

# 2024

Public Education Foundation of Marion  
County, Inc.

Financial Statements and  
Independent Auditor's Report

June 30, 2024 and 2023

**PURVIS GRAY**  
CERTIFIED PUBLIC ACCOUNTANTS

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR’S REPORT**

**PUBLIC EDUCATION FOUNDATION OF  
MARION COUNTY, INC.  
OCALA, FLORIDA**

**JUNE 30, 2024 AND 2023**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Public Education Foundation of Marion County, Inc.  
Ocala, Florida

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the Public Education Foundation of Marion County, Inc. (the Foundation) a component unit of the Marion County District School Board (the District) as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

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, 2024 and 2023, and the changes in its financial position and cash flows for the years 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 Auditor's 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 for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Ocala, Florida

## INDEPENDENT AUDITOR'S REPORT

### ***Auditor's 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 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 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 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 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 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.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing

Board of Directors  
Public Education Foundation of Marion County, Inc.  
Ocala, Florida

### INDEPENDENT AUDITOR'S REPORT

standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2024, 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 and grant agreements, 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.



September 9, 2024  
Ocala, Florida

**PUBLIC EDUCATION FOUNDATION OF MARION COUNTY, INC.  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

This section of the Public Education Foundation of Marion County, Inc.’s (the Foundation) annual financial report presents our discussion and analysis of financial performance for the fiscal periods ended on June 30, 2024 and 2023. Please read it in conjunction with the preceding Independent Auditor’s Report and financial statements following this section.

**OVERVIEW OF FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position provide information about activities and present a longer-term view of financial position. The Statements of Cash Flows provide information regarding net cash from (used in) various activities.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. These notes are an integral part of these financial statements and should be read as a part of the financial statements in order for the reader to have a clear understanding of activities and performance.

**FINANCIAL ANALYSIS**

**NET POSITION**

	<u>2024</u>	<u>2023</u>
Current Assets	\$ 677,664	\$ 988,542
Capital Assets, Net	1,220	3,056
Non-Current Assets	<u>3,367,021</u>	<u>3,230,669</u>
Total Assets	<u>4,045,905</u>	<u>4,222,267</u>
Current Liabilities	<u>57,053</u>	<u>51,398</u>
Total Liabilities	<u>57,053</u>	<u>51,398</u>
Net Position:		
Unrestricted	964,977	1,117,170
Net Investment in Capital Assets	1,220	3,056
Restricted	<u>3,022,655</u>	<u>3,050,643</u>
Net Position at End of Year	<u>\$ 3,988,852</u>	<u>\$ 4,170,869</u>

In comparing 2024 activity to 2023 activity, we note the following:

Total assets decreased by 4.2%, or \$176,362. Current assets decreased by \$310,878, and capital assets decreased by \$1,836. Part of the decrease in current assets was caused by a significant decrease in inventory. Non-current assets increased by \$136,352 during 2024 as a result of an increase in the Florida Prepaid balance by \$137,263 in purchases and the matching funds.

There was a net increase in total liabilities of \$5,655, due primarily to a slight increase of \$7,299 in accrued expenses and accounts payable.

Total net position decreased by \$182,017.

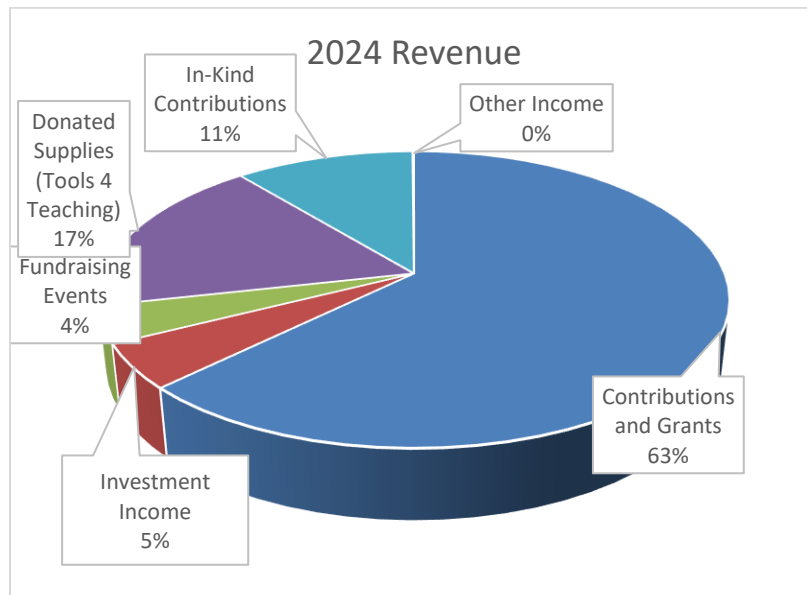
**PUBLIC EDUCATION FOUNDATION OF MARION COUNTY, INC.  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**CHANGES IN NET POSITION**

