

MONROE COUNTY EDUCATION FOUNDATION, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2022 AND 2021



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAcconnect.com

**MONROE COUNTY EDUCATION FOUNDATION, INC.
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2022 AND 2021**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	4
STATEMENTS OF ACTIVITIES	5
STATEMENTS OF FUNCTIONAL EXPENSES	7
STATEMENTS OF CASH FLOWS	9
NOTES TO FINANCIAL STATEMENTS	10
SUPPLEMENTARY INFORMATION	
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>	21
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT, REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.650, RULES OF THE AUDITOR GENERAL	23
SCHEDULE OF STATE FINANCIAL ASSISTANCE	26
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE	27
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	28



INDEPENDENT AUDITORS' REPORT

Board of Directors and Management
Monroe County Education Foundation, Inc.
Key West, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Monroe County Education Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, 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 financial statements referred to above present fairly, in all material respects, the financial position of Monroe County Education Foundation, Inc. as of June 30, 2022 and 2021, and the results of its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Monroe County Education Foundation, Inc. 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 Monroe County Education Foundation, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

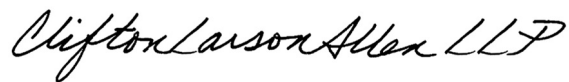
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, such as the schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by *Government Auditing Standards*, Issued by the Comptroller General of the United States; and Chapter 10.650, Rules of the Auditor General for *Florida Single Audit Act: Audits of Nonprofit and For-Profit Organizations* (Chapter 10.650), and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2022, on our consideration of Monroe County Education Foundation, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Monroe County Education Foundation, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Monroe County Education Foundation, Inc.'s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Lakeland, Florida
October 21, 2022

MONROE COUNTY EDUCATION FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 808,866	\$ 860,082
Grant Receivables	47,208	55,662
Investments	7,378	7,360
Total Current Assets	863,452	923,104
NONCURRENT ASSETS		
Prepaid Scholarships and Local Fee Plans	11,154,866	11,332,779
Prepaid Dormitory Plans	2,457,863	1,945,687
Total Noncurrent Assets	13,612,729	13,278,466
Total Assets	\$ 14,476,181	\$ 14,201,570
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 1,303	\$ 4,125
NET ASSETS		
Without Donor Restrictions:		
Undesignated	66,078	57,905
With Donor Restrictions:		
Purpose Restrictions	14,408,800	14,139,540
Total Net Assets	14,474,878	14,197,445
Total Liabilities and Net Assets	\$ 14,476,181	\$ 14,201,570

See accompanying Notes to Financial Statements.

MONROE COUNTY EDUCATION FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
CHANGE IN NET ASSETS			
Public Support and Revenue:			
Contributions and Grants	\$ -	\$ 1,878,855	\$ 1,878,855
Donated Services, Materials, and Facilities	-	215,275	215,275
Unrealized Loss on Prepaid Scholarships	-	(214,906)	(214,906)
COVID-19 Relief Fund	-	1,000	1,000
Miscellaneous	8,173	7,890	16,063
Investment Income	-	361	361
Net Assets Released from Restrictions	1,619,215	(1,619,215)	-
Total Public Support and Revenue	1,627,388	269,260	1,896,648
OPERATING EXPENSES			
Take Stock in Children	1,457,088	-	1,457,088
Experiment in International Living	49,577	-	49,577
Project Lead the Way	54,175	-	54,175
College Readiness	55,975	-	55,975
COVID-19 Relief Fund	2,400	-	2,400
Total Operating Expenses	1,619,215	-	1,619,215
CHANGE IN NET ASSETS	8,173	269,260	277,433
Net Assets - Beginning of Year	57,905	14,139,540	14,197,445
NET ASSETS - END OF YEAR	\$ 66,078	\$ 14,408,800	\$ 14,474,878

See accompanying Notes to Financial Statements.

