

# Clay County Education Foundation, Inc.

## Financial Statements And Independent Auditors' Reports

June 30, 2024

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# Kattell and Company, P.L.

*Certified Public Accountants Serving the Nonprofit Community*

808-B NW 16<sup>th</sup> Avenue Gainesville, Florida 32601 352-395-6565 kattell.com

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Clay County Education Foundation, Inc.  
Green Cove Springs, Florida

### Report on the Audit of the Financial Statements

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#### ***Opinion.***

We have audited the financial statements of Clay County Education Foundation, Inc. (the Foundation), which comprise the statement of financial position as of June 30, 2024, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2024, 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements.***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### ***Auditors' Responsibilities 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 auditors' 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 GAAS and *Government 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 GAAS and *Government 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 the Foundation's internal control. Accordingly, no such opinion is expressed.

*"Not everything that counts can be counted, and not everything that can be counted counts."*

-Albert Einstein

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**Report on the Audit of the Financial Statements (concluded)**

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***Auditors' Responsibilities for the Audit of the Financial Statements (concluded).***

- 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 the 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.

***Report on Summarized Comparative Information.*** We have previously audited the Foundation's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 22, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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**Other Reporting Required by Government Auditing Standards**

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In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2024, on our consideration of the Foundation's internal control over financial reporting (internal control) 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 and compliance and the results of that testing, and not to provide an opinion on internal control 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 and compliance.

***Kattell and Company, P.L.***

December 12, 2024  
Gainesville, Florida

**Statement of Financial Position**  
**June 30, 2024**  
(with summarized comparative information for June 30, 2023)  
**Clay County Education Foundation, Inc.**

	2024	2023
<b>Assets</b>		
Cash	\$ 236,745	\$ 180,156
Contract receivables - CFEF	55,553	--
Assets held for scholarships	562	562
Inventory – Tools 4 Schools	55,441	32,441
Prepaid Expenses	2,675	12,128
Website Development Costs	20,875	--
<b>Total Assets</b>	<b>\$ 371,851</b>	<b>\$ 225,287</b>
<b>Liabilities and Net Assets</b>		
Liabilities:	\$ --	\$ --
Net Assets:		
Without donor restrictions	304,869	160,329
With donor restrictions	66,982	64,958
Total Net Assets	371,851	225,287
<b>Total Liabilities and Net Assets</b>	<b>\$ 371,851</b>	<b>\$ 225,287</b>

See accompanying notes.

**Statement of Activities**  
**For Year Ended June 30, 2024**  
(with summarized comparative information for the year ended June 30, 2023)  
**Clay County Education Foundation, Inc.**

	2024			2023
	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>	<u>Total</u>
Support and Revenue:				
CFEF:				
Contracts	\$ 383,904	\$ --	\$ 383,904	\$ --
Matching and Other Grants	41,626	70,698	112,324	114,173
State License Plate Proceeds	5,699	--	5,699	5,260
Private contributions	76,622	66,383	143,005	160,290
Contributions of non-financial assets	93,673	--	93,673	110,198
Interest Income	722	--	722	964
Spring for Education Event, Net	5,481	--	5,481	4,070
Program Service Revenues	--	--	--	6,500
Net Assets Released from Restrictions	<u>135,057</u>	<u>(135,057)</u>	<u>--</u>	<u>--</u>
<b>Total Support and Revenues</b>	<b>742,784</b>	<b>2,024</b>	<b>744,808</b>	<b>401,455</b>
Expenses:				
Programs:	548,129	--	548,129	348,949
Management and General	40,906	--	40,906	26,667
Fundraising	<u>9,209</u>	<u>--</u>	<u>9,209</u>	<u>10,144</u>
<b>Total Expenses</b>	<b>598,244</b>	<b>--</b>	<b>598,244</b>	<b>385,760</b>
<b>Change in Net Assets</b>	<b>144,540</b>	<b>2,024</b>	<b>146,564</b>	<b>15,695</b>
<b>Net Assets, Beginning</b>	<b>160,329</b>	<b>64,958</b>	<b>225,287</b>	<b>209,592</b>
<b>Net Assets, End</b>	<b><u>\$ 304,869</u></b>	<b><u>\$ 66,982</u></b>	<b><u>\$ 371,851</u></b>	<b><u>\$ 225,287</u></b>

See accompanying notes.

