

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS  
THE CONSORTIUM OF FLORIDA EDUCATION FOUNDATIONS, INC.

June 30, 2015 and 2014

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**RIVERO, GORDIMER & COMPANY, P.A.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

Member  
American Institute of Certified Public Accountants  
Florida Institute of Certified Public Accountants  
Herman V. Lazzara                      Stephen G. Douglas  
Marc D. Sasser                              Michael E. Helton  
Sam A. Lazzara  
Cesar J. Rivero, of Counsel  
Richard B. Gordimer, of Counsel

INDEPENDENT AUDITORS' REPORT

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of The Consortium of Florida Education Foundations, Inc. (a non-profit organization) (the "Consortium"), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and changes in net assets, 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.

***Auditor's 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 auditor's 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 of Florida Education Foundations, Inc. as of June 30, 2015 and 2014, 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.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2015, on our consideration of The Consortium of Florida Education Foundations, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Consortium of Florida Education Foundations, Inc.'s internal control over financial reporting and compliance.



Tampa, Florida  
November 10, 2015

The Consortium of Florida Education Foundations, Inc.

STATEMENTS OF FINANCIAL POSITION

June 30,

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (notes A3 and A6)	\$ 264,427	\$ 206,183
Investments (notes B and C)	100,140	-
Accounts receivable	5,898	1,050
Prepaid expenses	<u>220</u>	<u>1,070</u>
Total current assets	<u>370,685</u>	<u>208,303</u>
FIXED ASSETS, net (notes A4 and E)	<u>19,761</u>	<u>37,303</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 390,446</u></b>	<b><u>\$ 245,606</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 43,402	\$ 26,390
Deferred revenue	<u>28,750</u>	<u>12,600</u>
Total current liabilities	<u>72,152</u>	<u>38,990</u>
<b>NET ASSETS (note A2)</b>		
Unrestricted		
Operating	158,294	46,616
Designated (note I)	<u>160,000</u>	<u>160,000</u>
	<u>318,294</u>	<u>206,616</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 390,446</u></b>	<b><u>\$ 245,606</u></b>

The accompanying notes are an integral part of these statements.

The Consortium of Florida Education Foundations, Inc.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended June 30,

	<u>2015</u>	<u>2014</u>
Public support and revenue		
Public support		
State grant	\$ 4,500,000	\$ 4,000,000
Private grants	398,831	392,993
Membership dues	56,400	59,450
Membership fees	9,700	11,400
Contributions	310,171	239,259
Donated goods and services (note A9)	-	409,728
Total public support	<u>5,275,102</u>	<u>5,112,830</u>
Other revenue		
Interest income	710	737
Other	11,335	7,840
Total other revenue	<u>12,045</u>	<u>8,577</u>
Total public support and revenue	<u>5,287,147</u>	<u>5,121,407</u>
Expenses		
Program services	5,016,051	4,897,943
Management and general	101,294	82,735
Fundraising	58,124	57,390
Total expenses	<u>5,175,469</u>	<u>5,038,068</u>
Change in net assets	111,678	83,339
Net assets at beginning of year	<u>206,616</u>	<u>123,277</u>
Net assets at end of year	<u>\$ 318,294</u>	<u>\$ 206,616</u>

The accompanying notes are an integral part of these statements.

The Consortium of Florida Education Foundations, Inc.

STATEMENTS OF CASH FLOWS

For the year ended June 30,

	<u>2015</u>	<u>2014</u>
Cash flows used by operating activities		
Change in net assets	<u>\$ 111,678</u>	<u>\$ 83,339</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Increase in accounts receivable	(4,848)	(650)
Decrease in prepaid expenses	850	17,900
Depreciation	17,542	17,245
Increase (decrease) in accounts payable and deferred revenue	<u>33,162</u>	<u>(14,915)</u>
Total adjustments	<u>46,706</u>	<u>19,580</u>
Net cash provided by operating activities	<u>158,384</u>	<u>102,919</u>
Cash flows from investing activities		
Purchase of investments	(100,140)	-
Purchase of fixed assets	<u>-</u>	<u>(47,042)</u>
Net cash used by investing activities	<u>(100,140)</u>	<u>(47,042)</u>
Net increase in cash and cash equivalents	58,244	55,877
Cash and cash equivalents at beginning of year	<u>206,183</u>	<u>150,306</u>
Cash and cash equivalents at end of year	<u>\$ 264,427</u>	<u>\$ 206,183</u>

The accompanying notes are an integral part of these statements.