MONROE COUNTY EDUCATION FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Public Support and Revenue:			
Contributions and Grants	\$ -	\$ 761,408	\$ 761,408
Donated Services, Materials, and Facilities	-	285,429	285,429
Unrealized Loss on Prepaid Scholarships	-	(65,839)	(65,839)
COVID-19 Relief Fund	-	1,400	1,400
Miscellaneous	40,239	39,802	80,041
Investment Income	-	437	437
Net Assets Released from Restrictions	1,528,754	(1,528,754)	-
Total Public Support and Revenue	1,568,993	(506,117)	1,062,876
OPERATING EXPENSES			
Take Stock in Children	1,482,299	-	1,482,299
College Readiness	45,056	-	45,056
COVID-19 Relief Fund	1,400	-	1,400
Total Operating Expenses	1,528,755	-	1,528,755
CHANGE IN NET ASSETS	40,238	(506,117)	(465,879)
Net Assets - Beginning of Year	17,667	14,645,657	14,663,324
NET ASSETS - END OF YEAR	\$ 57,905	\$ 14,139,540	\$ 14,197,445

See accompanying Notes to Financial Statements.

MONROE COUNTY EDUCATION FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

	Program Services					Management and General	Total	
	Take Stock in Children	Experiment in International Living	Project Lead The Way	College Readiness	COVID-19 Relief Fund			Total Program Services
Scholarships and Local Fee Plans	\$ 1,003,275	\$ 46,482	\$ 54,175	\$ -	\$ -	\$ 1,103,932	\$ -	\$ 1,103,932
Personnel Expenses, Including In-Kind of \$210,169	397,912	-	-	-	-	397,912	-	397,912
College Readiness Projects	-	-	-	55,975	-	55,975	-	55,975
Grant assistance	-	-	-	-	1,000	1,000	-	1,000
Office Expense	21,494	-	-	-	-	21,494	-	21,494
Professional Fees	14,893	-	-	-	-	14,893	-	14,893
Advertising	7,548	-	-	-	-	7,548	-	7,548
Rent Expense In-Kind	5,106	-	-	-	-	5,106	-	5,106
Miscellaneous	1,439	-	-	-	1,400	2,839	-	2,839
Travel and Meals	-	3,095	-	-	-	3,095	-	3,095
Training and Event Materials	5,421	-	-	-	-	5,421	-	5,421
Total	\$ 1,457,088	\$ 49,577	\$ 54,175	\$ 55,975	\$ 2,400	\$ 1,619,215	\$ -	\$ 1,619,215

* Total in-kind expenditures equal \$215,275 from Monroe County School District supporting personnel expenses and rent expense.

See accompanying Notes to Financial Statements.

MONROE COUNTY EDUCATION FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021

	Program Services			Management and General	Total
	Take Stock in Children	College Readiness	COVID-19 Relief Fund		
Scholarships and Local Fee Plans	\$ 1,009,642	\$ -	\$ -	\$ -	\$ 1,009,642
Personnel Expenses, Including In-Kind of \$280,916	408,098	-	-	-	408,098
College Readiness Projects	-	45,056	-	-	45,056
Grant assistance	-	-	1,400	-	1,400
Office Expense	18,088	-	-	-	18,088
Professional Fees	14,538	-	-	-	14,538
Advertising	18,398	-	-	-	18,398
Rent Expense In-Kind	4,513	-	-	-	4,513
Miscellaneous	1,006	-	-	-	1,006
Training and Event Materials	8,016	-	-	-	8,016
Total	<u>\$ 1,482,299</u>	<u>\$ 45,056</u>	<u>\$ 1,400</u>	<u>\$ -</u>	<u>\$ 1,528,755</u>

* Total in-kind expenditures equal \$285,429 from Monroe County School District supporting personnel expenses and rent expense.

See accompanying Notes to Financial Statements.

MONROE COUNTY EDUCATION FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 277,433	\$ (465,879)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Unrealized Loss on Prepaid Scholarships	214,906	65,839
(Increase) Decrease in Assets:		
Grant Receivable	8,454	126,909
Prepaid Scholarships and Local Fee Plans	(36,993)	718,278
Prepaid Dormitory Plans	(512,176)	169,721
Increase (Decrease) in Liabilities:		
Accounts Payable	(2,822)	(40,999)
Net Cash Provided (Used) by Operating Activities	(51,198)	573,869
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale (Purchase) of Investments	(18)	159,926
Net Cash Provided (Used) by Investing Activities	(18)	159,926
NET CHANGE IN CASH AND CASH EQUIVALENTS	(51,216)	733,795
Cash and Cash Equivalents - Beginning of Year	860,082	126,287
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 808,866	\$ 860,082

See accompanying Notes to Financial Statements.

