FLORIDA ENDOWMENT FOUNDATION FOR FLORIDA'S GRADUATES, INC.

(A Not-For-Profit Organization)

Financial Statements, Reports Required by *Government Auditing Standards* and State of Florida Rules of the Auditor General Chapter 10.650, Schedule of Expenditures of Financial Assistance

For the Years Ended June 30, 2016 and 2015

Florida Endowment Foundation

For Florida's Graduates, Inc.

Contents

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501 Riverside Avenue, Suite 800
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Independent Auditor's Report

Board of Directors
Florida Endowment Foundation for Florida's Graduates, Inc.
Flagler Beach, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Florida Endowment Foundation for Florida's Graduates, Inc. (the "Foundation"), which comprise the statement of financial position as of June 30, 2016, and the related statement of activities, functional expenses and cash flows for the year 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 audit. 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 Foundation as of June 30, 2016, and the changes in its net assets and its cash flows for the year then ended in conformity 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 financial statements as a whole. The accompanying schedule of expenditures of financial assistance, as required by State of Florida Rules of the Auditor General Chapter 10.650, *State Single Audits Non-Profit and For-Profit Organizations*, is presented for purposes of additional analysis 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 audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information 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 January 31, 2017, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Foundation's internal control over financial reporting and compliance.

Prior Period Financial Statements

The 2015 financial statements of Florida Endowment Foundation for Florida's Graduates, Inc. were audited by LBA Certified Public Accountants, P.A. ("LBA"), whose partners and professional staff joined BDO USA, LLP as of November 16, 2016, shortly after which LBA ceased operations. LBA's report dated February 11, 2016 expressed an unmodified opinion on those statements.

BDO USA, LLP

January 31, 2017
Jacksonville, Florida

1. Organization

The Florida Endowment Foundation for Florida's Graduates, Inc. (the Foundation) was established to create a statewide organization focused on providing education, workforce development and economic development for Florida students. The Foundation is currently made up of three programs that operate both independently and cooperatively, depending on the needs of external partners carrying out the Foundation's mission.

Jobs for Florida's Graduates (JFG) is the main program of the Foundation. JFG is a competency based work and life skills program for Florida students that is delivered by licensed educators for middle schools, high schools, community colleges, juvenile justice facilities and community based organizations. This program is affiliated with the National Job's for America's Graduates, which operates in 28 states.

Girls Get IT! (GGIT) was created to develop a statewide network that offers young women opportunities to connect and explore Science, Technology, Engineering and Math (STEM) and Information Technology (IT) leading to rewarding careers. GGIT was created by The Florida Distance Learning Consortium and Cisco Systems, Inc. in 2005. GGIT works with middle and high schools to increase female student participation and graduation rates in STEM and IT coursework, provide STEM and IT career exploration opportunities, and ultimately increase the number of women employed in the STEM and IT fields across the state of Florida.

Victory Over Instability by Choosing Education (VOICE) is a multi-media youth center concept designed to give young people real-world, work-based learning opportunities in journalism, poetry, song-writing, composing, graphic design and publishing.

In 2015, the Foundation also had the SUPERB initiative which focused on social responsibility, teamwork skills, diversity appreciation and common bonds across cultures, expanding friendships and support systems, crisis/bullying prevention and intervention, personal expression and self-awareness. SUPERB used career exploration, work based learning and community service as a tool of conceptual relevance. SUPERB was created by Senator Jeremy Ring and Nova Southeastern University Graduate School of Humanities and Social Sciences. The Foundation operated SUPERB from January 2009 to June 2015.

2. Summary of Significant Accounting Policies

This summary of significant accounting policies of the Foundation is presented to assist in understanding the financial statements. The financial statements and accompanying notes are representations of the Foundation's management.

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 the reported amounts of 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.

FLORIDA ENDOWMENT FOUNDATION FOR FLORIDA'S GRADUATES, INC.

Statements of Financial Position

As of June 30,		**2016**		2015
Assets:				
Cash	**$**	**194,124**	$	315,170
Accounts receivable		**383,459**		760,000
Property and equipment, net		**56,860**		71,421
Deposits		**1,710**		1,710
Total assets	**$**	**636,153**	$	1,148,301
Liabilities and net assets:				
Liabilities:				
Accounts payable and accrued expenses	**$**	**356,352**	$	865,800
Net assets:				
Unrestricted		**279,801**		282,501
Total liabilities and net assets	**$**	**636,153**	$	1,148,301

See accompanying notes to the financial statements.

FLORIDA ENDOWMENT FOUNDATION FOR FLORIDA'S GRADUATES, INC.

