

THE CONSORTIUM OF FLORIDA EDUCATION FOUNDATIONS, INC.
TABLE OF CONTENTS
JUNE 30, 2023 AND 2022

	<u>Page(s)</u>
Independent Auditors' Report	1 – 3
Financial Statements	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	6 – 7
Statements of Cash Flows	8
Notes to Financial Statements	9 – 14
Supplementary Information	
Schedule of Expenditures of Federal Awards and State Financial Assistance	15
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	16
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 <i>Government Auditing Standards</i>	17 – 18
Independent Auditors' Report on Compliance For Each Major Federal Program and State Project and Report on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.650, Rules of the Auditor General	19 – 21
Schedule of Findings and Questioned Costs	22 – 24
Management's Response to Findings	25



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Consortium of Florida Education Foundations, Inc. (the Consortium), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Consortium as of June 30, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits 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 Consortium and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Consortium's ability to continue as a going concern for one year after the date that the financial statements are 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 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, 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 Consortium'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 Consortium's ability to continue as a going concern for a reasonable period of time.

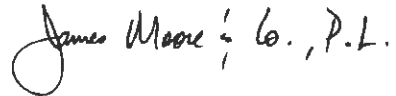
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for the purpose of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Section 215.97, Florida Statutes, 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 and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and State Financial Assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023, on our consideration of the Consortium'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 the effectiveness of the Consortium'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 Consortium's internal control over financial reporting and compliance.

James Moore & Co., P.L.

Gainesville, Florida
December 21, 2023

THE CONSORTIUM OF FLORIDA EDUCATION FOUNDATIONS, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

	2023	2022
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 325,852	\$ 359,776
Certificates of deposit	421,437	416,563
Grant receivables	640,408	8,500
Prepaid expenses	46,295	220
Total current assets	1,433,992	785,059
Noncurrent assets		
Fixed assets, net of accumulated depreciation	19,415	18,498
Total Assets	\$ 1,453,407	\$ 803,557
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 537,614	\$ 12,878
Refundable advances	260,623	175,000
Total current liabilities	798,237	187,878
Total Liabilities	798,237	187,878
Net Assets		
Without donor restrictions		
Operating	235,170	245,679
Board designated (see Note 2)	420,000	370,000
Total net assets	655,170	615,679
Total Liabilities and Net Assets	\$ 1,453,407	\$ 803,557

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

THE CONSORTIUM OF FLORIDA EDUCATION FOUNDATIONS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
Public support and revenue		
Public support		
Federal grant	\$ 1,059,753	\$ -
State grant	6,000,000	6,000,000
Private grants	1,597,382	785,250
Membership dues and fees	89,500	93,950
Registration fees	11,966	11,199
Contributions	302,121	287,052
Total public support	9,060,722	7,177,451
Other revenue		
Interest income	6,427	2,553
Total other revenue	6,427	2,553
Total public support and revenue	9,067,149	7,180,004
Expenses		
Program services	8,805,279	6,964,811
Management and general	133,951	132,065
Fundraising	88,428	85,164
Total expenses	9,027,658	7,182,040
Change in net assets without donor restrictions	39,491	(2,036)
Net assets, beginning of year	615,679	617,715
Net assets, end of year	\$ 655,170	\$ 615,679

