

FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2025

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization and Activities

On November 27, 2007, the Edison College District Board of Trustees approved the creation of the Edison College Financing Corporation (the Financing Corporation). The Financing Corporation was incorporated as a nonprofit organization under the laws of the state of Florida on November 28, 2007. On March 31, 2010, the Financing Corporation changed its corporate name to Edison State College Financing Corporation, consistent with the name change of Edison State College. On July 1, 2014, the Financing Corporation changed its corporate name to Florida SouthWestern State College Financing Corporation, consistent with the name change of Florida SouthWestern State College (the College).

The Financing Corporation is a direct support organization and a component unit of the College, as defined by State of Florida Auditor General Rule 10.700 and Florida Statute 1004.70. It is governed by its own independent board of directors and is organized to: a) provide housing opportunities for the students of the College; b) finance capital projects to meet current and future needs of the College, such as student housing, parking facilities, and/or other improvements; c) manage and invest funds held by it; and d) any other proper activity of the College. The Financing Corporation has no component units. Therefore, no component units are reported as part of the Financing Corporation.

The governing body of the Financing Corporation is its board of directors (the Board). The Board is comprised of at least five (5) but not more than seven (7) directors. The Financing Corporation is managed, supervised, and controlled by its Board subject to applicable law and the powers and duties reserved to the District Board of Trustees and the President of the College.

The Financing Corporation's District offices are located on the Lee County campus of the College in Fort Myers, Florida.

Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies used in the preparation of these basic financial statements.

Basis of Accounting

Basis of accounting refers to when the effect of transactions or events should be recognized for financial reporting purposes. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The financial statements of the Financing Corporation have been prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP). Under this method, revenues are recorded when earned and expenses are recognized when they are incurred.

FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2025

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Basis of Accounting (Continued)

The statement of net position is presented in a classified format to distinguish between current and long-term assets and liabilities. The statement of revenues, expenses, and changes in net position is presented by major sources. The statement of cash flows is presented using the direct method and is in compliance with Governmental Accounting Standards Board (GASB) Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*.

Financial Statement Presentation

The Financing Corporation follows GASB Statement No. 34, *Basic Financial Statements— and Management’s Discussion and Analysis—for State and Local Governments*, as amended, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, as amended.

GASB Statement No. 34, as amended, established standards for external financial reporting which includes a statement of net position, a statement of revenues, expenses, and changes in net position, a statement of cash flows, and notes to the financial statements. GASB Statement No. 34 also includes a requirement that management provide a discussion and analysis of the basic financial statements and it requires the classification of net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are further defined as follows:

Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any debt that are attributable to those assets.

Restricted – consists of assets that have constraints placed upon their use through external sources imposed either by creditors (such as through debt covenants) or through laws, regulations or constraints imposed by law through constitutional provisions or enabling legislation, reduced by liabilities to be paid from these assets.

Unrestricted – consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available, it is the Financing Corporation’s policy to first apply restricted resources followed by the use of unrestricted resources.

The Financing Corporation also adheres to the recommendations of the National Association of College and University Business Officers (NACUBO). NACUBO’s recommendations are consistent with generally accepted accounting principles promulgated by the GASB.

Since the Financing Corporation is not required to adopt a legal budget, a budget-versus-actual statement is not presented as part of these financial statements.

FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2025

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Cash and Cash Equivalents

The Financing Corporation considers highly liquid, short-term investments purchased with an original maturity of three months or less to be cash equivalents.

Receivables

Receivables consist of amounts due from the College for lease revenues from students residing in LightHouse Commons. The amount of \$32,387 is reported net of an allowance for uncollectible accounts of \$31,449 at March 31, 2025.

Investments

On January 17, 2023, the Financing Corporation's board of directors approved an updated investment policy which defines the fiduciary responsibility of the Financing Corporation's investment advisor and establishes asset uses and the acceptable level of risk on investments. Investments are reported at fair value. Realized and unrealized gains and losses are reflected in the statement of revenue, expenses, and changes in net position.

Prepaid Expenses

Prepaid expenses represent payments made in advance for goods and services to be received in the future. These payments are recorded as assets until the related goods or services are received, at which point they are expensed.

Capital Assets

The Financing Corporation's capital assets are capitalized and recorded at cost at the date of acquisition or at estimated acquisition value at the date received in the case of gifts and purchases of state surplus property. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The Financing Corporation has a capitalization threshold of \$5,000 for tangible personal property and \$25,000 for buildings and other structures and improvements. Depreciation is computed on the straight-line basis over the following estimated useful lives:

Building	40 Years
Other Structures	10 Years
Furniture, Machinery, and Equipment:	
Computer Equipment	3 Years
Office Equipment	5 Years
Furniture	7 Years

**FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2025**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the Financing Corporation. These revenues are charges for student rent and fees related to housing. Operating expenses are necessary costs incurred to provide the goods and services that are for housing as well as for support of the College. Items that do not directly relate to the principal and usual activity of the Financing Corporation are recorded as nonoperating revenues and expenses.

