

**BAKER COUNTY
EDUCATION
FOUNDATION, INC.**

INDEPENDENT AUDITOR'S REPORT

for the fiscal year ended June 30, 2023

King & Walker, CPAs, PL

Certified Public Accountants

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BAKER COUNTY EDUCATION FOUNDATION, INC.

Table of Contents

	<u>Page No.</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS:	
Statement of Financial Position	3
Statement of Activities.....	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements.....	7
Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards Notes to Financial Statements.....	10

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 Foundation which comprise the statements of financial position as of June 30, 2023, 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, 2023, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 1, 2023, 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, grants, 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.

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
November 1, 2023

BAKER COUNTY EDUCATION FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
as of **JUNE 30, 2023**

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 183,762
TOTAL ASSETS	\$ 183,762

LIABILITIES AND NET ASSETS

Liabilities:

Accounts Payable & Accrued Expenses	\$ -
Total Liabilities	-

Net Assets:

Without Donor Restrictions	53,383
With Donor Restrictions	130,379
Total Net Assets	183,762
TOTAL LIABILITIES AND NET ASSETS	\$ 183,762

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, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue:			
Contributions	\$ 23,728	\$ 61,800	\$ 85,528
Grants	-	24,304	24,304
Fund Raising	18,835	-	18,835
Interest	4	1,218	1,222
Assets Released from Restrictions	74,024	(74,024)	-
Total Operating Revenue	<u>116,591</u>	<u>13,298</u>	<u>129,889</u>
Operating Expenses:			
Program Services	96,871	-	96,871
Support Services:			
Management & General	561	-	561
Fundraising	6,437	-	6,437
Total Support Services	<u>6,998</u>	<u>-</u>	<u>6,998</u>
Total Operating Expenses	<u>103,869</u>	<u>-</u>	<u>103,869</u>
Change in Net Assets	<u>12,722</u>	<u>13,298</u>	<u>26,020</u>
Increase/(Decrease) in Net Assets	12,722	13,298	26,020
Net Assets - Beginning	40,661	117,081	157,742
Net Assets - End	<u>\$ 53,383</u>	<u>\$ 130,379</u>	<u>\$ 183,762</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, 2023

	<u>SUPPORT SERVICES</u>			<u>TOTAL</u>
	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	
Operating Expenses:				
Program Enhancements	\$ 32,584	\$ -	\$ -	\$ 32,584
General Administration	-	561	-	561
Fundraising	-	-	6,437	6,437
Scholarships & Support	64,287	-	-	64,287
Total Expenses	<u>\$ 96,871</u>	<u>\$ 561</u>	<u>\$ 6,437</u>	<u>\$ 103,869</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, 2023

Operating Activities:	
Increase in Net Assets	\$ 26,020
Cash and Cash Equivalents, beginning of year	157,742
Cash and Cash Equivalents, end of year	<u>\$ 183,762</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, 2023

1. DESCRIPTION OF FOUNDATION 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, 2023

➤ **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.



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**Independent Auditor's Report Internal Control Over Financial Reporting and
Compliance Based on an Audit of the Financial Statements Performed in Accordance
with Government Auditing Standards**

Board of Directors
Baker County Education Foundation, Inc.
Macclenny, 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 Baker County Education Foundation, Inc. (Foundation) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated November 1, 2023.

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 opinions 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 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 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 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.

This report is intended for the information and use of the Board of Directors of the Foundation, its management, and funding agencies, and is not intended to be and should not be used by anyone other than these specific parties.

King & Walker, CPAs

November 1, 2023
Tampa, Florida