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, 2023

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Expenses				
Grants to local education foundations	\$ 8,250,962	\$ -	\$ -	\$ 8,250,962
Salaries and benefits	354,029	44,253	44,253	442,535
Contract services	-	38,178	38,178	76,356
Membership meetings	58,995	-	-	58,995
Travel	21,487	-	-	21,487
Accounting fees	-	22,387	-	22,387
Insurance	-	4,412	-	4,412
Repairs and maintenance	2,981	372	372	3,725
Awards	3,896	-	-	3,896
Website	33,136	-	-	33,136
Office	7,392	924	924	9,240
Rent	9,280	1,160	1,160	11,600
Telephone	3,031	379	379	3,789
Printing and reproduction	9,373	1,171	1,171	11,715
Marketing	7,962	-	1,991	9,953
Depreciation	4,701	522	-	5,223
Professional development	12,286	647	-	12,933
Professional fees	-	19,246	-	19,246
Consulting	24,567	-	-	24,567
Postage	1,201	300	-	1,501
Total expenses	<u>\$ 8,805,279</u>	<u>\$ 133,951</u>	<u>\$ 88,428</u>	<u>\$ 9,027,658</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, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Expenses				
Grants to local education foundations	\$ 6,478,912	\$ -	\$ -	\$ 6,478,912
Salaries and benefits	299,454	37,432	37,432	374,318
Contract services	-	38,088	38,088	76,176
Membership meetings	51,364	-	-	51,364
Travel	13,823	-	-	13,823
Accounting fees	-	20,120	-	20,120
Insurance	-	3,816	-	3,816
Repairs and maintenance	4,195	525	524	5,244
Awards	4,298	-	-	4,298
Website	22,195	-	-	22,195
Office	4,241	530	530	5,301
Rent	8,640	1,080	1,080	10,800
Telephone	3,162	396	395	3,953
Printing and reproduction	7,732	967	966	9,665
Marketing	6,596	-	6,149	12,745
Depreciation	3,577	397	-	3,974
Professional development	35,816	1,885	-	37,701
Professional fees	-	26,128	-	26,128
Consulting	18,000	-	-	18,000
Postage	2,806	701	-	3,507
Total expenses	<u>\$ 6,964,811</u>	<u>\$ 132,065</u>	<u>\$ 85,164</u>	<u>\$ 7,182,040</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, 2023 AND 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	\$ 39,491	\$ (2,036)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	5,223	3,974
Grant receivables	(631,908)	(8,500)
Refundable advance	85,623	(372,750)
Accounts payable and accrued expenses	524,736	(25,779)
Prepaid expenses	(46,075)	-
Total adjustments	(62,401)	(403,055)
Net cash provided by (used in) operating activities	(22,910)	(405,091)
Cash flows from investing activities		
Cash proceeds received from interest earned on certificates of deposit	4,758	1,940
Purchase of certificates of deposit	(9,632)	(4,327)
Purchase of office equipment	(6,140)	(3,594)
Net cash used in investing activities	(11,014)	(5,981)
Change in cash and cash equivalents	(33,924)	(411,072)
Cash and cash equivalents, beginning of year	359,776	770,848
Cash and cash equivalents, end of year	\$ 325,852	\$ 359,776

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, 2023 AND 2022

(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 Amscot 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.

Resiliency Through the Community: The Consortium elevates awareness and usage of the Florida Department of Education standards focused on student resiliency and character education by Florida schools and community partners on an ongoing basis by contracting with education foundations in county-wide school districts for delivery of resiliency-focused local programs and purchase of aligned materials and resources.

(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.

THE CONSORTIUM OF FLORIDA EDUCATION FOUNDATIONS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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

(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.

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 has no net assets with donor restrictions at June 30, 2023 and 2022, and all support and revenue is considered without donor restriction for the years ended June 30, 2023 and 2022. The Consortium's policy is to record restricted contributions as support without donor restrictions when the restrictions are met during the same period. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Conditional gifts received prior to the satisfaction of conditions are recorded as refundable advances.

(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 \$46,000 and \$96,000 for the years ended June 30, 2023 and 2022, 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, 2023 range from September 2023 to October 2024. Subsequent to year end, the certificate that matured in September was rolled into a new 18-month certificate, with maturity date in March 2025.

(f) **Fixed assets**—Office 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.

(g) **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.

THE CONSORTIUM OF FLORIDA EDUCATION FOUNDATIONS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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

(h) **Concentrations of credit risk**—Financial instruments that potentially subject the Consortium to concentrations of credit risk consist principally of cash and cash equivalents and certificates of deposit. The Consortium maintains its cash and cash equivalents and certificates of deposit in various bank accounts that, at times, may exceed federally insured limits. The Consortium's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Consortium has not experienced, nor does it anticipate, any losses with respect to such accounts.

(i) **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.

(j) **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.

(k) **Advertising**—Advertising costs are charged to operations as incurred. Advertising costs for the year ended June 30, 2023 and 2022 were \$9,953 and \$12,745, respectively.

(l) **Deferred revenue**—The Consortium receives certain private grants for which the grantors retain the right of return on advanced grant funds that have not yet been utilized for their intended purpose. Accordingly, such grants are recorded as deferred revenue, and recognized as revenue as the funds are being spent. The Consortium also receives membership fees from the local education foundations at the end of the fiscal year for the membership term that covers the following fiscal year. Therefore, such fees are also recorded as deferred revenue and recognized as revenue over the membership period, as this is the period of time the Consortium has a performance obligation to members.

(m) **Revenue recognition**—Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right to return, are not recognized until the conditions on which they depend have been substantially met. As of June 30, 2023, there have been no contributions that have not been recognized in the accompanying statements of activities.