MONROE COUNTY EDUCATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Foundation

The Monroe County Education Foundation, Inc. (the Foundation) was incorporated under the laws of the state of Florida on January 18, 1995 as a charitable organization and has the purpose of promoting the advancement of quality education opportunities for children in Monroe County, Florida, including providing prepaid college tuition and dormitory vouchers and providing mentors for eligible students. Monroe County Education Foundation, Inc.'s funding comes primarily from public and private donations. The Foundation previously entered into an agreement with the School Board of Monroe County, Florida for the mutual collaboration in the Take Stock in Children Program.

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 estimates and assumptions that affect certain reported amounts of assets and 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.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Fair Values of Financial Instruments

The following methods and assumptions were used by the Foundation in estimating the fair value disclosures for financial instruments:

Cash, cash equivalents, investments, grant receivables, prepaid expenses, and payables – The carrying amounts reported in the statements of financial position approximate fair values due to relatively short-term maturities of these instruments.

Concentrations of Credit Risk

The Foundation's assets that are exposed to credit risk consist primarily of cash and cash equivalents, investments, and grant receivables. Deposits maintained at financial institutions may, at times, exceed federally insured limits (FDIC). Cash, cash equivalents, and investment balances are maintained with what management believes to be high-quality financial institutions; therefore, management believes the credit risk related to these balances is minimal. Receivables consist primarily of amounts due from other agencies. Historically, the Foundation has not experienced significant losses related to receivables, including promises to give, and; therefore, believes that the credit risk related to these balances is minimal.

MONROE COUNTY EDUCATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grant Receivables

Receivables are presented on the statements of financial position net of an allowance for doubtful accounts based on the Foundation's assessment of collectability. As of June 30, 2022 and 2021, the Foundation considered all receivables to be collectible and no allowances have been recorded.

Prepaid Scholarships, Local Fee, and Dormitory Plans

The Foundation participates in the Florida Prepaid College Foundation Stanley Tate Project "Scholarship Tuition for At-Risk Students" (STARS) Scholarship Project (the Program) whereby the Foundation purchases plans and pays 50% of the plan contract price. The Program provides the remaining 50% of the plan, at contract price, as a match. The expenses related to these scholarships are recognized in the statements of activities and changes in net assets as the time scholarships are paid by the Florida Prepaid College Foundation, Inc. to the qualified students' selected higher education institutions. The plans are assigned by the Foundation to eligible students, defined as designated beneficiaries, who meet the standards specified in the Foundation scholarship program. These plans are assets of the Foundation until such time that designated beneficiaries have exhausted credit hours. The amounts recognized by the Foundation as assets and expenses are based on its 100% share of the plan contract price. In the event of cancelation or termination of the plans, the Foundation is entitled to a credit from the Program based on the Foundation's share of the value of the unused credit hours available. Scholarship recipients using the scholarships in Florida colleges and universities must pay local fees in addition to their scholarship. In June 2005, the Foundation's board of directors decided to begin purchasing local fee contracts in addition to the regular scholarships. Beginning with the high school graduating class of May 2006, the Foundation began enhancing the standard scholarship awarded with the addition of the local fee plans contracts to each Take Stock in Children scholar. In addition, and effective October 2014, the Foundation commenced to acquire dormitory plans to enhance its existing programs. Scholarships and Local Fee Plans expense is based upon the Foundation credits awarded to students.

Donated Services, Materials, and Facilities

Donated services are recognized, at estimated fair value, as contributions if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise have been purchased. Donated materials and facilities are recorded at their estimated fair market value when received.

MONROE COUNTY EDUCATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Net Assets Released from Restrictions

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Revenue Recognition

Monroe County Education Foundation recognizes gifts or cash or other assets as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Contributions received with restrictions that are met in the same reporting period are reported as support without restrictions and an increase in net assets without restrictions. When a restriction expires, (that is when a stipulated time restriction ends or purpose restriction is accomplished), net assets with restrictions are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service.

