

**EDUCATIONAL FOUNDATION OF
LAKE COUNTY, INC.**

A Component Unit of the District
School Board of Lake County, Florida

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORTS THEREON**

For the fiscal year ended June 30, 2011

EDUCATIONAL FOUNDATION OF LAKE COUNTY, INC.

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Sines Blakeslee Madyda

certified public accountants, p.a.

Report of Independent Certified Public Accountants

To the Board of Directors of the Educational Foundation of Lake County, Inc.
a Component Unit of the District School Board of Lake County, Florida.
Leesburg, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Educational Foundation of Lake County, Inc. ("the Foundation") a Component Unit of the District School Board of Lake County, Florida, as of and for the year ended June 30, 2011, which collectively comprise the Foundation's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express opinions on these financial statements based on our audit.

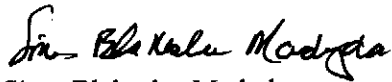
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Foundation as of June 30, 2011, and the respective changes in financial position, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2011 on our consideration of the Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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* and should be read in conjunction with this report in assessing the results of our audit.

To the Board of Directors
Educational Foundation of Lake County, Inc.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Sines Blakeslee Madyda
Certified Public Accountants, P.A.
September 10, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

This section of the annual financial report of the Educational Foundation of Lake County, Inc. (the "Foundation") presents management's discussion and analysis of the Foundation's financial performance during the fiscal year ended June 30, 2011. Please read it in conjunction with the Foundation's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- As shown on the statement of net assets, the Foundation reported a Total Net Assets balance of \$3,655,273 at June 30, 2011.
- For the fiscal year ended June 30, 2011, the Foundation's revenues exceeded expenses as shown on the Foundation's statement of activities by \$136,265.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Foundation:

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the Foundation's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the Foundation, reporting the Foundation's operations in more detail than the government-wide statements.
 - The *governmental funds* financial statements tell how general Foundation services were financed in the short term, as well as what remains for future spending.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

This document also includes the independent auditor's report on compliance and internal control required by *Government Auditing Standards*.

Government-wide Financial Statements

The government-wide financial statements report information about the Foundation as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the Foundation's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two government-wide financial statements report the Foundation's net assets and how they have changed. Net assets - the difference between the Foundation's assets and liabilities - is one way to measure the Foundation's financial health or position. Over time, increases or decreases in the Foundation's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the Foundation are generally divided into three categories:

- *Governmental activities* - most of the Foundation's basic services are included here, such as programs and the Foundation's administration. Funds received through contributions, state grants and proceeds from special events, finance most of these activities.
- *Business-type activities* - in certain instances, the Foundation may charge fees to help it cover the costs of certain services it provides. The Foundation currently has no business-type activities.
- *Component units* - there currently are no component units included within the reporting entity of the Foundation.

Fund Financial Statements

The fund financial statements provide more detailed information about the Foundation's most significant funds, not the Foundation as a whole. A fund is a self-balancing set of accounts which the Foundation uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law, and the Foundation may establish other funds to control and manage money for particular purposes, such as for federal grants.

The Foundation utilizes one type of fund:

- *Governmental funds* - most of the Foundation's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the Foundation's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page that explains the differences between them.

Notes to Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and governmental fund financial statements.

Financial Analysis of the Foundation's Funds

As the Foundation completed the fiscal year, its total governmental funds reported a combined fund balance of \$3,681,609. Management will continue to emphasize the monitoring of expenses to increase net assets through June 30, 2012.

General Fund Budgetary Highlights

The general fund budget for the fiscal year ended June 30, 2011, was developed based on the Foundation's anticipated revenues for the year.

GOVERNMENT WIDE FINANCIAL ANALYSIS

The Statement of Net Assets presents the Foundation's asset less its liabilities at year end. The difference between these assets and liabilities is reported as net assets. The following is a summary of the Foundation's net assets as of June 30, 2011:

	Governmental Activities
ASSETS	
Current Assets	\$ 1,316,207
Noncurrent Assets	<u>2,441,894</u>
Total Assets	<u>\$ 3,758,101</u>
LIABILITIES	
Current and other liabilities	<u>\$ 102,828</u>
Total liabilities	102,828
NET ASSETS	
Net assets:	
Unrestricted	396,211
Restricted –Expendable	3,234,562
Restricted – Nonexpendable	<u>24,500</u>
Total Net Assets	<u>3,655,273</u>
Total Liabilities and Net Assets	<u>\$ 3,758,101</u>

Current assets consists of cash, receivables, accrued interest, and the current portion of investments and beneficial interests held by others. Current liabilities consist of accrued salaries, compensated absences, payroll taxes payable and vendor accounts payable.