A portion of the Consortiums revenue is derived from cost-reimbursable federal and state grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as without donor restrictions grant revenue when the Consortium has met performance requirements and incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures or meeting other conditional performance requirement barriers are reported as with donor restrictions refundable advances in the statement of financial position. No refundable advances have been received under federal and state grants during the year.

THE CONSORTIUM OF FLORIDA EDUCATION FOUNDATIONS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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

(n) **Subsequent events**—The Consortium has evaluated events and transactions for potential recognition or disclosure in the financial statements through December 21, 2023, the date the financial statements were available to be issued. See note 1e for disclosure of subsequent event related to certificates of deposit.

(o) **Recent accounting pronouncements**—The FASB and other entities issued new or modifications to, or interpretations of, existing accounting guidance during 2023 and 2022. 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 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 statement of financial position and disclosing key information about leasing arrangements. The new standard is effective for fiscal years beginning after December 15, 2021, and may be adopted early. The Consortium evaluated the effect of implementation of the new standard and noted it had no material effect 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:

	2023	2022
Financial assets available within one year, at year end:		
Cash and cash equivalents	\$ 325,852	\$ 359,776
Accounts receivable	640,408	8,500
Certificates of deposit	421,437	416,563
Less those unavailable for general expenditures within one year, due to:		
Board designated	(420,000)	(370,000)
Assets available for use over the next 12 months – not designated by donor or board restrictions	\$ 967,697	\$ 414,839

The Consortium has funds that the board has designated in accordance with the organization’s operating reserve policy. These funds are intended to provide working capital to meet the organization’s operation needs for one year on a reduced level in the event there is a disruption in the organization’s major funding sources.

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.

THE CONSORTIUM OF FLORIDA EDUCATION FOUNDATIONS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

(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 expensed \$8,250,962 and \$6,478,912, in grant funds to local Florida education foundations during the years ended June 30, 2023 and 2022, respectively. This included a grant from the Florida Department of Education of \$6,000,000 for years ended June 30, 2023 and 2022. The funds were appropriated as specified in the 2022 and 2021 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 2022 and 2021 General Appropriations Act dictates the Consortium shall be the fiscal agent for this program. The Consortium is allowed administrative costs not to exceed 5%.

Approximately 66% and 84% of the Consortium's funding was provided by the State of Florida during the fiscal years ended June 30, 2023 and 2022, respectively.

In December 2022, the Consortium was awarded a federal grant of \$21.3 million through the Department of Education. The funds shall be put into use to promote awareness and usage of FDOE-developed resiliency resources and to support the increased involvement of parents/caregivers and community partners in Florida school districts. The Consortium will be responsible to elevate awareness and usage of the FDOE Resiliency Toolkit by Florida schools and community partners on an ongoing basis through September 2024 by contracting with education foundations in county-wide school districts for delivery of resiliency-focused local programs and purchase of approved and aligned materials and resources.

Approximately 12% of the Consortium's funding was provided by the Federal Department of Education during the fiscal year ended June 30, 2023.

(4) Fixed Assets:

Fixed assets consist of the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Software	\$ 42,270	\$ 67,270
Computer equipment	20,811	14,671
	63,081	81,941
Less: Accumulated depreciation and amortization	(43,666)	(63,443)
	<u>\$ 19,415</u>	<u>\$ 18,498</u>

For the years ended June 30, 2023 and 2022, depreciation and amortization expense was \$5,223 and \$3,974, respectively.

THE CONSORTIUM OF FLORIDA EDUCATION FOUNDATIONS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

(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 \$13,615 and \$12,530 to the plan for each of the years ended June 30, 2023 and 2022, respectively.

(6) **Related Party Transaction:**

The Consortium's Board of Directors is comprised of executives from local 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, INC.
SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2023

State Agency / Pass-Through Grantor Program Title	ALN or CSFA Number	Contract Grant Identification Number	Expenditures	Amount Provided to Subrecipients
FEDERAL AWARDS				
<u>U.S. Department of Education</u>				
Passed through State of Florida Department of Education: American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	298-1211W-3CR01	\$ 1,059,753	\$ -
Total State of Florida Department of Education			<u>1,059,753</u>	<u>-</u>
TOTAL FEDERAL AWARDS			<u>\$ 1,059,753</u>	<u>\$ -</u>
STATE AGENCY				
<u>State of Florida Department of Education</u>				
School District Education Foundation Matching Grants	48.061	298-93990-1D001	\$ 6,000,000	\$ 5,700,000
Total State of Florida Department of Education			<u>6,000,000</u>	<u>5,700,000</u>
TOTAL STATE FINANCIAL ASSISTANCE			<u>\$ 6,000,000</u>	<u>\$ 5,700,000</u>