**Statement of Functional Expenses**  
**For Year Ended June 30, 2024**  
(with summarized comparative information for the year ended June 30, 2023)  
**Clay County Education Foundation, Inc.**

2024								
	Program Services					Mgmt. & General	Fund Raising	Totals
	Resiliency	Tools 4 Schools	Apple Awards	Future Ready	Other			
Grants – Clay District	\$ 33,305	\$ 79,911	\$ --	\$ 14,000	\$ 39,755	\$ --	\$ --	\$ 166,971
Assistance to Individuals:								
Scholarships	--	--	--	--	9,572	--	--	9,572
DPIL	--	--	--	--	31,804	--	--	31,804
Awards	--	--	31,322	--	--	--	--	31,322
Program Supplies	32,497	--	5,646	955	3,003	--	--	42,101
Professional Fees	54,500	--	--	--	--	13,821	500	68,821
Payroll	14,857	42,610	11,612	14,237	28,373	14,515	8,709	134,913
Office Expenses	--	--	--	--	--	6,459	--	6,459
Occupancy/Venue	5,809	6,000	--	500	--	--	--	12,309
Conferences Conventions Meetings	--	--	--	1,351	--	3,910	--	5,261
Insurance	--	--	--	--	--	217	--	217
Printing	58,572	--	--	--	--	378	--	58,950
Advertising and Marketing	12,994	--	--	--	--	835	--	13,829
Travel	1,754	196	--	1,595	--	375	--	3,920
Catering	--	983	4,629	1,439	4,348	396	--	11,795
<b>Total – Statement of Activities</b>	<b>\$ 214,288</b>	<b>\$ 129,700</b>	<b>\$ 53,209</b>	<b>\$ 34,077</b>	<b>\$ 116,855</b>	<b>\$ 40,906</b>	<b>\$ 9,209</b>	<b>598,244</b>
Direct Benefits – Spring for Education								5,279
<b>Total Expenses</b>								<b>\$ 603,523</b>

2023								
	Program Services					Mgmt. & General	Fund Raising	Totals
	STEM	Tools 4 Schools	Apple Awards	Future Ready	Other			
Grants – Clay District	\$ 45,836	\$ 106,865	\$ --	\$ 13,000	\$ 20,457	\$ --	\$ --	\$ 186,158
Assistance to Individuals:								
Scholarships	--	--	--	--	2,000	--	--	2,000
DPIL	--	--	--	--	20,108	--	--	20,108
Apple Awards and Other	--	--	28,040	--	750	--	--	28,790
Program Supplies	--	62	7,022	914	3,202	--	--	11,200
Professional Fees	--	--	--	--	--	10,450	--	10,450
Payroll	22,936	32,437	10,763	--	7,348	12,916	8,610	95,010
Office Expenses	2,052	2,902	963	--	657	1,156	771	8,501
Occupancy/Venue	--	6,000	4,589	--	--	--	763	11,352
Insurance	--	--	--	--	--	285	--	285
Printing	--	--	3,000	--	--	--	--	3,000
Advertising and Marketing	--	--	--	--	1,170	--	--	1,170
Travel	--	--	--	--	--	1,860	--	1,860
Catering	--	800	4,096	--	980	--	--	5,876
<b>Total – Statement of Activities</b>	<b>\$ 70,824</b>	<b>\$ 149,066</b>	<b>\$ 58,473</b>	<b>\$ 13,914</b>	<b>\$ 56,672</b>	<b>\$ 26,667</b>	<b>\$ 10,144</b>	<b>385,760</b>
Direct Expenses – Spring for Education								3,366
<b>Total Expenses</b>								<b>\$ 389,126</b>

See accompanying notes.

**Statement of Cash Flows**  
**For Year Ended June 30, 2024**  
(with summarized comparative information for the year ended June 30, 2023)  
**Clay County Education Foundation, Inc.**

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 146,564	\$ 15,695
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Changes In:		
Receivables	(55,553)	78
Inventories	(23,000)	17,174
Prepaid Expenses	9,453	(9,035)
	77,464	23,912
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>77,464</b>	<b>23,912</b>
<b>Net Cash Flows from Investing Activities:</b>		
Website Development Costs	(20,875)	--
<b>Net Cash Flows from Financing Activities</b>	--	--
<b>Net Change in Cash</b>	<b>56,589</b>	<b>23,912</b>
<b>Cash, Beginning</b>	<b>180,156</b>	<b>156,244</b>
<b>Cash, End</b>	<b>\$ 236,745</b>	<b>\$ 180,156</b>

See accompanying notes.