The Statement of Revenues, Expenses and Changes in Net Assets presents information showing how the Foundation's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods. The key elements of the changes in Foundation's net assets for the fiscal year June 30, 2011 are as follows:

	Governmental Activities
Revenues:	
Contributions	\$ 218,259
Direct Operating Support -LCSD, In Kind	83,540
Grants	124,863
Special Events Revenue	365,024
State and Local Allocations	151,849
Other revenues	31,351
Interest and Dividends	2,527
Net realized and unrealized gains and losses on investments	<u>11,339</u>
Total Revenue	988,752

Expenses:

Teacher Support	225,140
Special Events	242,354
Student Support	129,406
Take Stock In Children	166,083
Personnel	21,239
Administrative	<u>63,217</u>
Total expenses	<u>852,487</u>

Change in net assets \$ 136,265

ECONOMIC FACTORS

- The average unemployment rate for the State is 10.7% and 9.1% for the nation as of June 2011.
- Inflation nationally as indicated by the consumer price index is 3.6%.

Requests for Information - This financial report is designed to provide a general overview of the Foundation's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Lake County Educational Foundation, Inc., 910 East Dixie Hwy, Leesburg, Florida 34788, (352) 365-3518.

EDUCATIONAL FOUNDATION OF LAKE COUNTY, INC.
(A COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA)

STATEMENT OF NET ASSETS
JUNE 30, 2011

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 124,274
Cash and Cash Equivalents - Restricted	242,327
Investments	281,363
Grants and Pledges Receivable - Restricted	61,057
Beneficial Interest In Assets Help By Others - Restricted	607,007
Accrued Interest Receivable	179

<u>Total Current Assets</u>	<u>1,316,207</u>
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Noncurrent Assets

Beneficial Interest In Assets Help By Others - Restricted	2,324,171
Investments	117,723

<u>Total Noncurrent Assets</u>	<u>2,441,894</u>
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<u>Total Assets</u>	<u>\$ 3,758,101</u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Current Payables	\$ 1,546
Accrued Liabilities	101,282

<u>Total Current Liabilities</u>	102,828
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Net Assets:

Unrestricted	396,211
Restricted	
Expendible	3,234,562
Nonexpendable	24,500

<u>Total Net Assets</u>	3,655,273
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<u>Total Liabilities and Net Assets</u>	<u>\$ 3,758,101</u>
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The accompanying notes are an integral part of this financial statement.

EDUCATIONAL FOUNDATION OF LAKE COUNTY, INC.
(A COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA)

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Operating Grants and Revenues	Governmental Activities
Governmental Activities:			
Teacher Support	\$ 225,140	\$ 124,863	\$ (100,277)
Special Events	242,354	-	(242,354)
Student Support	129,406	-	(129,406)
Take Stock In Children	166,083	169,849	3,766
Personnel	26,287	-	(26,287)
Administrative	63,217	-	(63,217)
Total Government Activities	<u>\$ 852,487</u>	<u>\$ 294,712</u>	<u>\$ (557,775)</u>
General revenues:			
Special Events			365,024
Contributions and other revenue			<u>329,016</u>
Total revenues			<u>694,040</u>
Change in net assets			<u>136,265</u>
Net assets - July 1, 2010			<u>3,519,008</u>
Net assets - June 30, 2011			<u>\$ 3,655,273</u>

The accompanying notes are an integral part of this financial statement.