	<u>2024</u>	<u>2023</u>
Revenue:		
Contributions and Grants	\$ 1,541,613	\$ 1,543,541
Fundraising Events	97,607	116,369
Donated Supplies (Tools 4 Teaching)	431,324	425,167
In-Kind Contributions	266,948	282,499
Other Income	2,280	940
Total Revenue	<u>2,339,772</u>	<u>2,368,516</u>
Expenses:		
Program	1,288,099	1,144,151
District Support	916,288	388,432
General and Administrative	380,884	397,717
Fundraising	56,106	42,098
Total Expenses	<u>2,641,377</u>	<u>1,972,398</u>
Net Operating Income	<u>(301,605)</u>	<u>396,118</u>
Non-Operating Income		
Investment Income	<u>119,588</u>	<u>68,278</u>
	<u>119,588</u>	<u>68,278</u>
Contributions from Donors for Permanent Endowments	<u>-</u>	<u>13,000</u>
<b>Change in Net Position</b>	<b>(182,017)</b>	<b>477,396</b>
<b>Net Position at Beginning of Year</b>	<u>4,170,869</u>	<u>3,693,473</u>
<b>Net Position at End of Year</b>	<u>\$ 3,988,852</u>	<u>\$ 4,170,869</u>

Significant differences between 2024 and 2023 revenues and expenses are discussed below:

**REVENUES**



**PUBLIC EDUCATION FOUNDATION OF MARION COUNTY, INC.**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2024**

**Operating Revenue** – Overall Operating Revenue decreased by \$28,744, with Fundraising Events decreasing by 16.1% or \$18,762 and In-Kind Contributions decreasing by 5.5% or \$15,551.

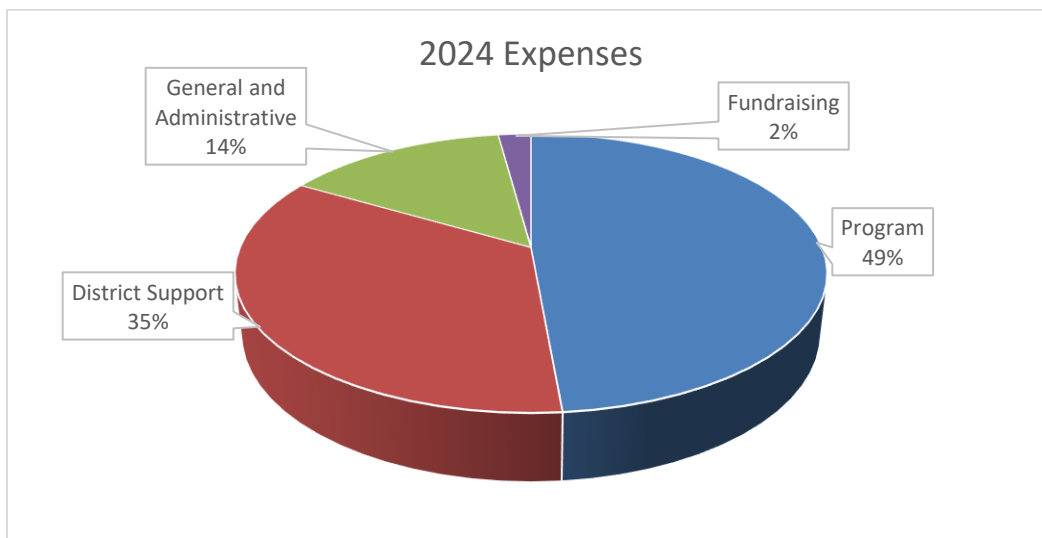
**Non-Operating Revenue** – Overall Non-Operating Revenue increased by \$51,310, or 75.1%, due to favorable market returns compared to previous year.

