



## EXECUTIVE SUMMARY

**Recommendation that the Broward College District Board of Trustees accept the Broward College Foundation 2023 Audited Financials. Fiscal Impact: None.**

**Presenter(s):** Scott Rivinius, Vice President and Executive Director, Broward College Foundation

**Broward College Foundation 2023 Audit is being submitted for approval per policy 6Hx2-1.18 and was approved by the Board College Foundation Board of Directors on 11/19/2024.**

**FISCAL IMPACT:**

Description: None.

A photograph of three business professionals in a meeting. A woman with curly hair is on the left, a man in a suit and red tie is in the middle, and another man in a suit is on the right. They are sitting on red chairs in a modern office setting with large windows in the background. A black briefcase is on the floor next to the man on the right.

REPORT TO MANAGEMENT AND THE BOARD OF  
DIRECTORS

# BROWARD COLLEGE FOUNDATION, INC.

2023 AUDIT RESULTS

NOVEMBER 21, 2024

**BDO**

# Welcome

November 21, 2024

To The Board of Directors and Management of  
Broward College Foundation, Inc.

We look forward to discussing with you the current year audit results for Broward College Foundation, Inc. (the Organization) We previously presented an overview of our plan for the audit of the financial statements of the Organization as of and for the year ended December 31, 2023.

This communication is intended to elaborate on the significant findings from our audit, including our views on the qualitative aspects of the Organization's accounting practices and policies, management's judgments and estimates, financial statement disclosures, and other required matters to assist you in fulfilling your obligation to oversee the financial reporting and disclosure process for which management of the Organization is responsible.

We are pleased to be of service to the Organization and look forward to discuss our audit findings, as well as other matters that may be of interest to you, and to answer any questions you might have.

Respectfully,

*BDO USA, P.C.*

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## Your Client Service Executive Team

**DAVID HOLLANDER**  
Assurance Principal  
dhollander@bdo.com

**FABIAN BELFOR**  
Assurance Experienced Manager  
fbelfor@bdo.com

**NEY CARBALLO**  
Assurance Senior  
ncarballo@bdo.com

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The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of those charged with governance (e.g., Board of Directors) and, if appropriate, management of the Organization, and is not intended and should not be used by anyone other than these specified parties.



# Executive Summary



## Executive Summary

### Results of Our Audit

- Overview and Status - We have substantially completed our audit work with respect to the financial statements for the year ended December 31, 2023.
- Quality of the Organization's Financial Reporting
- Significant Risk Overview & Discussion
- Corrected and Uncorrected Misstatements
- Internal Control Over Financial Reporting

### Required Communications

### Open Discussion and Questions

Year End Inquiries of Those Charged With Governance (see page 25).



## Required Communications Dashboard

Professional standards require that we communicate the following matters to those charged with governance. We have indicated in the table below where these communications are included within this report or in previous communications, as well as which matters warrant discussion during this meeting.

Topic	Matters to Discuss	Ref.	Topic	Matters to Discuss	Ref.
Independence	NO	Page 23	Uncorrected and Corrected Misstatements	NO	Page 11
Overall Strategy, Timing of the Audit, & Significant Risks	NO	Audit Plan	Difficult or Contentious Matters for Which We Consulted Outside the Engagement Team	NO	Page 22
Significant Changes to the Overall Audit Strategy, Significant Risks, or Planned Use of Others	NO	Page 8	Consultation with Other Accountants	NO	Page 20
Use of Internal Audit	NO	N/A	Difficulties Encountered in Performing the Audit	NO	Page 22
Use of Other Auditors and Persons Not Employed by BDO USA, P.C.	NO	N/A	Disagreements with Management	NO	Page 22
Information from Those Charged with Governance	NO	Page 25	Related Parties	NO	Page 20
Significant Accounting Practices, Policies, Estimates & Disclosures	NO	Page 17	Internal Control Matters	NO	Page 13
Significant Unusual Transactions	NO	Page 19	Subsequent Events	NO	Page 22
Quality of Financial Reporting	NO	Page 9	Other Matters	NO	Page 20 - 22
New Accounting Pronouncements Not Yet Effective	NO	N/A			
Alternative Accounting Treatment	NO	Page 19			