EDUCATIONAL FOUNDATION OF LAKE COUNTY, INC.
(A COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA)

BALANCE SHEET - GENERAL FUND
JUNE 30, 2011

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 124,274
Cash and Cash Equivalents - Restricted	242,327
Investments	281,363
Grants and Pledges Receivable - Restricted	61,057
Beneficial Interest In Assets Help By Others - Restricted	607,007
Accrued Interest Receivable	<u>179</u>
<u>Total Current Assets</u>	<u>1,316,207</u>

Noncurrent Assets

Beneficial Interest In Assets Help By Others - Restricted	2,324,171
Investments	<u>117,723</u>
<u>Total Noncurrent Assets</u>	<u>2,441,894</u>

<u>Total Assets</u>	<u>\$ 3,758,101</u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Current Payables	\$ 1,546
Accrued Liabilities	<u>74,946</u>
<u>Total Current Liabilities</u>	76,492

Net Assets:

Nonspendable	24,500
Restricted	3,234,562
Unassigned	<u>422,547</u>
<u>Total Net Assets</u>	<u>3,681,609</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 3,758,101</u>

The accompanying notes are an integral part of this financial statement.

EDUCATIONAL FOUNDATION OF LAKE COUNTY, INC.
(A COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA)

RECONCILIATION OF THE GENERAL FUND BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011

Total fund balances - total general fund \$ 3,681,609

Amounts reported for governmental activities in the statement of net assets are different because:

Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported as a liability in the governmental fund. (26,336)

Total net assets - governmental activities \$ 3,655,273

The accompanying notes are an integral part of this financial statement.

EDUCATIONAL FOUNDATION OF LAKE COUNTY, INC.
(A COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA)

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Revenues

Operating Revenues:

Contributions	\$ 218,259
Direct Operating Support -LCSD, In Kind	83,540
Grants	124,863
Special Events Revenue	365,024
State and Local Allocations	151,849
Other revenues	31,351
Total Operating Revenues	<u>974,886</u>

Expenses:

Operating Expenses:

Teacher Support	225,140
Special Events	242,354
Student Support	129,406
Take Stock In Children	166,083
Personnel	21,239
Administrative	63,217
Total Operating Expenses	<u>847,439</u>

Operating Income	127,447
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Non-operating Revenues

Net realized and unrealized gains/(losses) on investments	11,339
Interest and Dividends	2,527
Total Non-operating Revenues	<u>13,866</u>

Increase in Net Assets	<u>141,313</u>
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Net Assets, at July 1, 2010	3,540,296
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Net Assets, at June 30, 2010	<u>\$ 3,681,609</u>
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The accompanying notes are an integral part of this financial statement.

EDUCATIONAL FOUNDATION OF LAKE COUNTY, INC.
(A COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA)
THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE OF GENERAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Net changes in fund balance - General Fund	\$ 141,313
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Amounts reported for governmental activities in the statement of activities are different
because:

Change in compensated absences	(5,048)
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Change in Net Assets - Governmental Activities	<u>\$ 136,265</u>
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EDUCATIONAL FOUNDATION OF LAKE COUNTY, INC.
(A COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

1. Summary of Significant Accounting Policies

The following is a summary of the more significant accounting policies of the Educational Foundation of Lake County, Inc. (the Foundation), which affect significant elements of the financial statements:

A. *Nature of Activities*

The Foundation, is a nonprofit organization, serving the citizens of Lake County, Florida, by providing funding and services to support public education. The Foundation's primary support is received from contributions from individual and corporate donors. As of August, 2006, the Foundation assumed fiscal control of the Lake and Sumter County operations of the Take Stock in Children program, a mentoring program serving at risk students.

B. *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

The Foundation prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for proprietary funds, which is similar to those for private business enterprises. Accordingly, revenues are recorded when earned and expenses are recorded when incurred. As permitted by Governmental Accounting Standards Board (GASB) Statement of Governmental Accounting Standard (SGAS) Number 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting, the Foundation has elected to apply Financial Accounting Standards Board statements and interpretations issued after November 30, 1989, that are applicable to the Foundation's function and that do not conflict with or contradict GASB pronouncements.