Grants remaining unused at the end of an accounting period are carried forward as net assets with restrictions. Monroe County Education Foundation may retain unexpended funds for use in future periods providing expenses incurred are in compliance with the specified terms of each grant.

MONROE COUNTY EDUCATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

A portion of Monroe County Education Foundation's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when Monroe County Education Foundation has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position. Monroe County Education Foundation did not recognize any deferred revenue on the statement of financial position related to these grants as of June 30, 2022 and 2021.

Income Taxes

The Foundation is a nonprofit organization that is exempt from federal and state income taxes under Section 501(c)(3) and accordingly no provision for income taxes has been made in the accompanying financial statements.

The Foundation follows the guidance in the income tax standard regarding the recognition of uncertain tax positions. The guidance prescribes recognition threshold principles for the financial statement recognition of tax positions taken or expected to be taken on a tax filing that are not certain to be realized.

The Foundation is not aware of any activities that would jeopardize its tax exempt status.

Statements of Functional Expenses

The cost of providing the various programs and other activities has been detailed in the statements of functional expenses and summarized on a functional basis in the statements of activities. All expenses have been directly expensed to a program.

Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to June 30, 2022, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2022. Management has performed their analysis through October 21, 2022, the date financial statements were available to be issued, and has noted no subsequent events.

Change in Accounting Principle

In September 2020, the Financial Accounting Standard Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958)*. The main provision of the standard is to present contributed nonfinancial assets as a separate line in the statement of activities and disclose qualitative information regarding utilization, donor-imposed restrictions, and valuation techniques of contributed nonfinancial assets. There was no impact on the Foundation's financial position and change in net assets upon adoption of the new standard.

MONROE COUNTY EDUCATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 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 statement of financial position date, comprise the following:

	2022	2021
Cash and Cash Equivalents	\$ 808,866	\$ 860,082
Grants Receivable	47,208	55,662
Investments	7,378	7,360
Less: Net Assets With Restrictions	(796,071)	(861,074)
Total	\$ 67,381	\$ 62,030

The Foundation regularly monitors the availability of resources required to meet its operating needs, while striving to maximize the investment of its available funds. The vast majority of the Foundation's assets are with donor restriction and are used to purchase prepaid scholarships.

NOTE 3 INVESTMENTS IN STATE INVESTMENT POOL

The Foundation participates in the State of Florida Local Government Surplus Funds Trust Fund, also known as Florida Prime, administered by the State Board of Administration (SBA), under the regulatory oversight of the state of Florida. The purpose of this pool is to promote, through state assistance, the maximization of net interest earnings on invested surplus funds of local units of government. Florida Prime is a 2a-7 like external investment pool and therefore uses amortized cost which is reported at a stable Net Asset Value (NAV), typically \$1.00 per share. Therefore, the account balance should be considered the fair value of the investment. As of June 30, 2022, the Florida Prime, is rated AAAM for Credit Quality by Standard & Poor's Rating Agency and had a weighted average maturity (WAM) of 28 days, and had a weighted average life (WAL) of 71 days.

A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments.

MONROE COUNTY EDUCATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 3 INVESTMENTS IN STATE INVESTMENT POOLS (CONTINUED)

With regard to redemption dates, Chapter 218.409(8)(a), *Florida Statutes*, states that “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the monies in the trust fund. However, the executive director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the board can invest monies entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The trustees shall convene an emergency meeting as soon as practicable from the time the executive director has instituted such measures and review the necessity of those measures. If the trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the executive director until the trustees are able to meet to review the necessity for the moratorium. If the trustees agree with such measures, the trustees shall vote to continue the measures for up to an additional 15 days. The trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the trustees exceed 15 days.”

With regard to liquidity fees, *Florida Statute* 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made. As of June 30, 2022, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100% of their account value.

The Foundation’s investment in the Florida PRIME is reported at fair value and reflected as investments in the accompanying statement of financial position. As of June 30, 2022 and 2021, the Organization reported \$7,378 and \$7,360, respectively, in investments.