**Notes to Financial Statements**  
**June 30, 2024**  
**Clay County Education Foundation, Inc.**

**NOTE 1 – NATURE OF ENTITY AND TAX STATUS**

The Clay County Education Foundation, Inc. (the Foundation) is a not-for-profit corporation organized under the Florida Not-For-Profit Corporation Act. The Foundation is operated to provide classroom support and scholarships to schools, teachers, and students in the Clay County School District (the District).

The Foundation operates as a direct-support organization to receive, hold, invest, and administer property and to make expenditures to, and for the benefit of, the District. Because of the nature and significance of its relationship with the District, the Foundation is considered a component unit of the District. The District pays a portion of the salaries and benefits of, and provides office space for, personnel who manage the affairs and implement the programs of the Foundation.

The Foundation is exempt from income taxes according to provisions of Section 501(c)(3) of the Internal Revenue Code and does not earn any unrelated business taxable income. Therefore, no provision for income taxes is reflected in the accompanying financial statements. In addition, the Foundation has been classified by the Internal Revenue Service as an organization that is not a private foundation and qualifies for the charitable contribution deduction. The Foundation is operated exclusively for charitable, scientific and educational purposes.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Foundation have been prepared using the accrual basis of accounting and are presented using accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations (GAAP).

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

Cash consists of checking and savings deposits in a local credit union. Amounts on deposit exceeded insured balance limits of the National Credit Union Administration of \$250,000 by approximately \$5,000 and \$0 at June 30, 2024 and 2023, respectively.

Receivables

Receivables consist of amounts due on contracts with the Consortium of Florida Education Foundations (CFEF). Amounts were paid shortly after year end.

Inventories

Inventories consist of school supplies and are accounted for at cost using the first-in first-out method of inventory valuation.

Property and Equipment

The Foundation capitalizes office equipment costing more than \$5,000. Depreciation of office equipment, if any, is computed using the straight-line method over estimated useful lives of five years. The Foundation held no assets that met this criterion during the years ended June 30, 2024 and 2023.

Intangible Assets

The Foundation capitalizes costs to develop internal-use website software during the application and graphics development stages. Costs of planning, content development and operations are expensed as incurred. Recognized intangible assets are recorded at cost when acquired and are amortized over their estimated useful lives.

Net Assets

The Foundation's net assets, the excess of assets over liabilities, are reported in two classes that are based upon existence or absence of restrictions on use that are imposed by its donors, as follows:

*Net Assets Without Donor Restrictions* are available for use in general operations. The only limits are those imposed by the nature of the organization.

*Net Assets With Donor Restrictions* are restricted by a donor to be used for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a donor's restriction is satisfied, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

**Notes to Financial Statements**  
**June 30, 2024**  
**Clay County Education Foundation, Inc.**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Revenue Recognition - Contributions

*Measurement.* Contributions are recognized as revenue when they are received or unconditionally pledged. Contributions are recorded at their estimated fair values.

*Restrictions.* The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions. However, contributions that are restricted by a donor are reported as increases in unrestricted net assets if the restrictions expire in the same fiscal year in which the contributions are recognized.

*Services.* Contributions of services are recognized when received if the services (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Although the Foundation received significant contributions of time from its Board of Directors and others, these services were not recorded since they did not meet the criteria for recognition. See Note 8 for more details.

*Other Nonfinancial Assets.* The Foundation receives contributions of a variety of other nonfinancial assets. Fair value is communicated by the donor at the time of donation and is evaluated by staff for reasonableness.

*Conditions.* Conditional contributions are recognized when the condition has been substantially met. Amounts received before the conditions have been met are reported as refundable advance. Amounts received after the conditions have been met are recorded as Contracts Receivable. Conditional contributions include contracts and matching grants from the Consortium of Florida Education Foundations (CFEF). Revenues are recognized when the Foundation incurs allowable costs.