C. *Cash and Cash Equivalents*

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

D. *Fund Accounting*

The Governmental Accounting Standards Board (GASB) issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54) effective for reporting periods beginning after June 15, 2010. The statement establishes fund balance classifications, provides for a hierarchy of spending constraints for spendable resources and requires disclosure of non-spendable and spendable resources. Spendable resources are to be shown as Restricted, Committed, Assigned, and Unassigned as considered appropriate in the Foundation's circumstances.

E. *Operating Activities*

Operating revenues and expenses represent ongoing activities of the Foundation, as well as ongoing activities, which are in support of the District's programs. Operating activities related to the Foundation's principal functions, which is to receive, hold and invest charitable contributions for the District. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

F. *Revenue Recognition*

Contributions are recognized as increases in net assets when received or when pledged unconditionally.

EDUCATIONAL FOUNDATION OF LAKE COUNTY, INC.
(A COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

G. *Direct Operating Support*

Donated facilities from the District consist of office space. The District also provides administrative services and other institutional support.

H. *Promises To Give*

Statement of Financial Accounting Standards Number 116, "*Accounting for Contributions Received and Contributions Made*", has been implemented by the Foundation. The statement requires not-for-profit organizations to recognize irrevocable unconditional promises to give as revenue in the period the promise is made at fair value. Promises to give that are collectible after one year are treated as temporarily restricted net assets.

I. *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles 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 reported period. Actual results could differ from those estimates.

J. *Income Taxes*

The Foundation is a non-profit corporation statutorily exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code. The Foundation is classified as a publicly supported organization rather than as a private foundation.

K. *Investments*

Investments are carried at fair value, and realized and unrealized gains and losses are reflected in the statement of revenues, expenses, and changes in net assets as non-operating revenues. The Foundation's investment policy and Section 215.47 Florida Statutes allow investing in bonds, notes, commercial paper and equities.

2. Concentrations of Credit Risk

The Foundation is supported by contributions from the public. In the current year, a significant amount of contributions were provided by a few major contributors. It is always considered reasonably possible that benefactors, grantors or contributors might be lost in the long term, but management does not deem this a significant risk in the near term..

The Florida Security for Depositors Act identifies those financial institutions that have deposited the required collateral in the name of the treasurer of the State of Florida as qualified public depositories. The Foundation's deposits are with qualified public depositories. Therefore, all Foundation cash and cash equivalents deposits are entirely insured by FDIC or Florida's Multiple Financial Institution Collateral Pool.

3. Retirement Benefits

The Foundation established a SIMPLE IRA Plan for the benefit of its employee. The plan allows employees to contribute an amount not to exceed earned income or \$11,500 (14,000 if age 50 or older) for 2011. There was no employer contribution made in the current fiscal year.

EDUCATIONAL FOUNDATION OF LAKE COUNTY, INC.
(A COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

4. Investments

In accordance with SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations", the Foundation records certain investment securities and certificates of deposit with maturities greater than three months at estimated fair value. The unrealized gain or loss on investments is reflected in the Statement of Activities. Investment income and gains that are restricted by the donor are reported as an increase in unrestricted net assets if the restrictions expire in the year the investment return is received.

Cost and fair value of unrestricted investments are as follows as of June 30, 2011

	Cost	Market Value
American Funds Endowments	\$ 58,259	\$ 61,732
Capital US Equity	57,372	\$ 55,987
Certificates of Deposit	281,367	281,367
	<u>\$ 396,998</u>	<u>\$ 399,086</u>

5. Restricted Net Assets - Expendable

Student Scholarships	\$ 3,135,553
Teacher Grants	82,983
Other Restricted	16,026
	<u>\$ 3,234,562</u>

6. Net Assets Released from Restrictions

Net Assets were released from donor restrictions by satisfying the restricted purposes or by occurrence of other events specified by donors during the fiscal year ended June 30, 2011.