**Contributions and Grants** consists of private non-endowed contributions.

**Investment Income** is comprised of investment earnings.

**In-Kind Contributions** are exclusive of direct support received from the School Board (see Note 7), which includes facilities and salary and benefits.

**EXPENSES**



**Program Expenses** include various Scholarships, Take Stock in Children, and Tools 4 Teaching.

**District Support** is comprised of expense for services and support paid to schools and the District primarily through Grants for Great Ideas and Business Partners.

**General and Administrative** is comprised of salary and benefits of Foundation staff, as well as other administrative fees, supplies, and services for the Foundation.

**Fundraising** is comprised of expenses for fundraising and special events.

**NET POSITION**

As a result of the foregoing activity, net position decreased by 4.4% or \$182,017. Restricted net position decreased by 0.9% or \$27,988, and unrestricted net position excluding net investment in capital assets decreased by 13.6% or \$152,193.

**PUBLIC EDUCATION FOUNDATION OF MARION COUNTY, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**REQUESTS FOR INFORMATION**

This section of the Foundation's annual financial report is designed to provide a general overview of the Foundation's finances. Questions about any of the information provided in this report or requests for additional financial information should be addressed to the Public Education Foundation of Marion County, Inc. at 1239 NW 4<sup>th</sup> St. Ocala, Florida 34475.

**PUBLIC EDUCATION FOUNDATION OF MARION COUNTY, INC.**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2024 AND 2023**  
**OCALA, FLORIDA**

	<b>2024</b>	<b>2023</b>
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 469,955	\$ 597,124
Accounts Receivable	42,376	52,801
Inventory	158,595	332,417
Prepaid Expenses	6,738	6,200
<b>Total Current Assets</b>	<b>677,664</b>	<b>988,542</b>
 <b>Property and Equipment, Net</b>	 <b>1,220</b>	 <b>3,056</b>
 <b>Non-Current Assets</b>		
Investments	937,638	891,489
Assets Held by Others	2,419,007	2,329,883
Beneficial Interest in Trust	10,376	9,297
<b>Total Non-Current Assets</b>	<b>3,367,021</b>	<b>3,230,669</b>
 <b>Total Assets</b>	 <b>4,045,905</b>	 <b>4,222,267</b>
 <b>Current Liabilities</b>		
Accrued Expenses and Accounts Payable	43,948	36,649
Funds Held on Behalf of Others	13,105	14,749
<b>Total Current Liabilities</b>	<b>57,053</b>	<b>51,398</b>
 <b>Total Liabilities</b>	 <b>57,053</b>	 <b>51,398</b>
 <b>Net Position</b>		
Unrestricted	964,977	1,117,170
Net Investment in Capital Assets	1,220	3,056
Restricted:		
Tools 4 Teaching	158,595	332,417
Scholarships	2,703,742	2,557,908
Non-Spendable Endowments	160,318	160,318
<b>Total Net Position</b>	<b>\$ 3,988,852</b>	<b>\$ 4,170,869</b>

See accompanying notes.

**PUBLIC EDUCATION FOUNDATION OF MARION COUNTY, INC.**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**  
**OCALA, FLORIDA**