# Audit Results

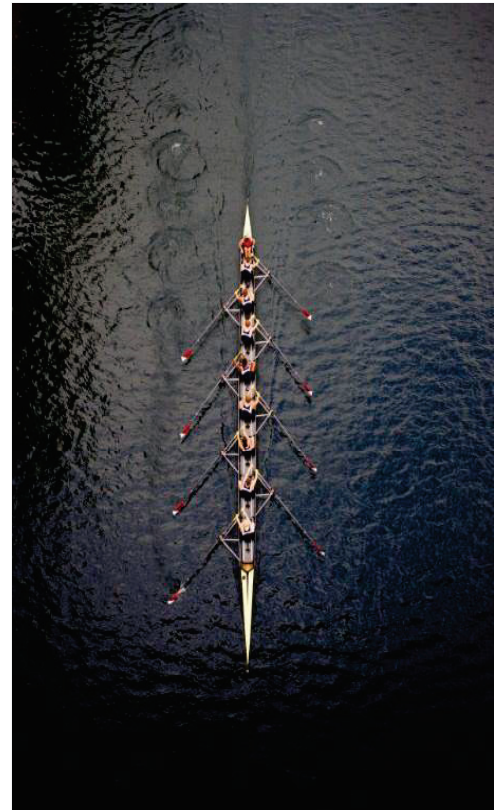




## Overview & Status of Our Audit

We have substantially completed our audit of the financial statements as of and for the year ended December 31, 2023. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

- ▶ The objective of our audit was to obtain reasonable - not absolute - assurance about whether the financial statements are free from material misstatements.
- ▶ The scope of the work performed was substantially the same as that described to you in our earlier Audit Plan communications.
- ▶ We expect to issue an unmodified opinion on the financial statements and release our report on November 21, 2024.
- ▶ We expect to issue our 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.
- ▶ Our responsibility for other information in documents containing the Organization's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform procedures to corroborate such other information. However, in accordance with professional standards, we will read the information included by the Organization and consider whether such information, or the manner of its presentation, is materially inconsistent with its presentation in the financial statements. Our responsibility also includes calling to management's attention any information that we believe is a material misstatement of fact. We have not identified any material inconsistencies or concluded there are any material misstatements of facts in the other information that management has chosen not to correct.
- ▶ All records and information requested by BDO were freely available for our inspection.



## Quality of the Organization's Financial Reporting

A discussion was held regarding the quality of the Organization's financial reporting, which included the following:

- ▶ Qualitative aspects of significant accounting policies and practices
- ▶ Our assessment of critical accounting estimates, accounting policies and practices
- ▶ Significant unusual transactions
- ▶ Financial statement presentation
- ▶ New accounting pronouncements
- ▶ Alternative accounting treatments



## Areas of Significant Risk

Our areas of significant risk, which are risks with both a higher likelihood of occurrence and a higher magnitude of effect that require special audit considerations, are as follows. Our audit procedures for these risks are detailed starting on page 15.



Revenue recognition

## Corrected and Uncorrected Misstatements

### CORRECTED AND UNCORRECTED MISSTATEMENTS

- ▶ There were no corrected misstatements, other than those that were clearly trivial, related to accounts and/or disclosures that we brought to the attention of management.
- ▶ There were no uncorrected misstatements, other than those that were clearly trivial, related to accounts and/or disclosures that we presented to management.



Internal Control Over  
Financial Reporting



# Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We are required to communicate, in writing, to those charged with governance all material weaknesses and significant deficiencies that have been identified in the Organization's internal control over financial reporting. The definitions of control deficiency, significant deficiency and material weakness follow:

Category	Definition
Control Deficiency	A deficiency in internal control over financial reporting 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.
Significant Deficiency	A deficiency or combination of deficiencies in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
Material Weakness	A deficiency or combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented or detected and corrected on a timely basis.

In conjunction with our audit of the financial statements, we noted no material weaknesses.