MONROE COUNTY EDUCATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 4 FAIR VALUES OF FINANCIAL INSTRUMENTS

Under accounting guidance, fair value is defined as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Foundation's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The topic establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

Investments held by the Foundation are invested in the Florida State Board of Administration (Level 2 inputs). The fair value of the Prepaid Scholarships, Local Fee and Dormitory Plans are based on a valuation model that calculates the current value of estimated distributable scholarships and plans. The valuation model incorporates assumptions that market participants would use in estimating future distributable scholarships and plans. The Foundation values its Prepaid Scholarships, Local Fee and Dormitory Plans at the current value estimated by the state of Florida based on current tuition and dorm fee rates, funds awarded and funds reinvested (Level 3 inputs).

MONROE COUNTY EDUCATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 4 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

Assets and Liabilities Measured on a Recurring Basis

Assets and liabilities measured at fair value on a recurring basis are summarized below as of June 30, 2022:

	Quoted Active Markets Identified Assets (Level One)	Prices in Significant Other Observable Inputs (Level Two)	Significant Unobservable Inputs (Level Three)	Total
ASSETS				
Investments	\$ -	\$ 7,378	\$ -	\$ 7,378
Prepaid Scholarship and Local Fee Plans	-	-	11,154,858	11,154,858
Prepaid Dormitory Plans	-	-	2,457,863	2,457,863
Total Assets at Fair Value	<u>\$ -</u>	<u>\$ 7,378</u>	<u>\$ 13,612,721</u>	<u>\$ 13,620,099</u>

Assets and liabilities measured at fair value on a recurring basis are summarized below as of June 30, 2021:

	Quoted Active Markets Identified Assets (Level One)	Prices in Significant Other Observable Inputs (Level Two)	Significant Unobservable Inputs (Level Three)	Total
ASSETS				
Investments	\$ -	\$ 7,360	\$ -	\$ 7,360
Prepaid Scholarship and Local Fee Plans	-	-	11,332,779	11,332,779
Prepaid Dormitory Plans	-	-	1,945,687	1,945,687
Total Assets at Fair Value	<u>\$ -</u>	<u>\$ 7,360</u>	<u>\$ 13,278,466</u>	<u>\$ 13,285,826</u>

The table below presents a reconciliation and statement of activities classification of gains and losses for all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Purchases	\$ 1,569,630	\$ 121,643
Amount Used from Expired Contracts	(17,185)	-
Scholarships and Local Fee Plans Consumed	(1,003,275)	(1,009,642)

MONROE COUNTY EDUCATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 5 FLORIDA PREPAID COLLEGE FOUNDATION ACTIVITY

For the years ended June 30, 2022 and 2021, the Foundation paid \$1,569,630 and \$-0-, respectively to the Florida Prepaid College Foundation for the purchase of prepaid dormitory plans, prepaid local fee plans, and prepaid scholarship contracts. The Florida Prepaid College Foundation matched the Foundation's purchase dollar for dollar. It is the policy of the Foundation to acquire these plans at the earliest possible date, protecting against steeply escalating college tuition and scholarship/dormitory costs, and to take advantage of matching funds whenever they are available.

During the years ended June 30, 2022 and 2021, the Foundation purchased and utilized prepaid scholarship tuition hours as summarized below:

	June 30, 2020	Purchased	Reinvested (Traded In)	Utilized	June 30, 2021
2 Year College	6,089	-	-	(334)	5,755
2 Year College and 2 Year University	54,868	-	-	(4,177)	50,691
University (1 year and 4 Year) Plans	16,686	-	-	(727)	15,959
Totals	<u>77,643</u>	<u>-</u>	<u>-</u>	<u>(5,238)</u>	<u>72,405</u>

	June 30, 2021	Purchased	Reinvested (Traded In)	Utilized	June 30, 2022
2 Year College	5,755	360	-	(38)	6,077
2 Year College and 2 Year University	50,691	3,600	(540)	(3,896)	49,855
University (1 year and 4 Year) Plans	15,959	-	-	(698)	15,261
Totals	<u>72,405</u>	<u>3,960</u>	<u>(540)</u>	<u>(4,632)</u>	<u>71,193</u>