	<b>2024</b>	<b>2023</b>
<b>Operating Revenue and Support</b>		
Contributions and Grants	\$ 1,541,613	\$ 1,543,541
Fundraising Events	97,607	116,369
Donated Supplies (Tools 4 Teaching)	431,324	425,167
In-Kind Contributions	266,948	282,499
Other Income	2,280	940
<b>Total Revenue and Support</b>	<b>2,339,772</b>	<b>2,368,516</b>
<b>Operating Expenses</b>		
Take Stock in Children	280,541	237,935
Tools 4 Teaching	702,852	562,480
Silver Springs Science Lab	44,533	24,399
District Support	916,288	388,432
Scholarships	74,771	95,634
Florida Prepaid Scholarships Utilized, Net of Value Adjustment	185,402	223,703
General and Administrative	380,884	397,717
Fundraising	56,106	42,098
<b>Total Expenses</b>	<b>2,641,377</b>	<b>1,972,398</b>
<b>Net Operating Income (Loss)</b>	<b>(301,605)</b>	<b>396,118</b>
<b>Non-Operating Income (Expense)</b>		
Investment Income (Loss)	119,588	68,278
<b>Total Non-Operating Income (Expense)</b>	<b>119,588</b>	<b>68,278</b>
<b>Contributions from Donors for Permanent Endowments</b>	<b>-</b>	<b>13,000</b>
<b>Change in Net Position</b>	<b>(182,017)</b>	<b>477,396</b>
<b>Net Position, Beginning of Year</b>	<b>4,170,869</b>	<b>3,693,473</b>
<b>Net Position, End of Year</b>	<b>\$ 3,988,852</b>	<b>\$ 4,170,869</b>

See accompanying notes.

**PUBLIC EDUCATION FOUNDATION OF MARION COUNTY, INC.**  
**STATEMENTS OF CASH FLOWS**  
**JUNE 30, 2024 AND 2023**  
**OCALA, FLORIDA**

	<b>2024</b>	<b>2023</b>
<b>Cash Flows from Operating Activities</b>		
Cash Received from Donors	\$ 1,650,846	\$ 1,677,995
Cash Paid to Suppliers and Others	(1,242,109)	(963,977)
Cash Paid for Scholarships, Awards, and Grants	(609,345)	(413,802)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(200,608)</b>	<b>300,216</b>
<b>Cash Flows from Investing Activities</b>		
Cash Received for Interest and Dividends	33,468	35,540
Cash Received from Sale of Investments	1,132,692	217,277
Cash Paid for Purchases of Investments	(1,092,721)	(461,974)
<b>Net Cash (Used in) Provided by Investing Activities</b>	<b>73,439</b>	<b>(209,157)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(127,169)	91,059
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>597,124</b>	<b>506,065</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 469,955</b>	<b>\$ 597,124</b>
<b>Reconciliation of Operating Income to Net Cash</b>		
<b>Provided by Operating Activities</b>		
Operating Income (Loss)	\$ (301,605)	\$ 396,118
Adjustments to Reconcile Operating Income (Loss) to Net Cash		
Provided by (Used in) Operating Activities:		
Depreciation and Amortization	1,836	1,836
Permanent Endowments Contribution	-	13,000
Decrease (Increase) in:		
Accounts Receivable	10,425	4,862
Prepaid Expenses and Other Current Assets	(538)	(628)
Inventory	173,822	44,026
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	7,300	(390)
Beneficial Interest in Trust	(1,079)	(717)
Funds Held on Behalf of Others	(1,644)	3,716
Redemption Value of Assets Held by Others	(89,125)	(161,607)
Total Adjustments	<b>100,997</b>	<b>(95,902)</b>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ (200,608)</b>	<b>\$ 300,216</b>
<b>Non-Cash Transactions</b>		
In-Kind Contributions from Marion County Public Schools	\$ 266,948	\$ 282,499
Donations of Supplies for Tools 4 Teaching	\$ 431,324	\$ 425,167

See accompanying notes.

**PUBLIC EDUCATION FOUNDATION OF MARION COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS  
OCALA, FLORIDA**

**Note 1 - Summary of Significant Accounting Policies**

The following is a summary of the significant accounting policies and practices of the Public Education Foundation of Marion County, Inc. (the Foundation) which affect the accompanying financial statements:

**Organization**

The Foundation is a Florida corporation, not-for-profit, incorporated under the provisions of Chapter 617, Florida Statutes in August 1988. The Foundation is a district school board direct-support organization created by the authority of Section 237.40, Florida Statutes. The Foundation is considered a component unit of the Marion County District School Board (the School Board). It is organized and operated exclusively to receive, hold, invest, and administer property and to make expenditures, to or for the benefit of, public pre-kindergarten through twelfth grade education and adult vocational and community education programs in Marion County, Florida. The Foundation's Board of Directors is comprised of volunteers whose selection is approved by the School Board. The major sources of revenue are Take Stock in Children and direct support from the School Board.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The financial statements of the Foundation have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting.