Detail of  
Significant Risks &  
Additional Audit  
Considerations



## Revenue Recognition

### SUMMARY OF AREA OF SIGNIFICANT RISK

The Organization recognizes grants as revenue when they become unconditional, i.e., when the conditions are substantially met. Grants may be restricted for specific purposes or time periods, affecting when they are recognized as revenue.

The School evaluates all required disclosures for revenue recognition and determines that they are appropriately included in the financial statements.

### SUMMARY OF AUDIT PROCEDURES

To address this significant risk, we performed the following procedures:

- We updated our understanding of the revenue recognition process, performed a walkthrough of the revenue business process and evaluated the design of controls in this area.
- We sent confirmations to grantors to verify the existence and accuracy of the grant receivable.
- Our substantive audit procedures included reading the contractual language in an expanded sample of grants and reviewing terms and conditions for restrictions. Additionally, obtaining evidence of payments for those grants.



Detail of Significant  
Accounting Practices,  
Policies, Estimates and  
Disclosures



# Significant Accounting Practices (including Policies, Estimates and Disclosures)

## ACCOUNTING PRACTICES, POLICIES, ESTIMATES, AND DISCLOSURES

The following summarizes the more significant required communications related to our audit concerning the Organization's accounting practices, policies, and estimates:

The Organization's accounting practices and policies are appropriate, comply with the applicable significant accounting practices and policies are those included in Note 2 to the financial statements. These financial reporting framework and industry practice, were consistently applied, and are adequately described within Note 2 to the financial statements.

- ▶ A summary of recently issued accounting pronouncements is included in Note 2 to the Organization's financial statements.
- ▶ There were no other changes in significant accounting policies and practices during the year ended December 31, 2023.
- ▶ Critical accounting estimates are those that require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. The Organization's critical accounting estimates, including a description of management's processes and significant assumptions used in development of the estimates, are disclosed in Note 2 of the financial statements.

## Critical Accounting Estimates

Allocation of functional expenses

Valuation of investments

Classification of net assets

Allowances on promises to give

- ▶ Management did not make any significant changes to the processes or significant assumptions used to develop the critical accounting estimates in during the year ended December 31, 2023.

Additional Required  
Communications



## Other Required Communications

Following is a summary of other required items, along with specific discussion points as they pertain to the Organization:

Requirement	Discussion Point
Significant changes to planned audit strategy or significant risks initially identified	There were no significant changes to the planned audit strategy or significant risks initially identified and previously communicated to those charged with governance as part of our Audit Plan communications.
Obtain information from those charged with governance relevant to the audit	There were no matters noted relevant to the audit, including, but not limited to: violations or possible violations of laws or regulations; risk of material misstatements, including fraud risks; or tips or complaints regarding the Organization's financial reporting that we were made aware of as a result of our inquiry of those charged with governance.
Alternative accounting treatment	No alternative accounting treatments permissible under the applicable financial reporting framework for policies and practices related to material items were identified and discussed with management.
Significant unusual transactions	During the year ended December 31, 2023, we were not aware of any significant unusual transactions.

## Other Required Communications (cont.)

Following is a summary of other required items, along with specific discussion points as they pertain to the Organization:

Requirement	Discussion Point
Consultations with other accountants	We are not aware of any consultations about accounting or auditing matters between management and other independent public accountants. Nor are we aware of opinions obtained by management from other independent public accountants on the application of requirements of an applicable financial reporting framework.
Significant findings and issues arising during the audit in connection with the Organization's related parties	We have evaluated whether the identified related party relationships and transactions have been appropriately identified, accounted for, and disclosed and whether the effects of the related party relationships and transactions, based on the audit evidence obtained, prevent the financial statements from achieving fair presentation.
Significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management	There were no significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management.

# Other Required Communications (cont.)

Following is a summary of other required items, along with specific discussion points as they pertain to the Organization:

Requirement	Discussion Point
Instances of Noncompliance with Laws and Regulations	In accordance with GAS, no matters that involve instances of noncompliance with laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements have been identified.
Representations requested from management	Please refer to the management representation letter that will be provided upon receipt.
Subsequent events	On September 30, 2024, the College's board of trustees and the Foundation signed an amended MOU. In addition, as of November 2024, the Foundation entered into an agreement with an investment advisors' group to transition its investment management consulting services to operate as a fund manager for the Foundation.