The Consortium of Florida Education Foundations, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2015

	Program Services	Management and General	Fundraising	Total
Grants to local education foundations	\$ 4,673,862	\$ -	\$ -	\$ 4,673,862
Salaries and benefits	171,668	21,458	21,458	214,584
Contract services	-	33,619	33,618	67,237
Membership meetings	28,482	-	-	28,482
Travel	14,780	-	-	14,780
Accounting fees	-	14,523	-	14,523
Insurance	-	2,360	-	2,360
Professional services	-	22,017	-	22,017
Awards	3,044	-	-	3,044
Website	22,649	-	-	22,649
Office expenses	1,588	199	199	1,986
Rent	8,240	1,030	1,030	10,300
Telephone	1,900	237	237	2,374
Printing and reproduction	4,325	541	541	5,407
Marketing	3,636	-	909	4,545
Depreciation	15,788	1,754	-	17,542
Professional development	65,023	3,423	-	68,446
Postage	1,066	133	132	1,331
	<u>1,066</u>	<u>133</u>	<u>132</u>	<u>1,331</u>
Total expenses	<u>\$ 5,016,051</u>	<u>\$ 101,294</u>	<u>\$ 58,124</u>	<u>\$ 5,175,469</u>

The accompanying notes are an integral part of this statement.

The Consortium of Florida Education Foundations, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2014

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Grants to local education foundations	\$ 4,193,130	\$ -	\$ -	\$ 4,193,130
Salaries and benefits	162,251	20,281	20,281	202,813
Contract services	-	32,400	32,400	64,800
Membership meetings	33,335	-	-	33,335
Community Awareness	407,928	-	-	407,928
Travel	12,331	-	-	12,331
Accounting fees	-	15,329	-	15,329
Insurance	-	2,225	-	2,225
Professional services	16,500	3,600	-	20,100
Awards	2,818	-	-	2,818
Website	16,939	-	-	16,939
Office expenses	4,093	512	512	5,117
Rent	4,680	585	585	5,850
Telephone	2,151	269	269	2,689
Printing and reproduction	4,409	551	551	5,511
Marketing	10,203	-	2,551	12,754
Internet	677	85	85	847
Depreciation	13,533	3,712	-	17,245
Professional development	11,722	2,930	-	14,652
Miscellaneous	-	100	-	100
Postage	1,243	156	156	1,555
	<u>1,243</u>	<u>156</u>	<u>156</u>	<u>1,555</u>
Total expenses	<u>\$ 4,897,943</u>	<u>\$ 82,735</u>	<u>\$ 57,390</u>	<u>\$ 5,038,068</u>

The accompanying notes are an integral part of this statement.

The Consortium of Florida Education Foundations, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A description of the organization and a summary of its significant accounting policies consistently applied in the preparation of the accompanying financial statements follow:

1. Description of the Organization

The Consortium of Florida Education Foundations, Inc. (the "Consortium") was incorporated in March 2001 to support local Florida education foundations in their efforts to enhance public education at the community level. The Consortium acts as an agent to pass through grant funds to the foundations.

2. 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.

FASB ASC 958-205 (*Presentation of Financial Statements*) establishes standards for general purpose external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities and changes in net assets, and a statement of cash flows.

FASB ASC 958-605 (*Revenue Recognition*) requires the Consortium to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributed services meeting certain criteria at fair value. These financial statements have been prepared to focus on the Consortium as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of assets, liabilities, and net assets into three self-balancing net asset groups as follows:

Unrestricted net assets – not subject to donor-imposed restrictions or the donor-imposed restrictions have expired.

Temporarily restricted net assets – subject to donor-imposed stipulations that may be fulfilled by actions of the Consortium to meet the stipulations or become unrestricted by the passage of time. Currently, the Consortium has no temporarily restricted net assets.

Permanently restricted net assets – subject to donor-imposed stipulations that they be retained and invested permanently by the Consortium. Currently, the Consortium has no permanently restricted net assets.

The Consortium of Florida Education Foundations, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2015 and 2014

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. 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 \$60,000 and \$134,000 for the years ended June 30, 2015 and 2014, respectively.

4. 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.

5. 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 after June 30, 2012 remain subject to examination by taxing authorities.

6. Concentrations of Credit Risk

Financial instruments that potentially subject the Consortium to concentrations of credit risk consist principally of cash and money market accounts.

7. Use of Estimates

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

8. Functional Allocation of Expenses

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

9. Donated Goods and Services

Donations of in-kind items used by the Consortium are recorded as contributions and as assets or expenses to the extent that an objective basis is available to measure the value of such items.

The Consortium of Florida Education Foundations, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2015 and 2014

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Contributed services are recorded as contributions and as assets or expenses at their fair value, to the extent they create or enhance nonfinancial assets or require specialized skills, are provided by individuals or organizations possessing these skills, and would typically need to be purchased if not provided by donations.