Revenue Recognition – Contracts with Customers

Ticket sales for the Foundation's fundraising events are earned and recognized at the time the event is held.

Expense Recognition and Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. The Foundation allocates the compensation of the President based on an estimate of time spent. All other expenses are assigned directly to the benefited function. Functions are further described as follows:

**Program Services.**

*STEM Education.* Through real-world applications, students gain hands-on learning opportunities in science, technology, computer science, robotics, data science, math, and engineering. The Foundation equips schools with curriculum and trains teachers to introduce STEM career pathways so that students are prepared for the 21st century workplace. STEM activities were incorporated into the Grants for Great Ideas program in the year ending June 30, 2024.

*Resiliency Through Community.* The Foundation promotes resiliency characteristics, leading to better academic performance and emotional well-being. By connecting students and their families to school and community resources, the Foundation works to create a safe and positive learning environment. Activities include mentoring, teacher-led grants, and professional development for staff.

*Tools 4 Clay Schools.* The Tools 4 Clay Schools store provides school supplies to all Clay County District school teachers for their classrooms and students in need. Teachers may shop for free at two locations four times a year. The Tools 4 Clay Schools program reaches teachers at every grade level from every school in the district. A combination of financial support and donated products keeps the shelves stocked.

*Apple Awards.* The Foundation celebrates excellence in education by recognizing each Clay County District school's top teacher, rookie teacher, and school-related employees of the year.

*Future Ready.* The Foundation strives to increase students' postsecondary success. The Foundation supports school-based college and career coaches, counselors, and students in the Career and Technical Education programs to ensure students are prepared to take the next steps after high school.

*Other Programs.* Other programs include Grants 4 Great Ideas, a classroom grant program designed to fund creative and innovative teaching strategies that enhance student learning in literacy and STEM. In addition, the Foundation partners with community groups to award scholarships to deserving Clay County seniors. A partnership with the Florida Prepaid College Foundation maximizes scholarships. Finally, the Foundation supports students through literacy initiatives.

**Management and General.** Management and general activities are those that provide governance oversight, business and financial management, financial recordkeeping, budgeting, legal and human resource management.

**Notes to Financial Statements**  
**June 30, 2024**  
**Clay County Education Foundation, Inc.**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)**

Expense Recognition and Allocation

**Fundraising.** Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. Activities include publicizing and conducting fundraising campaigns, maintaining donor lists, and any other activities that solicit contributions from corporations, foundations, individuals and others.

**NOTE 3 – AVAILABILITY AND LIQUIDITY**

The following table displays financial assets available for general expenditure within one year of the date of the statement of financial position:

Financial assets at June 30:	2024	2023
Cash and equivalents	\$ 236,745	\$ 180,156
Receivables	55,553	--
<b>Financial assets available for general expenditures</b>	<b>\$ 292,298</b>	<b>\$ 180,156</b>

The Foundation has structured its financial assets to be available as its general expenditures and liabilities come due. The Foundation generally does not hold large amounts of cash in excess of foreseeable cash needs and, therefore, has developed no mechanism for investment of such. In addition, the Foundation does not generally experience cash deficits and, therefore, has instituted no mechanism for financing them. Finally, general expenditures include expenditures that will satisfy donor restrictions.

**NOTE 4 – WEBSITE DEVELOPMENT COSTS**

The Foundation paid \$20,875 to a contractor to develop the Foundation’s website. The website will become operational in the year ending June 30, 2025 and will be amortized over an estimated useful life of five years.

**NOTE 5 – NET ASSETS**

Net assets are donor restricted for the following programs at June 30:

	2024	2023
Dolly Parton Imagination Library	\$ 7,229	\$ 21,955
Future Ready Clay	41,906	19,103
Grants for Great Ideas	15,969	20,000
Scholarships	1,878	3,900
<b>Totals</b>	<b>\$ 66,982</b>	<b>\$ 64,958</b>

**NOTE 6 – FUNDRAISING EVENTS**

The following table displays revenues and expenses for the Foundation’s fundraising event, Spring for Education, for the years ended June 30:

	2024	2023
Revenues – Cash Collections	\$ 10,760	\$ 7,436
Cost of Participant Benefits	(5,279)	(3,366)
<b>Net Event Revenues</b>	<b>\$ 5,481</b>	<b>\$ 4,070</b>