- See notes to the schedule of expenditures of federal awards and state financial assistance -

THE CONSORTIUM OF FLORIDA EDUCATION FOUNDATIONS, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2023 AND 2022

(1) **Basis of Presentation:**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes the grant activity of The Consortium of Florida Education Foundations, Inc. (the Consortium) for both federal awards and state projects and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance and requirements as per 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 Federal Awards and 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) **De Minimis Indirect Cost Rate Election:**

The Consortium does not elect to use the 10% de minimis indirect cost as covered in in §200.414, *Indirect (F&A) costs*, of the Uniform Guidance.



**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, 2023, 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 December 21, 2023.

Report on 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) 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

Report on 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 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*.

Consortium's Response to Finding

The Consortium's response to the finding identified in our audit is described in the accompanying management's response to findings, as listed in the table of contents. The Consortium's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

James Moore & Co., P.L.

Gainesville, Florida
December 21, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE AND
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 Federal Program and Each Major State Project

Opinion on Each Major Federal Program and 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 *OMB Compliance Supplement* and Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the Consortium's major federal programs and state projects for the year ended June 30, 2023. The Consortium's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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 federal programs and state projects for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program and Major State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Consortium and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Consortium's compliance with the compliance requirements referred to above.

Responsivity of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Consortium's federal programs and state projects.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Consortium's compliance based on our audit. 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, *Government Auditing Standards*, the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Consortium's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Consortium's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Consortium's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Consortium's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 federal program and 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 federal program and 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 federal program and 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 and Section 10.650, Rules of Auditor General. Accordingly, this report is not suitable for any other purpose.

James Moore & Co., P.L.

Gainesville, Florida
December 21, 2023

**THE CONSORTIUM OF FLORIDA EDUCATION FOUNDATIONS, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2023**

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? X yes ___ no
- Significant deficiencies identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards:

Internal control over major Federal Programs:

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

Type of auditor's report issued on compliance for major Federal Programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes X no

Identification of major federal programs

Federal Program Name	AL Number
American Rescue Plan – Elementary and Secondary School Emergency Relief	84.425U
Dollar threshold used to distinguish between type A and type B State programs:	\$ 750,000
Auditee qualified as low-risk auditee?	<u> </u> yes <u>X</u> no

**THE CONSORTIUM OF FLORIDA EDUCATION FOUNDATIONS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

State Financial Assistance:

Internal control over major State projects:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X 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 X no

Identification of major projects

State Project Program	State CSFA Number
School District Matching Grant	48.061
Dollar threshold used to distinguish between type A and type B State programs:	\$ 750,000

II. Financial Statement Findings:

2023-001 – Reconciliation of Account Balances:

Condition: We noted several general ledger balances including expenses, accrued payables, receivables, revenues, and net assets that required audit adjustments in order to be in compliance with generally accepted accounting principles in the United States of America.

Criteria: All balances should be reconciled to supporting documentation and reconciled with the general ledger using proper year-end cut-off.

Cause: The Consortium obtained a new funding source during the year which required substantial time commitment. The Consortium also transitioned to in-house accounting function after years of using outsourced accounting. As a result of these changes, June grant invoices paid in July were not recorded in the proper year and beginning net assets were not fully reconciled.

Effect: The financial statements would have been misstated if the audit adjustments had not been proposed.

Recommendation: We recommend the Consortium review significant transactions monthly to ensure completeness and accuracy, including following up on outstanding grant receivables, as well as all account balances at year-end to ensure proper cutoff and accrual-based reconciliations agree to the general ledger. We also recommend implementing a year end close process that pays particular attention to grant expenditure cutoff to ensure all grant expenses and revenues are recorded in proper period.

**THE CONSORTIUM OF FLORIDA EDUCATION FOUNDATIONS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

III. **Findings and Questioned Costs:** None

IV. **Prior Year Audit Findings:** None

V. **Corrective Action Plan:** See Management's Response to Findings, as listed in the table of contents.

VI. **Management Letter:**

No management letter pursuant to Sections 215.97(9)(f) and 215.97(10)(d), Florida Statutes is required since there are no items related to state financial assistance required to be reported in the management letter, not already reported in this schedule.