The Foundation prepares its financial statements using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when incurred.

**Fund Accounting**

To ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. All of the Foundation's financial activity is accounted for in a single fund, which contains restricted and unrestricted components.

The Foundation's operating account includes unrestricted and restricted resources, representing the portion of expendable and non-expendable funds that are available for support of operations and funds available for use in accordance with specific restrictions, respectively. When both restricted and unrestricted resources are available for use, it is the Foundation's policy to use restricted resources first, then unrestricted resources as they are needed.

**Income Taxes**

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the financial statements do not reflect a provision for income taxes.

The Foundation files income tax returns in the U.S. federal and state jurisdictions. With few exceptions, the Foundation is no longer subject to U.S. federal, state, and local, or non-U.S. income tax examinations by tax authorities after three years from the due date of the tax return. The Foundation is not aware of any activities that would jeopardize its tax-exempt status or any activities that are subject to tax on unrelated business income or excise taxes.

**PUBLIC EDUCATION FOUNDATION OF MARION COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**OCALA, FLORIDA**

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Foundation considers all highly-liquid investments purchased with a maturity of three months or less to be cash equivalents.

**Accounts Receivable**

Accounts receivable consisted of grant funds receivable and employee payroll contributions from the School Board. Management anticipates subsequent receipt of all of these funds; therefore, no allowance amount was recorded.

**Inventory**

Inventory consists of donated supplies used for program services specified by the donor. Contributions of inventory are stated at fair value. The Foundation receives and distributes contributions for the Tools 4 Teaching program to assist teachers with classroom supplies.

**Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values based on quoted prices in active markets (all Level 1 measurements) in the statements of net position. Unrealized gains and losses are included in the statements of revenues, expenses, and changes in net position.

**Capital Assets**

The Foundation follows the practice of capitalizing at cost all expenditures for equipment in excess of \$500. Depreciation of equipment is computed using the straight-line method over the estimated useful lives of the assets.

**Net Position**

The Foundation's net position is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. Restricted net position is non-capital assets that must be used for a particular purpose, as specified by grantors or contributors external to the Foundation. Unrestricted net position is remaining net amount of assets that do not meet the definition of investment in capital assets net of related debt or restricted net position.

**Revenue Recognition**

All contributions are considered available for the Foundation's general programs unless specifically restricted by the donor. The Foundation recognizes gifts of cash, investment securities, or pledges receivable as revenue when all eligibility requirements have been met except for pledges to the endowment, which are recognized when funds are received. Donations of securities and other non-monetary items are recorded as revenue based on their acquisition value at the date of the gift.

**Classification of Revenues**

The Foundation classifies its revenues as operating or non-operating. Operating revenues include the primary activities of contributions from donors, program revenues, and special events. Non-operating revenues include revenues primarily from investment income.

**PUBLIC EDUCATION FOUNDATION OF MARION COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS  
OCALA, FLORIDA**

**In-Kind Contributions**

Contributions of services and donated items, which are provided to the Foundation, have been recorded in the accompanying financial statements. These contributions are recorded at their estimated fair values at date of receipt. In-kind contributions, exclusive of direct support received from the School Board (see Note 7) total \$431,324 and \$425,167 for the years ended June 30, 2024 and 2023, respectively. Volunteer services provided during events held by the Foundation do not meet the criterion used to record donated services and have not been recorded in the financial statements.

In circumstances in which the Foundation distributes gifts in-kind as part of its programs, it reports an expense, which is reported in the program in which the gifts in-kind were used. Although it is the Foundation's practice to distribute gifts in-kind as promptly as possible, the Foundation does hold some gifts in-kind at year-end for the Tools 4 Teaching program for teachers to shop for learning materials. Undistributed gifts in-kind at year-end are reported as inventory. Inventory is valued at the lower of cost or fair value (cost is determined as fair value at the date of gift plus any costs incurred).

**Accounting 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Note 2 - Assets Held by Others**

**Take Stock in Children Scholarship Program Overview**

The Foundation, through its donors for the Take Stock in Children program, purchases two-year scholarship contracts from the Florida Prepaid College Foundation. The State of Florida through the Florida Prepaid College Foundation matches, dollar for dollar, the cost of these scholarship contract purchases and holds the full value of the scholarship contracts, including changes in the scholarship contracts' contract value, on behalf of the Foundation.