Purpose Restrictions accomplished:

Student Scholarships	\$ 133,729
Teacher Grants	80,575
Minneola Elementary School	1,397
Other Restricted Net	16,718
	<u>\$ 232,419</u>

7. Restricted Net Assets - Nonexpendable

Student Scholarships - Lake Tech	\$ 24,500
	<u>\$ 24,500</u>

EDUCATIONAL FOUNDATION OF LAKE COUNTY, INC.
(A COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

8. Restricted Grants and Pledges

The balance of restricted grants and pledges receivable at June 30, 2011 was determined as follows:

Grant Receivable	\$ 20,000
TSIC Receivable	41,057
	<u>\$ 61,057</u>

Restricted unconditional promises to give are due as follows:

Less than one year	\$ 61,057
One to five years	-
	<u>\$ 61,057</u>

9. Beneficial Interest In Assets Held By Others

The Foundation's beneficial interest in assets at June 30, 2011 consists of \$2,931,178 held by the Florida Prepaid College Foundation, Inc. The amounts held by the Florida Prepaid College Foundation, Inc. consist of funds contributed by the Foundation as part of the Take Stock in Children program. Contributions are matched by the State of Florida, and recorded as a contribution on the statement of revenues, expenses and changes in net assets at the time of contribution. The funds are to be used for college scholarships for selected individuals graduating from high school in Lake County. As the scholarships are awarded, the expenditures are recorded by the Foundation. The funds held by the Florida Prepaid College Foundation, Inc. can only be utilized for scholarships.

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISION SCHEDULE - GENERAL FUND
For the Fiscal Year Ended June 30, 2011

EDUCATIONAL FOUNDATION OF LAKE COUNTY, INC.
(A COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA)
REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final	Budgetary	Final Budget-
			Basis	Positive
				(Negative)
REVENUES				
Contributions	\$ 100,500	\$ 100,500	\$ 218,259	\$ 117,759
Direct Operating Support -LCSD, In Kind	-	-	83,540	83,540
Grants	100,000	100,000	124,863	24,863
Special Events Revenue	359,000	359,000	365,024	6,024
State and Local Allocations	211,167	211,167	151,849	(59,318)
Other revenues	25,733	25,733	45,217	19,484
Total revenues	<u>796,400</u>	<u>796,400</u>	<u>988,752</u>	<u>192,352</u>
EXPENDITURES				
Current:				
Teacher Support	215,923	215,923	225,140	(9,217)
Special Events	232,433	232,433	242,354	(9,921)
Student Support	124,108	124,108	129,406	(5,298)
Take Stock In Children	142,021	142,021	166,083	(24,062)
Personnel	20,370	20,370	21,239	(869)
Administrative	60,629	60,629	63,217	(2,588)
Total expenditures	<u>795,484</u>	<u>795,484</u>	# <u>847,439</u>	<u>(51,955)</u>
Excess (deficiency) of revenues over expenditures	<u>916</u>	<u>916</u>	<u>141,313</u>	<u>140,397</u>
Fund balances at beginning of year	<u>3,540,296</u>	<u>3,540,296</u>	<u>3,540,296</u>	<u>-</u>
Fund balances at end of year	<u>\$ 3,541,212</u>	<u>\$ 3,541,212</u>	<u>\$ 3,681,609</u>	<u>\$ 140,397</u>



Sines Blakeslee Madyda

certified public accountants, p.a.

Report of Independent Certified Public Accountants 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 the Educational Foundation of Lake County, Inc.,
a Component Unit of the District School Board of Lake County, Florida.
Leesburg, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Educational Foundation of Lake County, Inc. ("the Foundation"), a Component Unit of the District School Board of Lake County, Florida, as of and for the year ended June 30, 2011, which collectively comprise the Foundation's basic financial statements as listed in the table of contents and have issued our report thereon dated September 10, 2011. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Foundation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over financial reporting.

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 combination of deficiencies, in internal control such that there is reasonable possibility that a material misstatement of the Foundation's financial statements will not be prevented, or detected and corrected on a timely basis.


Our consideration of the internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, grant agreements, and contracts, 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*.

To the Board of Directors of the Educational Foundation of Lake County, Inc.,
a Component Unit of the District School Board of Lake County, Florida.
Leesburg, Florida

This report is intended solely for the information and use of the management of the Foundation, the Board of Directors, the District Foundation Board of Lake County, Florida, the State of Florida Office of the Auditor General and federal and state awarding agencies and is not intended to be, and should not be, used by anyone other than these specified parties.


Sines Blakeslee Madyda
Certified Public Accountants, P.A.
September 10, 2011