Income Taxes

No provision for income tax expense has been made in the accompanying financial statements since the Financing Corporation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Financing Corporation is organized exclusively for educational purposes and although it has not been classified as an organization that is a private foundation under Section 509(a)(2), it has been classified as a corporation under section 509(a)(3).

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 CASH AND CASH EQUIVALENTS

The Financing Corporation's policy allows deposits to be held in demand deposit and money market accounts as well as other low to low-moderate risk investment vehicles. Cash and cash equivalents (deposits) consist of the following at March 31, 2025:

Classification	Carrying Amount
Unrestricted:	
Public Funds Bank Account	\$ 2,152,019
U.S. Government Money Market Mutual Fund	91,705
Restricted for Capital Outlay:	
Public Funds Bank Account	2,866,638
Restricted for Debt Service:	
Public Funds Bank Account	1,492,020
Total	\$ 6,602,382

FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2025

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, deposits will be forfeited. The Financing Corporation does not have a deposit policy for custodial credit risk. The Financing Corporation has experienced no custodial credit risk losses.

The Financing Corporation's deposit accounts are categorized as follows:

	<u>Bank Balance</u>
Unrestricted:	
Amount Covered by Federal Depository Insurance or Collateralized Pursuant to Florida Statute 280	<u>\$ 2,286,366</u>
Total Unrestricted	2,286,366
Restricted for Capital Outlay:	
Amount Covered by Federal Depository Insurance or Collateralized Pursuant to Florida Statute 280	2,866,638
Restricted for Debt Service:	
Amount Covered by Federal Depository Insurance or Collateralized Pursuant to Florida Statute 280	<u>1,492,020</u>
Total Restricted	<u>4,358,658</u>
Total	<u><u>\$ 6,645,024</u></u>

Custodial Credit Risk

The Financing Corporation maintains its Public Funds Bank Accounts in Qualified Public Depositories as required by Section 280.17, Florida Statutes. These assets are fully insured through a combination of up to \$250,000 per financial institution through Federal Deposit Insurance Corporation (FDIC) or collateral pursuant to Chapter 280, Florida Statutes, Security for Public Deposits. Florida Statute 280.17 requires that public funds be fully collateralized.

Credit Risk

The Financing Corporation's policy requires limiting investments to the safest types of securities and diversifying the investment portfolio so that potential losses on individual securities will be minimized. The Financing Corporation's investment in the Money Market Mutual Fund is rated AA at March 31, 2025.

FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2025

NOTE 3 INVESTMENTS

The Financing Corporation's policy objectives suggest an investment strategy of an intermediate taxable fixed income portfolio. The intermediate taxable fixed income portfolio will maintain an average duration of 5 years. A maximum, final maturity for any single issue will not exceed 10 years.

Investment will be limited to U.S. treasuries, government agency debt (including agency mortgage-backed securities), taxable municipal bonds, and corporate bonds with the following portfolio limitation: minimum allocation to portfolio to Wasmer's short and intermediate duration bond is 75% and maximum allocation of portfolio to Wasmer's Intermediate IG credit strategy is 25% with BBB category exposure limited to 30%.

The strategy states that all investments will be investment grade defined as Baa3/BBB-/BBB (Moody's, Standard & Poor's, Fitch) or higher at time of purchase with the further provision that no purchases will be made if a bond is rated below investment grade by any of the three rating agencies. If a bond falls below investment grade by any of the three rating services after purchase, FineMark National Bank and Trust and its sub-advisors must present a recommendation to the Treasurer to either hold or sell this security based upon their independent research while maintaining an overall overage credit quality for the portfolio of A or better.

All assets will be invested in liquid securities, defined as securities that can be sold quickly and efficiently for cash, and will settle within three business days.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Financing Corporation will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

The Financing Corporation utilizes the services of an investment manager, FineMark National Bank and Trust, for its investments. The investments held by the investment manager are uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Financing Corporation's name.

The Money Market Mutual Fund account, in the amount of \$91,705, is not insured through either the FDIC or Chapter 280. Investments in these money market mutual funds are not categorized as to custodial credit risk as they are not evidenced by securities that exist in physical or book entry form.

At March 31, 2025, the Financing Corporation had \$2,149,566 in unrestricted nonnegotiable certificate of deposit with a qualified public depository. As such, the Financing Corporation is not exposed to custodial credit risk for its certificate of deposit.

FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2025

NOTE 3 INVESTMENTS (CONTINUED)

Interest Rate Risk

As a means of managing its exposure to fair-value losses arising from increasing interest rates, the Financing Corporation has established a target for the duration of its fixed income portfolio to be 5 and 10 years.

As of March 31, 2025, the fair value of the Financing Corporation's investment portfolio was \$10,162,728. The portion attributed to fixed income investments totaled \$8,013,162 and was available by percentage of its portfolio as follows:

<u>Investment Maturities</u>	<u>Percentage of Portfolio</u>
Less than 1 Year	22.3%
1 to 5 Years	56.5%
6 to 10 Years	21.1%
Total	<u>100.0%</u>

All funds classified as investments are recorded at fair value, as listed on March 31, 2025. As of March 31, 2025, the maturities of investments by type were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>		
		<u>Less</u>		
		<u>than 1 Year</u>	<u>1 to 5 Years</u>	<u>6 to 10 Years</u>
Federal Agencies	\$ 1,396,125	\$ 529,392	\$ 763,118	\$ 103,616
State and Municipal Bonds	3,259,695	683,069	1,675,770	900,856
Corporate Bonds	3,357,342	577,900	2,092,422	687,020
Totals	<u>\$ 8,013,162</u>	<u>\$ 1,790,361</u>	<u>\$ 4,531,309</u>	<u>\$ 1,691,492</u>

Credit Risk

It is the Financing Corporation's policy that the fixed income portfolio must be rated at A or higher for corporate bond investments and AA or higher for all other investments by any of the three rating services. At March 31, 2025, the Financing Corporation's fixed income investments were rated as follows:

<u>Ratings</u>	<u>Percentage of Portfolio</u>
AAA	6.2%
AA	47.2%
A	39.3%
BBB	7.3%
Total	<u>100.0%</u>

FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2025

NOTE 3 INVESTMENTS (CONTINUED)

Concentration of Credit Risk

The Financing Corporation's policy limits investments to U.S. treasuries, government agencies, taxable municipal bonds, and corporate bonds. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not have purchase limitations. The following represents investments with issuers that exceed 5% of the Financing Corporation's total investments:

Issuer	Issuers' Total Fair Value	Percentage of Total Investments
FANNIE MAE (FNMA)	\$ 1,015,521	12.7%

Management of the Financing Corporation believes the concentration of credit risk with respect to its investments is mitigated by investing through the use of a national investment manager in U.S. treasuries, government agencies, highly rated corporate bonds, municipal bonds, and widely traded mutual funds.

Fair Value Measurements

The Financing Corporation categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Financing Corporation has the following recurring fair value measurements as of March 31, 2025:

- Federal agencies of \$1,396,125 and state and municipal bonds of \$3,259,695 are valued using pricing models maximizing the use of observable inputs for similar securities (Level 2 inputs).
- Corporate bonds of \$3,357,342 is valued using a matrix pricing model (Level 2 inputs).

The certificate of deposit of \$2,149,566 is valued at amortized cost.

FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2025

NOTE 4 CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended March 31, 2025:

	Balance - Beginning of Year	Increases	Decreases	Balance - End of Year
Depreciable Capital Assets:				
Building	\$ 21,657,234	\$ -	\$ -	\$ 21,657,234
Other Structures	5,069,953	-	-	5,069,953
Furniture	78,885	-	-	78,885
Total Depreciable Capital Assets	<u>26,806,072</u>	<u>-</u>	<u>-</u>	<u>26,806,072</u>
Total Capital Assets	26,806,072	-	-	26,806,072
Less Accumulated Depreciation for:				
Building	(6,316,694)	(541,431)	-	(6,858,125)
Other Structures	(1,082,798)	(500,528)	-	(1,583,326)
Furniture	(78,885)	-	-	(78,885)
Total Accumulated Depreciation	<u>(7,478,377)</u>	<u>(1,041,959)</u>	<u>-</u>	<u>(8,520,336)</u>
Total Capital Assets, Net	<u>\$ 19,327,695</u>	<u>\$ (1,041,959)</u>	<u>\$ -</u>	<u>\$ 18,285,736</u>

NOTE 5 BONDS PAYABLE

The following is a summary of the bonds payable activity for the period ended March 31, 2025:

	Balance - Beginning of Year	Increases	Decreases	Balance - End of Year	Amounts Due within One Year
Direct Placements:					
Series 2017A	\$ 7,779,033	\$ -	\$ (373,483)	\$ 7,405,550	\$ 384,742
Series 2017B	7,779,033	-	(373,483)	7,405,550	384,742
Series 2017C	2,239,632	-	(107,530)	2,132,102	110,769
Total	<u>\$ 17,797,698</u>	<u>\$ -</u>	<u>\$ (854,496)</u>	<u>\$ 16,943,202</u>	<u>\$ 880,253</u>

On December 21, 2017, the Financing Corporation issued the Series 2017A, Series 2017B, and Series 2017C Refunding Bank Loans in the par amounts of \$10,000,000, \$10,000,000, and \$2,879,067, respectively, which represent direct placements. The final maturity of notes is October 1, 2040, with interest rates of 3%, 2.96%, and 3%, respectively.

