$3,800,000 to subrecipients.

**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***

To the Board of Directors,
The Consortium of Florida Education Foundations, 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 contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of The Consortium of Florida Education Foundations, Inc. (the "Consortium"), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 18, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Consortium'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Consortium's internal control. Accordingly, we do not express an opinion on the effectiveness of the Consortium'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 Consortium'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.

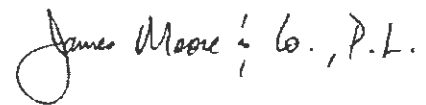
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 the Consortium'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 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Coalition'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 Consortium of Florida Education Foundations, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Gainesville, Florida
October 18, 2019

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH CHAPTER 10.650,
RULES OF THE STATE OF FLORIDA, OFFICE OF THE AUDITOR GENERAL**

To the Board of Directors,
The Consortium of Florida Education Foundations, Inc.:

Report on Compliance for Each Major State Project

We have audited The Consortium of Florida Education Foundations, Inc.'s (the Consortium) compliance with the types of compliance requirements described in the Florida Department of Financial Services' State Projects *Compliance Supplement* that could have a direct and material effect on each of the Consortium's major state projects for the year ended June 30, 2019. The Consortium's major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its awards applicable to its state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Consortium's major state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Chapter 10.650, Rules of the State of Florida, Office of the Auditor General. Those standards, Chapter 10.650, Rules of the State Florida, Office of the Auditor General require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on a test basis, evidence about the Consortium's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major state project. However, our audit does not provide a legal determination of the Consortium's compliance.

Opinion on Each Major State Project

In our opinion, the Consortium complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state project for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of The Consortium of Florida Education Foundations, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Consortium's internal control over compliance with the types of requirements that could have a direct and material effect on each major state project as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state project and to test and report on internal control over compliance in accordance with Chapter 10.650, Rules of the State of Florida and Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Consortium's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance, Chapter 10.650 and Rules of the State of Florida Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

James Moore & Co., P.L.

Daytona Beach, Florida
October 18, 2019

**THE CONSORTIUM OF FLORIDA EDUCATION FOUNDATIONS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

I. Summary of Auditors' Results:

Financial Statements:

Type of audit report issued on the financial statements: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiencies identified? yes none reported

Noncompliance material to financial statements noted? yes no

State Financial Assistance:

Internal control over major State projects:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported

Types of auditor's report issued on compliance for major State projects: *Unmodified*

Any audit findings disclosed that are required to be reported related to state financial assistance projects? yes no

Identification of major projects

<u>State Project Program</u>	<u>State CSFA Number</u>
School District Matching Grant	48.061
Dollar threshold used to distinguish between type A and type B State programs:	\$ 300,000

II. Financial Statement Findings: None

III. State Project Findings and Questioned Costs: None

IV. Prior Year Audit Findings: None