The contributed goods and services for the years ended June 30, 2015 and 2014 relate to donated services promoting community awareness for the Consortium's Get on the Bus Florida campaign. The donated goods and services for this campaign received during the years ended June 30, 2015 and 2014 were recognized at fair market value of approximately \$0 and \$410,000, respectively.

NOTE B - INVESTMENTS

The Consortium's investments consist of a certificate of deposit with maturity of three months or more which is held by a financial institution at June 30, 2015.

NOTE C - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board ASC 820 ("FASB ASC 820") establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Consortium has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for that asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means;
- If the asset or liability has a specified (contractual) term, the input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Consortium of Florida Education Foundations, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2015 and 2014

NOTE C - FAIR VALUE MEASUREMENTS - Continued

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value at June 30, 2015:

*Certificate of Deposits:* Valued at original cost plus accrued interest through the date of the Statement of Financial Position, a level 1 measurement.

The methods described above may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, while the Consortium believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Consortium's investment assets measured at fair value on a recurring basis at June 30, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>level 3</u>	<u>Fair Value</u>
Certificate of deposit	<u>\$ 100,140</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,140</u>

NOTE D - PROCEEDS FROM GRANTS AND CONCENTRATIONS OF RISK

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 \$4,673,862 and \$4,193,130 during the years ended June 30, 2015 and 2014, respectively, in grant funds to local Florida education foundations. This included a grant from the Florida Department of Education of \$4,500,000 and \$4,000,000 for the years ended June 30, 2015 and 2014, respectively. The funds were appropriated as specified in the 2014 and 2013 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 Consortium of Florida Education Foundations, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2015 and 2014

NOTE D - PROCEEDS FROM GRANTS AND CONCENTRATIONS OF RISK - Continued

The 2014 and 2013 General Appropriations Acts 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 85% and 78%, of the Consortium's funding was provided by the State of Florida during the fiscal years ended June 30, 2015 and 2014, respectively.

NOTE E - FIXED ASSETS

Fixed assets are summarized as follows at June 30,:

	<u>2015</u>	<u>2014</u>
Software	\$ 45,800	\$ 45,800
Computer equipment	<u>23,059</u>	<u>23,059</u>
	68,859	68,859
Less accumulated depreciation	<u>(49,098)</u>	<u>(31,556)</u>
	<u>\$ 19,761</u>	<u>\$ 37,303</u>

NOTE F - COMMITMENTS

The Consortium conducts its operations in a leased facility. The lease is classified as an operating lease.

The following is a schedule of approximate minimum lease payments under the operating lease:

Year ending June 30,

2016	<u>\$ 8,800</u>
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Rent expense of the Consortium in fiscal year 2015 and 2014 was approximately \$10,300 and \$5,900, respectively.

NOTE G - 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 \$8,690 and \$6,721 to the plan for each of the years ended June 30, 2015 and 2014, respectively.

The Consortium of Florida Education Foundations, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2015 and 2014

NOTE H - 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.

NOTE I - BOARD DESIGNATION

The Consortium's Board of Directors designated \$160,000 of unrestricted net assets for future working capital needs at June 30, 2015 and 2014.

NOTE J - SUBSEQUENT EVENTS

The Consortium has evaluated events and transactions occurring subsequent to June 30, 2015 as of November 10, 2015 which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

The Consortium of Florida Education Foundations, Inc.

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

For the year ended June 30, 2015

<u>State Grantor/Project Title</u>	<u>State CSFA</u>	<u>Contract Number</u>	<u>State Expenditures</u>
<b>Florida Department of Education</b>			
School District Matching Grants	48.061	298-93990-5D001	<u>\$ 4,500,000</u>

The accompanying notes are an integral part of this schedule.

The Consortium of Florida Education Foundations, Inc.

NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

June 30, 2015

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of State Financial Assistance 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.

NOTE B - 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.

NOTE C - SUBRECIPIENTS

The Consortium provided state awards of \$4,275,000 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*

THE CONSORTIUM OF FLORIDA EDUCATION FOUNDATIONS, INC.

June 30, 2015



**RIVERO, GORDIMER & COMPANY, P.A.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

Member  
American Institute of Certified Public Accountants  
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Richard B. Gordimer, of Counsel

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

Board of Directors  
The 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, 2015, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 10, 2015.

**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 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.

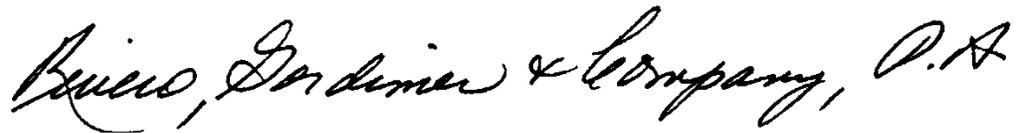
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

A handwritten signature in black ink that reads "Bruce, Gardner & Company, P.A." The signature is written in a cursive, flowing style.