The notes are subject to mandatory redemption at the option of the holder on or after December 21, 2027, upon written notice provided during the period commencing 90 days prior to the call date and ending 90 days following the call date. The notes are subject to mandatory redemption 180 days from the receipt of the notice from the holder.

FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2025

NOTE 5 BONDS PAYABLE (CONTINUED)

The Financing Corporation's outstanding bonds from direct placements contain a provision that in an event of default, the timing of repayment of outstanding amounts become immediately due. The Financing Corporation's outstanding bond from direct placements also contain a subjective acceleration clause that allows the lender to accelerate payment of the entire principal amount to become immediately due if the lender determines that a material adverse change occurs.

The following is a schedule of future debt service requirements:

<u>Year Ending March 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 880,253	\$ 498,868	\$ 1,379,121
2027	906,772	472,419	1,379,191
2028	934,072	445,174	1,379,246
2029	962,210	417,109	1,379,319
2030	991,211	388,198	1,379,409
2031 to 2035	5,422,269	1,475,903	6,898,172
2036 to 2040	6,021,142	610,831	6,631,973
2041	825,273	16,436	841,709
Total	<u>\$ 16,943,202</u>	<u>\$ 4,324,938</u>	<u>\$ 21,268,140</u>

Tenant revenues collected are pledged first to be used for debt service. The total amount of rental revenues recorded during 2025 was \$2,764,711.

Under the terms of the refunding notes, the Financing Corporation was required to fund the "debt service reserve fund." This was funded from the existing debt service reserve that had been established for the refunded bonds and \$1,492,020 is reported in restricted cash and cash equivalents.

NOTE 6 LEASE AGREEMENT

On August 1, 2010, the Financing Corporation entered into a Master Lease Agreement with the College for the properties occupied by the Charter Schools in both the Charlotte and Lee Campuses. The College leases the respective properties on its campuses to the Financing Corporation for a rental fee of \$1.00 per annum. The property covered by the Master Lease Agreement thereon is leased back to the College to manage and operate. The Financing Corporation records the revenue from this lease agreement as nonoperating revenues from auxiliary operations of the College.

FLORIDA SOUTHWESTERN STATE COLLEGE FINANCING CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2025

NOTE 7 RELATED PARTY TRANSACTIONS

Nonoperating revenues totaling \$400,000 were received from the College during the year ended March 31, 2025, and consisted of funds assigned to the Financing Corporation from two charter school building leases. The assigned funds totaled \$400,000 from the charter school leases, during the year ended March 31, 2025.

Financing Corporation personnel are employed by the College. The Financing Corporation paid the College \$156,000 to reimburse the College for the estimated salaries and related payroll taxes and benefits of its staff assigned to the Financing Corporation. The Financing Corporation also paid the College \$130,000 to reimburse the College for the estimated Financial, Accounting, and Legal services provided to the Financing Corporation. Additionally, the Financing Corporation paid the College \$315,346 to reimburse the College for contract and personnel services related to the operation of LightHouse Commons. Additionally, the Financing Corporation made a capital contribution of \$250,000 to the College in support for improvements to the batting cage at the College's baseball field.

NOTE 8 ECONOMIC DEPENDENCE

The Financing Corporation is dependent upon the College to contribute resources until the occupancy rate in LightHouse Commons reaches a level that allows the Financing Corporation to cover its operating expenses, as well as its debt service payment. Loss of these funds and/or large decreases in these types of funding would have a material effect on the Financing Corporation and a negative impact on overall operations.

NOTE 9 RISK MANAGEMENT

The Financing Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims have not exceeded commercial insurance coverage in any of the last three years.



**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
Florida SouthWestern State College Financing Corporation
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 Florida SouthWestern State College Financing Corporation (the Financing Corporation) as of and for the year ended March 31, 2025, and the related notes to the financial statements, which collectively comprise the Financing Corporation's basic financial statements, and have issued our report thereon dated July 7, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Financing Corporation'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 Financing Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Financing Corporation'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. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Financing Corporation'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*.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Fort Myers, Florida
July 7, 2025



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