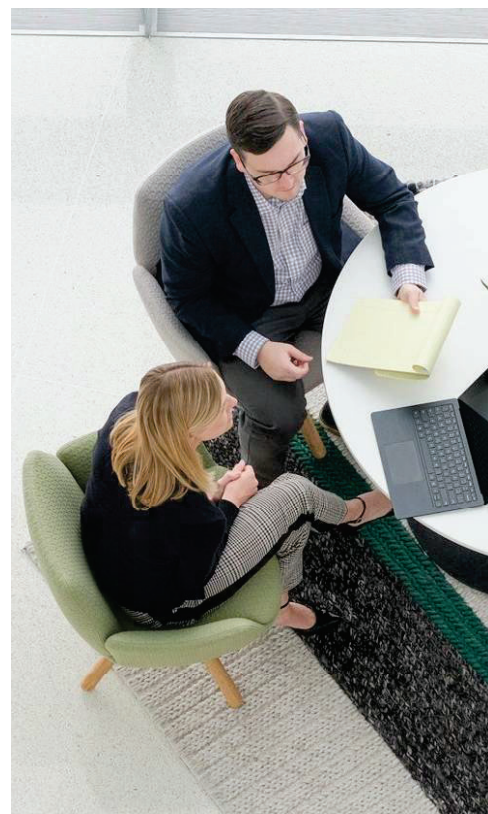
## Other Required Communications (cont.)

Following is a summary of other required items, along with specific discussion points as they pertain to the Organization:


Requirement	Discussion Point
Disagreements with management	There were no disagreements with management about matters, whether or not satisfactorily resolved, that individually or in aggregate could be significant to the Organization's financial statements or to our auditor's report.
Significant difficulties encountered during the audit	There were no significant difficulties encountered during the audit.
Matters that are difficult or contentious for which the auditor consulted outside the engagement team	There were no difficult or contentious matters that we consulted with others outside the engagement team that we reasonably determined to be relevant to those charged with governance regarding their oversight of the financial reporting process.

## Independence

Our engagement letter to you dated June 18, 2024 describes our responsibilities in accordance with professional standards and Government Auditing Standards regarding independence and the performance of our services. This letter also stipulates the responsibilities of the Organization with respect to independence as agreed to by the Organization. Please refer to that letter for further information.







Year-end Inquiries of  
Those Charged with  
Governance



## Obtaining Information from Those Charged with Governance

As we complete our audit procedures, we perform final inquiries related to fraud and other matters to help inform any changes to our audit strategy and execution of our audit procedures. As part of the upcoming meeting with you, we would like to discuss the following topics with you to understand any matters of which you believe we should be aware since we last performed similar inquiries, including, but not limited to:

- ▶ Your views about the risk of material misstatements due to fraud, including the risk of management override of controls
- ▶ How you exercise oversight over the Organization's assessment of fraud risks and the establishment of controls to address these risks
- ▶ Your awareness of any actual, alleged or suspected fraud or illegal acts affecting the Organization
- ▶ Your awareness of tips or complaints regarding the Organization's financial reporting and your response to such tips and complaints
- ▶ Your awareness of other matters relevant to the audit including, but not limited to, violations or possible violations of laws or regulations
- ▶ Your awareness of noncompliance with laws and regulations to include consideration of noncompliance with provisions of contracts and grant agreements.
- ▶ Your awareness of any investigations or legal proceedings that have been initiated or are in process with respect to the period under audit.
- ▶ Your awareness of any significant communications between the Organization and regulators
- ▶ Your understanding of the Organization's relationships and transactions with related parties that are significant to the Organization
- ▶ Any business relationships between a BDO firm and the Organization or its affiliates
- ▶ Whether the Organization has entered into any significant unusual transactions
- ▶ Your awareness of any other information that is important to the identification and assessment of risks of material misstatement

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