During the years ended June 30, 2022 and 2021, the Foundation purchased and utilized prepaid dorm semesters as summarized below:

	June 30, 2020	Purchased	Reinvested (Traded In)	Utilized	June 30, 2021
Total Dorm Semesters	<u>655</u>	<u>-</u>	<u>-</u>	<u>(77)</u>	<u>578</u>

	June 30, 2021	Purchased	Reinvested (Traded In)	Utilized	June 30, 2022
Total Dorm Semesters	<u>578</u>	<u>240</u>	<u>-</u>	<u>(91)</u>	<u>727</u>

MONROE COUNTY EDUCATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 6 DONATED SERVICES, MATERIALS, AND FACILITIES

Donated services, materials, and facilities are reported as part of the following expense categories in the accompanying statements of functional expenses:

	<u>2022</u>	<u>2021</u>
School Board of Monroe County - Personnel	\$ 210,169	\$ 280,916
Rent	5,106	4,513
Total	<u>\$ 215,275</u>	<u>\$ 285,429</u>

The Foundation has no employees. Personnel delivering the Foundation's programs are employed by the Monroe County School District as specified in the memorandum of understanding (the MOU) with Take Stock in Children, Inc. Funding for these personnel is provided by state programs in accordance with the MOU. The balance of these personnel expenses is provided In-Kind by the Monroe County School District, as shown in the accompanying statements of functional expenses. The Foundation also receives rent at no cost to the Foundation. The fair market value of the rent provided is included in the accompanying financial statements.

A significant amount of donated services are received from unpaid volunteers assisting in the mentoring and education programs and by its board of directors to carry out fundraising and special projects; however, these donated services are not reflected in the financial statements since the services do not meet the requirements for recognition under current accounting standards.

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes:

	<u>2022</u>	<u>2021</u>
Subject to Expenditure for Specific Purpose:		
Prepaid Scholarships and Local Fee Plans	\$ 11,154,858	\$ 11,332,779
Prepaid Dormitory Plans	2,457,863	1,945,687
TSIC Programs Account	737,633	812,882
Project Lead the Way	46,100	-
Experiment in International Living	4,093	34,098
College Readiness Fund	8,253	12,694
COVID-19 Relief Fund	-	1,400
Total Net Assets with Donor Restrictions	<u>\$ 14,408,800</u>	<u>\$ 14,139,540</u>

MONROE COUNTY EDUCATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30:

	2022	2021
Satisfaction of Purpose Restrictions:		
Prepaid Scholarships and Local Fee Plans	\$ 965,821	\$ 1,009,642
TSIC Programs Account	491,267	368,781
College Readiness Fund	55,975	49,765
Project Lead the Way	54,175	-
Experiment in International Living	49,577	100,566
COVID-19 Relief Fund	2,400	-
Total Net Assets Released from Donor Restrictions	\$ 1,619,215	\$ 1,528,754

NOTE 8 COMMITMENTS AND CONTINGENCIES

The Foundation receives pass-through financial assistance from state and local agencies in the form of grants and contracts. The disbursement of funds received under these programs generally requires compliance with terms and conditions specific in the grant/contract agreements and may be subject to audit by the grantor agencies. As a result of such audits, the grantor may require that amounts be returned. In certain instances, the grantor may increase its grant of funds to the Foundation to offset amounts which would otherwise be repayable based on audits. In the opinion of management, all grant and contract expenditures are in compliance with the terms of the agreements and applicable state and local laws and regulations.

NOTE 9 RELATED PARTY TRANSACTIONS

During the years ended June 30, 2022 and 2021, the Foundation board members contributed \$99,259 and \$105,723, respectively, to various programs of the Foundation. During the years ended June 30, 2022 and 2021, the Monroe County School District provided In-Kind gifts totaling \$215,275 and \$285,429, respectively.



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
Monroe County Education Foundation, Inc.
Key West, 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 Monroe County Education Foundation, Inc., which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 21, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Monroe County Education Foundation, Inc.'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 Monroe County Education Foundation, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Monroe County Education Foundation, Inc.'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.