**Notes to Financial Statements**  
**June 30, 2024**  
**Clay County Education Foundation, Inc.**

**NOTE 7 – CONTRIBUTIONS OF NONFINANCIAL ASSETS**

Contributions of nonfinancial assets primarily include school supplies and materials, an automobile, and space for one of the Tools 4 Schools stores. Fair value is determined by reference to costs for similar items. These donations are not monetized, rather, they are reported as the following expenses for the years ended June 30:

	<b>2024</b>	<b>2023</b>
Grants to Clay District – STEM	\$ --	\$ 21,925
Grants to Clay District – Tools 4 Schools	54,448	46,302
Assistance to Individuals – Apple Awards	30,550	26,500
Occupancy – Tools 4 Schools	6,000	6,000
Other	2,675	9,471
<b>Totals</b>	<b>\$ 93,673</b>	<b>\$ 110,198</b>

**NOTE 8 – DONATED SERVICES**

The Foundation received the following hours of donated services for the years ended June 30:

	<b>2024</b>	<b>2023</b>
Board members	720	740
Tools for Schools volunteers	252	130
Total hours	972	870
Value per hour	\$31.61	\$29.41
<b>Totals</b>	<b>\$ 30,725</b>	<b>\$ 25,587</b>

The above amounts have not been recorded in the financial statement since the services provided do not meet the criteria for financial statement recognition. Board members primarily serve in governance functions of the Foundation, but also support programs and fundraising. The value per hour is an estimated hourly rate of volunteer time for Florida as published by Independent Sector. [http://www.independentsector.org/volunteer\\_time](http://www.independentsector.org/volunteer_time).

**NOTE 9 – CONTRACT COMMITMENT**

The Foundation entered into a contract for professional services for \$89,500, of which \$32,750 was paid during the year ended June 30, 2024, leaving a contract commitment of \$56,750 which was paid shortly after year end.

**NOTE 10 – SUBSEQUENT EVENTS**

The Foundation has evaluated events and transactions for potential recognition or disclosure through December 12, 2024, which is the date the financial statements were available to be issued.

# Kattell and Company, P.L.

*Certified Public Accountants Serving the Nonprofit Community*

808-B NW 16<sup>th</sup> Avenue Gainesville, Florida 32601 352-395-6565 kattell.com

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## **INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS**

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

We have audited 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, the financial statements of Clay County Education Foundation, Inc. (the Foundation) as of and for the year ended June 30, 2024, as listed in the table of contents, and the related notes to financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated December 12, 2024

### 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) as a basis for designing 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as described in the accompanying Schedule of Findings, we identified a deficiency in internal control that we consider to be a significant deficiency.

### 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, contracts and grants, noncompliance with which could have a direct and material effect on the financial statements. 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*.

### Response to Findings

The Foundation's response to the findings identified in our audit is described in the accompanying letter from the Foundation. This response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### 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.

*Kattell and Company, P.L.*

December 12, 2021

**Schedule of Findings**  
**June 30, 2024**  
**Clay County Education Foundation, Inc.**

**Significant Deficiency**

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2024-001                      Year End Adjustments

Condition – The Foundation updates its accounting records by a download of transactions that have cleared its financial institution. As a result, certain transactions are not entered into the accounting records until those transactions clear the bank.

Recommendation – The Foundation should consider whether to revise its accounting processes to provide more timely and accurate information to management and the board. For example, it might be beneficial to enter cash disbursements on the date that checks are delivered (mailed) rather than when those checks clear the bank. In addition, the Foundation should consider accruals of receivables, prepaids, and payables as part of their end-of-year closing procedures.



Clay Education Foundation  
900 Walnut Street  
Green Cove Springs, FL 32043

12/12/2024

**Response to FY2024 Audit Findings**

Dear Mr. Kattell:

We agree with all of the auditor's comments and have implemented process improvements to findings and appropriate resolutions as stated below.

**2024-001 Year End Adjustments**

**Response:** Foundation staff has amended accounting processes to record checks when they are mailed rather than when the transaction clears the bank. Entering disbursements at the time checks are mail will allow for more accurate financial reporting at year-end.

A handwritten signature in black ink that reads "Carolyn Krall". The signature is written in a cursive, flowing style.

Carolyn Krall  
President/CEO