

**BAKER COUNTY EDUCATION
FOUNDATION, INC.**

INDEPENDENT AUDITOR'S REPORT

for the fiscal year ended June 30, 2022

King & Walker, CPAs, PL

Certified Public Accountants

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BAKER COUNTY EDUCATION FOUNDATION, INC.

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2803 W. Busch Blvd. Ste 106
Tampa, FL 33618
office (813) 892-4274 fax (813) 932-1913
www.KingandWalker.com

Independent Auditor's Report

Board of Directors
Baker County Education Foundation, Inc.
Macclenny, Florida

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the Baker County Education Foundation, Inc. (Foundation), a non-profit organization which comprise the statements 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.

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, 2022, and the changes in 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 audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Foundation 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.

Responsibility of Management 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.

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 Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility 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 auditor's 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 generally accepted 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 generally accepted 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 Foundation'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 Foundation'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.

King & Walker, CPAs

Tampa, Florida
December 1, 2022

BAKER COUNTY EDUCATION FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
as of JUNE 30, 2022

	2022
<u>ASSETS</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 157,742
TOTAL ASSETS	\$ 157,742
<u>LIABILITIES AND NET ASSETS</u>	
Liabilities:	
Accounts Payable & Accrued Expenses	\$ -
Total Liabilities	-
Net Assets:	
Without Donor Restrictions	40,661
With Donor Restrictions	117,081
Total Net Assets	157,742
TOTAL LIABILITIES AND NET ASSETS	\$ 157,742

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

BAKER COUNTY EDUCATION FOUNDATION, INC.
STATEMENT OF ACTIVITIES
Year Ended JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue:			
Contributions	\$ 20,858	\$ 58,096	\$ 78,954
Grants	446	36,940	37,386
Fund Raising	8,865	-	8,865
Interest	3	939	942
Assets Released from Restrictions	76,936	(76,936)	-
Total Operating Revenue	<u>107,108</u>	<u>19,039</u>	<u>126,147</u>
Operating Expenses:			
Program Services	100,200	-	100,200
Support Services:			
Management & General	694	-	694
Fundraising	3,645	-	3,645
Total Support Services	<u>4,339</u>	<u>-</u>	<u>4,339</u>
Total Operating Expenses	<u>104,539</u>	<u>-</u>	<u>104,539</u>
Change in Net Assets	<u>2,569</u>	<u>19,039</u>	<u>21,608</u>
Increase/(Decrease) in Net Assets	2,569	19,039	21,608
Net Assets - Beginning	69,622	66,512	136,134
Adjustment to Beginning Net Assets	(31,530)	31,530	-
Net Assets - Beginning Restated	<u>38,092</u>	<u>98,042</u>	<u>136,134</u>
Net Assets - End	<u>\$ 40,661</u>	<u>\$ 117,081</u>	<u>\$ 157,742</u>

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

BAKER COUNTY EDUCATION FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended JUNE 30, 2022

	<u>SUPPORT SERVICES</u>			<u>TOTAL</u>
	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	
Operating Expenses:				
Program Enhancements	\$ 56,600	\$ -	\$ -	\$ 56,600
General Administration	-	694	-	694
Fundraising	-	-	3,645	3,645
Scholarships & Support	43,600	-	-	43,600
Total Expenses	<u>\$ 100,200</u>	<u>\$ 694</u>	<u>\$ 3,645</u>	<u>\$ 104,539</u>

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

BAKER COUNTY EDUCATION FOUNDATION, INC.
STATEMENT OF CASH FLOWS
Year Ended JUNE 30, 2022

	<u>2022</u>
Operating Activities:	
Increase in Net Assets	\$ 21,608
Cash and Cash Equivalents, beginning of year	136,134
Cash and Cash Equivalents, end of year	<u>\$ 157,742</u>

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

BAKER COUNTY EDUCATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

1. DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

➤ **Reporting Entity**

The Baker County Education Foundation, Inc. (Foundation) was incorporated March 31, 1989, and operates as a Florida non-profit corporation in accordance with Section 501(c)(3), of the Internal Revenue Code. The Foundation has been established to support the educational activities of Baker County District Schools.

➤ **Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

The Foundation is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions.

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and the board of directors.

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

➤ **Measure of Operations**

The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Foundation's ongoing services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

➤ **Donated Services, Goods, and Facilities**

A substantial number of volunteers have donated services to the Foundation's programs and fund-raising campaigns during the year; however, these donated services are not reflected in the financial statements since the services do not require specialized skills. Donated professional services are reflected in the statement of activities at their fair value.

Materials and other assets received as donations are recorded and reflected in the accompanying financial statements at their fair values at the date of receipt.

BAKER COUNTY EDUCATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

➤ **Cash and Cash Equivalents**

Cash deposits and certificates of deposit are maintained in local financial institutions at year-end and throughout the year. Accounts at the institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Amounts held in these accounts in excess of insured limits are exposed to custodial risk. Funds held in certificates of deposit are considered cash equivalents.

➤ **Contributions**

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, without restriction. Contributions that are restricted by the donor are reported as increases in net assets without restriction if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with restrictions are reclassified to net assets without restriction.

➤ **Functional Expenses**

The costs of providing the various programs, fund-raising and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and fund-raising activities benefited.

➤ **Use of Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

➤ **Income Tax**

The Foundation has been granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and is not considered a private foundation under Section 509(a)(2). Therefore, no provision has been made for income taxes in the accompanying financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related note to financial statements. The Foundation's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

➤ **Subsequent Events**

Management has evaluated all events subsequent to the balance sheet date and through the report date, which is the date these financial statements were available to be issued. Management determined there are no subsequent events which require disclosure.

BAKER COUNTY EDUCATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

2. ADJUSTMENT TO BEGINNING NET ASSETS

An adjustment was made to decrease the beginning balance of net assets without restriction by \$31,530 and to increase the beginning balance of net assets with restriction by \$31,530. This adjustment was made to correctly report restricted scholarships.

3. LIQUIDITY

The Foundation has \$157,742 worth of financial assets available consisting of cash of \$62,303 and certificates of deposit of \$95,439. This includes an amount of \$117,081 which is subject to donor restrictions. There are no other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date.

4. NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restriction are assets of the Foundation subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation and/or the passage of time. Net assets with donor restriction were as follows:

<u>Scholarship</u>	<u>2022</u>	<u>2021</u>
Kirkland Family Scholarship	\$ 51,278	\$ 30,613
Kim Brannan Memorial Scholarship	24,692	25,124
Fox Hunter Scholarship	19,469	19,863
Colby Chase Hodges Scholarship	13,758	13,658
Berry F. Rhoden Scholarship	3,650	4,450
The Taylor School Scholarship	2,234	2,334
Dennis Schmitz Memorial Scholarship	2,000	2,000
Total Restricted Net Assests	<u>\$ 117,081</u>	<u>\$ 98,042</u>

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Independent Auditor's Management Letter

To the Board of Directors
Baker County Education Foundation, Inc.

In planning and performing our audit of the financial statements of the Baker County Education Foundation, Inc. (Foundation) for the year ended June 30, 2022, we considered the Foundation's internal control system to plan our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

We noted no matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated December 1, 2022, on the financial statements of the Foundation.

We would like to thank the staff of the Foundation for their cooperation during this audit.

King & Walker, CPAs

Tampa, Florida
December 1, 2022