Board of Directors
Monroe County Education Foundation, Inc.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Monroe County Education Foundation, Inc.'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

Lakeland, Florida
October 21, 2022



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

Board of Directors
Monroe County Education Foundation, Inc.
Key West, Florida

Report on Compliance for Each Major State Project

Opinion on Each Major State Project

We have audited Monroe County Education Foundation, Inc.'s compliance with the types of compliance requirements described in the Florida Department of Financial Service's *State Projects Compliance Supplement* that could have a direct and material effect on each of Monroe County Education Foundation, Inc.'s major state project for the year ended June 30, 2022. Monroe County Education Foundation, Inc.'s major state project are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Monroe County Education Foundation, Inc. complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program

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; and Chapter 10.650, Rules of the Auditor General for *Florida Single Audit Act: Audits of Nonprofit and For-Profit Organizations* (Chapter 10.650). Our responsibilities under those standards and Chapter 10.650, are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Monroe County Education Foundation, Inc. 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 state project. Our audit does not provide a legal determination of Monroe County Education Foundation, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities 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 Monroe County Education Foundation, Inc.'s 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 Monroe County Education Foundation, Inc.'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*, and Chapter 10.650, 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 Monroe County Education Foundation, Inc.'s compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.650, 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 Monroe County Education Foundation, Inc.'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 Monroe County Education Foundation, Inc.'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 Chapter 10.650, but not for the purpose of expressing an opinion on the effectiveness of Monroe County Education Foundation, Inc.'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 state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 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 state project. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Lakeland, Florida
October 21, 2022

MONROE COUNTY EDUCATION FOUNDATION, INC.
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2022

State Grantor/Pass through Grantor/ Program or Cluster Title	State CSFA Number	State Expenditures	Passed Through to Subrecipients
State Financial Assistance			
Department of Education and Commissioner of Education			
Passed through from Florida Prepaid College Foundation, Inc.: Prepaid Tuition Scholarships	48.051	\$ 784,815	\$ -
Passed through from Take Stock in Children, Inc.: Mentoring/Student Assistance Initiatives	48.068	<u>187,243</u>	<u>-</u>
Total Department of Education and Commissioner of Education		972,058	-
Department of Highway Safety and Motor Vehicles			
Direct Projects:			
Florida Educational License Plate Project	76.023	1,275	-
Total Department of Highway Safety and Motor Vehicles		<u>1,275</u>	<u>-</u>
Total Expenditures of State Financial Assistance		<u>\$ 973,333</u>	<u>\$ -</u>

See accompanying Notes to Schedule of Expenditures of State Financial Assistance.

MONROE COUNTY EDUCATION FOUNDATION, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2022

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state financial assistance activity of Monroe County Education Foundation, Inc. (MCEF) for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Chapter 10.650, Rules of the Auditor General for *Florida Single Audit Act Audits: Nonprofit and For-Profit Organizations* (Chapter 10.650). This Schedule presents only a selected portion of the operations of MCEF, it is not intended to and does not present the financial position, changes in net assets, or cash flows of MCEF.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Department of Financial Services' State Projects Compliance Supplement, wherein types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 SUBRECIPIENTS

MCEF provided no state financial assistance to subrecipients for the year ended June 30, 2022.

**MONROE COUNTY EDUCATION FOUNDATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None noted
Noncompliance material to basic financial statements noted?	No

State Financial Assistance

Internal control over major state projects:	
Material weakness identified?	No
Significant deficiency identified?	None noted
Type of auditor’s report issued on compliance for state projects:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with state requirements?	No

Identification of Major State Projects

CSFA Number	Name of State Project
48.051	Prepaid Tuition Scholarships

Dollar threshold used to determine Type A and Type B programs:	\$300,000
Auditee qualified as low-risk auditee?	No

**MONROE COUNTY EDUCATION FOUNDATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III– Findings and Questioned Costs – Major State Projects

Our audit did not disclose any matters required to be reported in accordance with Chapter 10.650, Rules of the Florida Auditor General.