Tampa, Florida  
November 10, 2015

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL  
CONTROL OVER COMPLIANCE AS REQUIRED BY  
CHAPTER 10.650, *RULES OF THE FLORIDA AUDITOR GENERAL*

THE CONSORTIUM OF FLORIDA EDUCATION FOUNDATIONS, INC.

June 30, 2015



**RIVERO, GORDIMER & COMPANY, P.A.**

**CERTIFIED PUBLIC ACCOUNTANTS**

Member  
 American Institute of Certified Public Accountants  
 Florida Institute of Certified Public Accountants

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Herman V. Lazzara	Stephen G. Douglas
Marc D. Sasser	Michael E. Helton
Sam A. Lazzara	

Cesar J. Rivero, of Counsel  
 Richard B. Gordimer, of Counsel

INDEPENDENT AUDITORS' REPORT FOR EACH MAJOR  
 STATE PROJECT AND REPORT ON INTERNAL CONTROL  
 OVER COMPLIANCE AS REQUIRED BY CHAPTER 10.650,  
 RULES OF THE FLORIDA AUDITOR GENERAL

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 *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, 2015. The Consortium's major State projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its State projects.

***Auditor's 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; Chapter 10.650, *Rules of the Auditor General*. Those standards and Chapter 10.650, *Rules 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 of Florida Education Foundations, Inc. 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 projects for the year ended June 30, 2015.

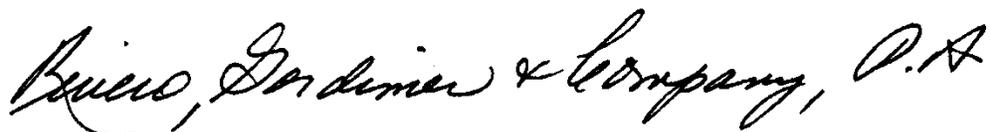
## Report on Internal Control Over Compliance

Management of the Consortium 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 to determine the 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 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 have not been 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 Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.



Tampa, Florida  
November 10, 2015

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
THE CONSORTIUM OF FLORIDA EDUCATION FOUNDATIONS, INC.

June 30, 2015

The Consortium of Florida Education Foundations, Inc.  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 For the year ended June 30, 2015

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued Unmodified

Internal control over financial reporting  
 Material weakness(es) identified? \_\_\_yes X no  
 Significant deficiency(ies) identified? \_\_\_yes X none reported

Noncompliance material to financial statements noted? \_\_\_yes X no

Internal control over major projects  
 Material weakness(es) identified? \_\_\_yes X no  
 Significant deficiency(ies) identified? \_\_\_yes X none reported

Type of auditors' report issued on compliance  
 for major projects Unmodified

Identification of major projects:

<u>CSFA Number(s)</u>	<u>Name of Program</u>
48.061	School District Matching Grants

Dollar threshold used to distinguish between  
 type A and type B state projects \$ 300,000

**Section II - Financial Statement Findings**

No matters were required to be reported for the year ended June 30, 2015.  
 Accordingly, a corrective action plan is not required.

**Section III - State Financial Assistance Findings and Questioned Costs**

No matters were required to be reported for the year ended June 30, 2015.  
 Accordingly, a corrective action plan is not required.

**Section IV - Other Issues**

**a. Prior Year Findings**

No summary schedule of prior audit findings is presented because there were no prior findings related to State projects.

**b. Management Letter**

No findings or observations were required to be reported in a management letter pursuant to Section 10.654(1)(e), *Rules of the Auditor General*.

MANAGEMENT LETTER

THE CONSORTIUM OF FLORIDA EDUCATION FOUNDATIONS, INC.

June 30, 2015



**RIVERO, GORDIMER & COMPANY, P.A.**

**CERTIFIED PUBLIC ACCOUNTANTS**

MANAGEMENT LETTER

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

**Report on Financial Statements**

We have audited the financial statements of The Consortium of Florida Education Foundations, Inc. (the "Consortium") as of and for the fiscal year ended June 30, 2015, and have issued our report thereon, dated November 10, 2015

**Auditor's Responsibility**

We conducted our audit 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 Chapter 10.650, *Rules of the Florida Auditor General*.

**Other Reports and Schedule**

We have issued our 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*, Independent Auditors' Report on Compliance for Each Major State Project and Report on Internal Control Over Compliance as required by Chapter 10.650, *Rules of the Florida Auditor General*, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, dated November 10, 2015, should be considered in conjunction with this management letter.

**Other Matter**

Section 10.654(1)(e), Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements or State project amounts that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, and other granting agencies, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Tampa, Florida  
November 10, 2015

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