Statements of Activities

Years ended June 30,	2016	2015
Revenue and support:		
Fedeal and state grant revenue	$ 1,530,923	$ 3,040,000
Other revenues	33,942	8,159
Interest income	24	32
Total revenue and support	1,564,889	3,048,191
Expenses:		
Program services	1,436,197	2,912,705
Support services:		
Management and general	131,392	235,619
Total expenses	1,567,589	3,148,324
Change in net assets	(2,700)	(100,133)
Net assets at beginning of year	282,501	382,634
Net assets at end of year	$ 279,801	$ 282,501

See accompanying notes to the financial statements.

FLORIDA ENDOWMENT FOUNDATION FOR FLORIDA'S GRADUATES, INC.

Statement of Functional Expenses

Years ended June 30,	**2016**			2015		
	Program Services	**Support Services Management and General**	**Total Expenses**	Program Services	Support Services Management and General	Total Expenses
Payroll and related expenses:						
Salaries	**$ 517,128**	**$ 38,925**	**$ 556,053**	$ 564,226	$ 41,230	$ 605,456
Employee benefits	**32,570**	**1,695**	**34,265**	33,491	2,520	36,011
Payroll taxes	**46,231**	**2,410**	**48,641**	49,946	3,753	53,699
Total payroll and related expenses	**595,929**	**43,030**	**638,959**	647,663	47,503	695,166
Other expenses:						
Contract services	**695,341**	**1,817**	**697,158**	1,892,101	121,104	2,013,205
Professional fees	**46,098**	**31,874**	**77,972**	184,554	13,891	198,445
Travel	**24,007**	**8,353**	**32,360**	41,666	-	41,666
Telephone	**23,071**	**3,522**	**26,593**	809	31,772	32,581
Conferences and training	**20,380**	**415**	**20,795**	26,636	538	27,174
Occupancy costs	**1,550**	**17,008**	**18,558**	23,752	1,767	25,519
Insurance	**14,427**	**2,130**	**16,557**	21,418	-	21,418
Depreciation	**-**	**14,561**	**14,561**	15,330	5,110	20,440
Program materials	**9,972**	**90**	**10,062**	12,825	5,239	18,064
Supplies	**958**	**3,083**	**4,041**	16,084	696	16,780
Utilities	**2,883**	**1,000**	**3,883**	11,427	2,017	13,444
Membership/affiliation dues	**-**	**3,725**	**3,725**	11,527	-	11,527
Postage	**492**	**509**	**1,001**	-	4,771	4,771
Books and subscriptions	**655**	**40**	**695**	2,846	711	3,557
Printing and publications	**434**	**-**	**434**	2,769	146	2,915
Other	**-**	**235**	**235**	1,298	354	1,652
Total other expenses	**840,268**	**88,362**	**928,630**	2,265,042	188,116	2,453,158
Total expenses	**$ 1,436,197**	**$ 131,392**	**$ 1,567,589**	$ 2,912,705	$ 235,619	$ 3,148,324

See accompanying notes to the financial statements.

FLORIDA ENDOWMENT FOUNDATION FOR FLORIDA'S GRADUATES, INC.

Statements of Cash Flows

Years ended June 30,	2016	2015
Cash flows from operating activities:		
Change in net assets	**$ (2,700)**	$ (100,133)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	**14,561**	4,771
Net changes in:		
Accounts receivable	**376,541**	(740,000)
Deposits	**-**	(460)
Accounts payable and accrued expenses	**(509,448)**	842,159
Net cash provided by operating expenses	**(121,046)**	6,337
Cash flows from investing activities:		
Purchases of property and equipment	**-**	(42,434)
Net decrease in cash	**(121,046)**	(36,097)
Cash, beginning of year	**315,170**	351,267
Cash, end of year	**$ 194,124**	$ 315,170

See accompanying notes to the financial statements.

Basis of Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting, which is accounting principles generally accepted in the United States of America ("GAAP") and accordingly, reflect all significant amounts receivable, payable, accrued and unearned.

Net Assets

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

> *Unrestricted Net Assets* – Net assets representing resources generated from operations that are not subject to donor-imposed stipulations of time and/or purpose.
>
> *Temporarily Restricted Net Assets* – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time.
>
> *Permanently Restricted Net Assets* – Net assets subject to donor-imposed stipulations that must be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes.

As of June 30, 2016 and 2015, the Foundation had no temporarily or permanently restricted net assets.

Accounts Receivable

The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of payers to meet their obligations. At June 30, 2016 and 2015, the allowance for doubtful accounts was zero. Management does not charge interest on past due receivables.

Property and Equipment

Property and equipment are stated at historical cost, if purchased, or fair market value, if contributed. The Foundation capitalizes property and equipment with a cost or fair market value of $500 or more. Maintenance and repairs are charged to expense as incurred. When items of property and equipment are sold or otherwise disposed of, the asset and related accumulated depreciation accounts are eliminated, and any gain or loss is included in operations. Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets which range from three to ten years.

