

**DESOTO COUNTY
EDUCATION FOUNDATION, INC.**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

DESOTO COUNTY EDUCATION FOUNDATION, INC.
TABLE OF CONTENTS
JUNE 30, 2024

Independent Auditors' Report.....	1
Statement of Financial Position.....	4
Statement of Activities.....	5
Statement of Functional Expenses.....	6
Statement of Cash Flows.....	7
Notes to Financial Statements.....	8
Other Reporting:	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	11

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INDEPENDENT AUDITORS' REPORT

Board of Directors
DeSoto County Education Foundation, Inc.
Arcadia, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the DeSoto County Education Foundation, Inc. (a nonprofit organization), 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 financial statements present fairly, in all material respects, the financial position of the DeSoto County Education Foundation, Inc. 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 and the standards applicable to financial audits contained in *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 DeSoto County Education Foundation, Inc. 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.

DeSoto County Education Foundation, Inc. (continued)

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 DeSoto County Education Foundation, Inc.'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 generally accepted auditing standards 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 the audit in accordance with generally accepted auditing standards 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 DeSoto County Education Foundation, Inc.'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 the DeSoto County Education Foundation, Inc.'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.

DeSoto County Education Foundation, Inc. (continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2024, on our consideration of DeSoto County Education Foundation, Inc.'s internal control over financial reporting 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 solely 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 effectiveness of DeSoto County Education Foundation, Inc.'s 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 DeSoto County Education Foundation, Inc.'s internal control over financial reporting and compliance.



Wicks, Brown, Williams & Co., CPA's LLP
Sebring, Florida

November 18, 2024

DESOTO COUNTY EDUCATION FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

ASSETS

Cash and cash equivalents	\$ 803,322
Total Assets	<u>\$ 803,322</u>

LIABILITIES AND NET ASSETS

Liabilities	<u>\$ -</u>
Net Assets:	
Without donor restrictions	189,540
With donor restrictions	<u>613,782</u>
Total Net Assets	<u>803,322</u>
Total Liabilities and Net Assets	<u>\$ 803,322</u>

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

DESOTO COUNTY EDUCATION FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Contributions	\$ 54,768	\$ 37,758	\$ 92,526
Grant revenue	-	452,915	452,915
Feast for the Foundation	39,200	-	39,200
Administrative grant fees	60,000	-	60,000
Interest income	15,077	-	15,077
Net assets released from restrictions:			
Restrictions satisfied by payment	469,613	(469,613)	-
Total Support and Revenue	638,658	21,060	659,718
Expenses:			
Program services	498,633	-	498,633
Total Program Services	498,633	-	498,633
Supporting Services:			
Fundraising	5,270	-	5,270
General and administrative	49,738	-	49,738
Total Supporting Services	55,008	-	55,008
Total Expenses	553,641	-	553,641
Change in Net Assets	85,017	21,060	106,077
Net Assets, July 1, 2023	104,523	592,722	697,245
Net Assets, June 30, 2024	\$ 189,540	\$ 613,782	\$ 803,322

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

DESOTO COUNTY EDUCATION FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Program Services</u>	<u>Fundraising</u>	<u>General and Administrative</u>	<u>Total Expenses</u>
Conferences and meetings	\$ -	\$ -	\$ 138	\$ 138
Donations to schools	84,500	-	-	84,500
Early literacy grant	10,100	-	-	10,100
Employee of year event	3,527	-	-	3,527
Feast for the Foundation	-	5,270	-	5,270
Hurricane Ian relief	302,770	-	-	302,770
Insurance	-	-	1,230	1,230
Licenses	-	-	300	300
Marketing and promotions	-	-	4,857	4,857
Membership dues	-	-	250	250
Miscellaneous	-	-	177	177
Postage	-	-	1,693	1,693
Professional fees	26,400	-	39,600	66,000
Scholarships	59,341	-	-	59,341
STEM grants	11,995	-	-	11,995
Supplies	-	-	1,493	1,493
Total Functional Expenses	\$ 498,633	\$ 5,270	\$ 49,738	\$ 553,641

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

DESOTO COUNTY EDUCATION FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

Cash Flows from Operating Activities:	
Cash received from contributions, grants, and fees	\$ 644,641
Cash received from interest	15,077
Cash payments to scholarship recipients	(59,341)
Cash payments to suppliers for good and services	(494,300)
Net Cash Provided by Operating Activities	<u>106,077</u>

Net Increase in Cash	106,077
Cash and cash equivalents - July 1, 2023	<u>697,245</u>
Cash and cash equivalents - June 30, 2024	<u>\$ 803,322</u>

**Reconciliation of Change in Net Assets
to Net Cash Provided by Operating Activities:**

Change in Net Assets	\$ 106,077
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Change in assets and liabilities:	-
Net Cash Provided by Operating Activities	<u>\$ 106,077</u>

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

DESOTO COUNTY EDUCATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ORGANIZATION:

The DeSoto County Education Foundation, Inc. (“Foundation”), a not-for-profit corporation, was established on May 19, 1997. Its purpose is to focus the private sector upon enhancing the quality of and support for public education. The Foundation provides scholarships to DeSoto County school students. In addition, through school and classroom enrichment grants, the Foundation provides funding for schools and teachers to increase their capacity to deliver effective and innovative instructional strategies that enhance and expand student learning.

SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting: The financial statements of the Foundation have been prepared in conformity with accounting principles generally accepted in the United States of America, and accordingly are prepared on the accrual basis of accounting and reflect all significant receivables, payables, and other liabilities. Also, federal, state, and local grants or contracts are recorded as revenue when performance occurs under the terms of the grant or contract agreement.

Financial Statement Presentation: The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

- **Without donor restrictions** – Net assets available for use in general operations and not subject to donor-imposed or grantor restrictions, including, if applicable, net assets that have been designated by the Board of Directors for expenditure on specific purposes or projects.
- **With donor restrictions** – Net assets subject to restrictions imposed by donors or grantors. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time and/or actions of the Foundation. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Generally, the Foundation is permitted to use or expend part, or all the income and gains derived from the donated assets. When a restriction expires or is satisfied, the related assets are reclassified from net assets “with donor restrictions” to net assets “without donor restrictions” in the statement of activities.

The statement of activities presents the changes in net assets of the Foundation for the two fund types while demonstrating activity within various classifications of revenue and expenditures by program.

DESOTO COUNTY EDUCATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents: For the purposes of the statement of cash flows, the Foundation considers cash and cash equivalents to be cash on hand, cash in banks, and all highly liquid investments with an initial maturity of three months or less when acquired, including restricted cash. The carrying amounts of cash and cash equivalents approximate fair value because of the short maturity of those financial instruments.

Revenue Recognition: The Foundation's primary sources of revenue are public contributions, grants, scholarship contributions, and fundraising.

Contributions represent a nonreciprocal transfer and do not represent the sale of goods or services. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as increases to net assets "with donor restrictions" in the statement of activities in the fiscal year in which the donor makes the contribution. Non-cash donations are recorded at acquisition value at the date of donation.

The Foundation accounts for state and local grants or contracts as exchange transactions. Revenue is recognized as an increase in the Statement of Activities as stipulated performance is executed, or as expenditures are incurred in accordance with applicable agreements under expenditure reimbursement contracts.

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

Income Taxes:

DeSoto County Education Foundation, Inc. is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and, has been classified as an organization other than a private foundation.

Functional Allocation of Expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Directly identifiable expenses are charged to program and supporting services. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation. Certain categories of expenses are attributable to both program services and supporting services. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include professional fees, which is allocated based on estimates of time and effort.

Subsequent Events: Subsequent events have been evaluated through November 18, 2024, the date on which the financial statements were available to be issued.

DESOTO COUNTY EDUCATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 2 – NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2024, net assets with donor restrictions are available for the following purposes:

Scholarships	\$ 471,794
Grants	<u>141,988</u>
Total net assets with donor restrictions	<u>\$ 613,782</u>

NOTE 3 – SCHOLARSHIP COMMITMENTS

At June 30, 2024, the Foundation has awarded but not paid \$114,600 of scholarships. These funds are available as net assets with donor restrictions at year-end. These amounts will be recorded as expenses at the time the student provides the required documentation for the payment of the award.

NOTE 4 – LIQUIDITY AND AVAILABILITY

Financial assets consist of the Foundation’s cash and cash equivalents. The following represents the Foundation’s financial assets as of June 30, 2024, reduced by amounts not available for general use within one year of June 30, 2024:

Financial assets as of June 30, 2024	\$ 803,322
Less those unavailable for general expenditures within one year, due to:	
Restricted by grantors and donors with purpose restrictions	<u>(613,782)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 189,540</u>

NOTE 5 – CONCENTRATIONS OF CREDIT RISK

The Foundation has concentrated credit risk for cash by maintaining deposits in two financial institutions, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC), which is \$250,000. As of June 30, 2024, the Foundation’s uninsured cash balances totaled \$316,277. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risks to cash.

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INDEPENDENT AUDITORS' 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*

Board of Directors
DeSoto County Education Foundation, Inc.

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 the DeSoto County Education Foundation, Inc. (a nonprofit organization), 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, and have issued our report thereon dated November 18, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the DeSoto County Education 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the DeSoto County Education Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the DeSoto County Education 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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. 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 or significant deficiencies may exist that were not identified.

Board of Directors (continued)

Report on Compliance and Other Matters

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

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.



Wicks, Brown, Williams & Co., CPA's LLP
Sebring, Florida

November 18, 2024