The Foundation reviews the carrying value of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability of long-lived assets is measured by comparing the carrying amount of the assets or asset group to the undiscounted cash flows that the assets or asset group is expected to generate.

If the undiscounted cash flows of such assets are less than the carrying amount, the impairment to be recognized is measured by the amount by which the carrying amount, if any, exceeds its fair value. No impairments were deemed to exist at June 30, 2016 and 2015.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, when a stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributions In-Kind

A substantial number of volunteers have donated significant amounts of their time to the Foundation. No amounts have been reflected in the statements for contributed services since the contribution of services did not create or enhance non-financial assets or require specialized skills. When professional services are donated, in-kind values are recorded at fair value as a contribution.

Income Taxes

The Foundation is exempt from Federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. During the years ended June 30, 2016 and 2015, the Foundation did not have taxable transactions or unrelated business transactions therefore, no income tax provision was recorded.

GAAP requires the Foundation to recognize and disclose in its financial statements any uncertain tax position that the Foundation has taken or expects to take on a tax return. Management does not believe there are any material uncertain tax positions and accordingly has not recognized any liability for unrecognized tax benefits. The Foundation has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Foundation has filed Internal Revenue Service Form 990 tax returns as required and all other applicable returns in those jurisdictions where it is required. The Foundation believes that is it no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2013. However, the Foundation is still open to examination by taxing authorities from fiscal year 2013 forward. For the years ended June 30, 2016 and 2015, there was no interest or penalties recorded or included in the statements of activities.

Subsequent Events

Events occurring after June 30, 2016, the date of the most recent statement of financial position, have been evaluated for possible adjustments to the financial statements or disclosures through January 31, 2017, which is the date when these financial statements are available to be issued.

Financial Accounting Standards Board Amendments

In August of 2016, The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (Topic 958). These amendments will have an impact on the Organization's financial statement presentation. These amendments are effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Management is evaluating the impact of this ASU on the Organization's financial reporting.

In February 2016, FASB issued ASU 2016-02, *Leases* (Topic 842). This guidance amends the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their balance sheet. It also makes targeted changes to lessor accounting, including a change to the treatment of initial direct leasing costs, which no longer considers fixed internal leasing salaries as capitalizable costs. The standard is effective fiscal years beginning after December 15, 2019. The Organization is currently evaluating the alternative methods of adoption and the impact that it will have on its financial statements and related disclosures.

3. Property and Equipment

Property and equipment by major class of asset consisted of the following:

June 30,		2016		2015
Land	$	30,183	$	30,183
Office furniture and equipment		60,625		60,625
		90,808		90,808
Less: accumulated depreciation		(33,948)		(19,387)
Net property and equipment	$	56,860	$	71,421

4. Line of Credit

The Foundation has a $75,000 open-ended revolving line of credit, which is payable on demand and is collateralized by the Foundation's assets. The line of credit bears interest at the prime rate (3.50% and 3.25% at June 30, 2016 and 2015, respectively). At June 30, 2016 and 2015 there were no amounts outstanding, and the Foundation did not have borrowings on the line of credit during either year. The line of credit does not have a stated expiration date.

5. Retirement Plan

The Foundation has a tax deferred annuity retirement plan. Under the provisions of the plan, eligible employees, age 21 years or older, after three months of service, can elect to have a portion of their salary withheld and contributed to the plan. The Foundation is not obligated to contribute to the plan, and made no contributions to the plan during the years ended June 30, 2016 and 2015.

6. Commitments and Contingencies

Concentrations of Credit Risk

Financial instruments which potentially subject the Foundation to a concentration of credit risk consist principally of cash. Cash balances are exposed to credit risk since the Foundation periodically maintains balances in excess of federally insured limits. The Foundation does not believe it is exposed to any significant credit risk on these deposits, as all funds are housed in a national bank, who is highly regulated and insured.

At both June 30, 2016 and 2015, the Foundation had one contract that accounted for 99% of accounts receivable. During both years ended June 30, 2016 and 2015, one contract accounted for 99% of total revenue. The funding of these contracts was awarded on an advance basis and was contingent on specific deliverables that the Foundation reported on a quarterly basis throughout the years.

Leases

The Foundation leases office and storage space under month to month leasing agreements. The office space lease expired in December 2012 when it was converted to a month-to-month agreement. The lease expenses, under these agreements, was $16,815 and $16,186, respectively, for the years ended June 30, 2016 and 2015.

State Single Audit Reporting

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Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors of
Florida Endowment Foundation for Florida's Graduates, Inc.
Flagler Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Florida Endowment Foundation for Florida's Graduates, Inc., (the "Foundation") which comprise the statement of financial position as of June 30, 2016, and the related statement 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 January 31, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation'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 Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 Foundation'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 Foundation'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 Foundation'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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, LLP

January 31, 2017
Jacksonville, Florida

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Report on Compliance for Each Major Project and on Internal Control over Compliance Required by Chapter 10.650, Rules of the Auditor General of the State of Florida

To the Board of Directors of
Florida Endowment Foundation for Florida's Graduates, Inc.
Flagler Beach, Florida

Report on Compliance for Each Major State Project

We have audited Florida Endowment Foundation for Florida's Graduates, Inc.'s, (the "Foundation") compliance with the types of compliance requirements described in the Department of Financial Services' *State Project Compliance Supplement* that could have a direct and material effect on each of the Foundation's major state projects for the year ended June 30, 2016. The Foundation's major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Foundation's major state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.650, *Rules of the Auditor General of the State of Florida*. Those standards and Chapter 10.650, *Rules of the Auditor General of the State of Florida* 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 Foundation'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 Foundation's compliance.

Opinion on Each Major State Project

In our opinion, Florida Endowment Foundation for Florida's Graduates, 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, 2016.

Report on Internal Control over Compliance

Management of the Foundation 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 Foundation'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 of the State of Florida, 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 Foundation'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 of the State of Florida. Accordingly, this report is not suitable for any other purpose.

BDO USA, LLP

January 31, 2017
Jacksonville, Florida

FLORIDA ENDOWMENT FOUNDATION FOR FLORIDA'S GRADUATES, INC.

Schedule of Expenditures of Financial Assistance

Year ended June 30, 2016

Awarding Agency/Project Title	**CSFA/CFDA Number**	**Project Number**		**Financial Assistance Expenditures**
U.S. Department of Education				
Passed through the Florida Department of Education:				
Carl D. Perkins State Leadership Non-Traditional Project	84.048A	91-Q-1646A-6P001	$	30,923
Total federal financial assistance				30,923
Florida Department of Education:				
The Florida Endowment Foundation for Florida's Graduates	48.040	91-Q-92855-6P001	$	1,500,000
Total state financial assistance				1,500,000
Total financial assistance				1,530,923

See accompanying notes to Schedule of Expenditures of Financial Assistance.

1. Basis of Presentation

The accompanying schedule of expenditures of financial assistance includes the state and federal pass through grant activity of Florida Endowment Foundation for Florida's Graduates, Inc. 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 of the State of Florida. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Section I – Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	____ Yes	X No
Significant deficiency(ies) identified, not considered to be material weakness(es)?	____ Yes	X None Noted
Control deficiency(ies) identified not considered to be significant deficiency(ies)?	____ Yes	X No
Noncompliance material to financial statement noted?	____ Yes	X No

State Awards

Dollar threshold used to determine Type A projects:	$300,000	
Auditee qualified as low-risk auditee for state awards purposes?	X Yes	____ No
Type of auditor's report on compliance for major projects:	Unmodified	
Internal control over compliance:		
Material weakness(es) identified?	____ Yes	X No
Significant deficiency (ies) identified not considered to be material weakness(es)?	____ Yes	X No
Control deficiency(ies) identified, not considered to be significant deficiency(ies)?	____ Yes	X None Noted
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, *Rules of the Auditor General of the State of Florida*?	____ Yes	X No

Identification of major state projects:

CSFA/Project Number	Name of State Project or Cluster
48.040/91Q-92855-5P001	Florida Department of Education

Section II – Financial Statement Findings

Section II – Financial Statement Findings

There were no findings required to be reported.

Section III - State Financial Assistance Project Finding and Questioned Costs.

There were findings required to be reported to management through a comment letter.

Section IV – Summary Schedule of Prior Audit Findings and Questioned Costs

There were no findings required to be reported in the prior year.

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Management Letter Pursuant to Chapter 10.650, Rules of the Auditor General

To the Board of Directors of
Florida Endowment Foundation for Florida's Graduates, Inc.
Flagler Beach, Florida

Report on the Financial Statements

We have audited the financial statements of Florida Endowment Foundation for Florida's Graduates, Inc. as of and for the fiscal year ended June 30, 2016, and have issued our report thereon dated January 31, 2017.

Auditor's Responsibility

We have 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 Auditor General.

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major State Project and Report on Internal control over Compliance in Accordance with Chapter 10.650, Rules of the Florida Auditor General; and Schedule of Findings and Questioned Costs. Disclosure in those reports and schedule, which are dated January 31, 2017, 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. We did issue a letter to management noting areas of opportunities to improve controls.

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, State and other granting agencies, the Board of Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

BDO USA, LLP

January 31, 2017
Jacksonville, Florida