The Foundation exercises control over these scholarship contracts by selecting students from Marion County Public Schools to participate in the Take Stock in Children program. Upon completion of the program and graduation from high school, the full contract value of these scholarship contracts is provided to the students for their college education. Any unused scholarships may be reinvested in new scholarship contracts to be provided to new students or existing students.

	<u>2024</u>	<u>2023</u>
<b>Beginning Contract Value</b>	\$ 2,329,883	\$ 2,168,275
Purchases by Foundation	137,263	192,655
Matching Contributions by the Florida Prepaid College Foundation	137,263	192,655
Florida Prepaid Scholarships Utilized, Net of Value Adjustment	<u>(185,402)</u>	<u>(223,702)</u>
<b>Ending Contract Value</b>	<u>\$ 2,419,007</u>	<u>\$ 2,329,883</u>

**PUBLIC EDUCATION FOUNDATION OF MARION COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**OCALA, FLORIDA**

**Contract Value**

The Foundation has reported the current value of the scholarship contracts based on information provided by the Florida Prepaid College Foundation, which values the scholarship contracts based on available hours on the contract and the average rates paid to Florida universities and colleges.

**Florida Prepaid Scholarships Utilized, Net of Value Adjustment**

The Foundation has reported the Florida Prepaid Scholarships Utilized, Net of Value Adjustment based on information provided by the Florida Prepaid College Foundation. This component consists of changes in the value of the scholarship related to the scholarship usage by students, as well as changes in the value of the scholarship contracts as a result of changes in tuition costs at Florida universities and colleges.

**Note 3 - Accounts Receivable**

**Take Stock in Children**

The Foundation receives quarterly grant installments from the Take Stock in Children Foundation, Inc. for the reimbursement of employee salaries and payroll expenses and allowable program operational expenses in the Take Stock in Children program. As of June 30, 2024 and 2023, accounts receivable of \$42,376 and \$40,280, respectively, have been recorded for quarterly grant installments unpaid as of these dates. No allowance for uncollectible receivables related to these amounts has been recorded, as these amounts are expected to be collected in the ordinary course of business within a year.

**Employee Payroll Contributions from the School Board**

The School Board submits payments to the Foundation for School Board employee payroll contributions periodically. As of June 30, 2024 and 2023, accounts receivable of \$0 and \$12,521, respectively, have been recorded for School Board employee payroll contributions. No allowance for uncollectible receivables related to these amounts has been recorded, as these amounts are expected to be collected in the ordinary course of business within a year.

**Note 4 - Investments**

GASB Statement No. 72, *Fair Value Measurement and Application*, provided the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GAAP are described below:

**Level 1**—Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

**Level 2**—Inputs to the valuation methodology include: (1) quoted market prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in inactive markets; (3) inputs other than quoted prices that are observable for the asset or liability; and (4) inputs that are derived principally from, or corroborated by, observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**PUBLIC EDUCATION FOUNDATION OF MARION COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**OCALA, FLORIDA**

**Level 3**—Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The assets or liabilities' fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Foundation uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. There have been no changes in the methodologies used at June 30, 2024. The valuation methodologies may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, the Foundation's investments in securities and investment funds are reported by investment type at fair value in the composition of investments below:

Investments as of June 30, 2024:

<u>Measurement</u> <u>Endowment Investments</u>	<u>Maturities</u> <u>(Years)</u>	<u>Credit</u> <u>Rating</u>	<u>Fair Value</u>	<u>Fair Value</u> <u>Level</u>
Investments:				
Fixed Income	7.67	BB- to AA-	\$ 45,458	1
U.S. and International Equities	N/A	N/A	178,840	1
Cash and Cash Equivalents	N/A	N/A	<u>3,066</u>	N/A
<b>Total Endowment Investments</b>			<u>227,364</u>	

<u>Measurement</u> <u>Non-Endowment Investments</u>	<u>Maturities</u> <u>(Years)</u>	<u>Credit</u> <u>Rating</u>	<u>Fair Value</u>	<u>Fair Value</u> <u>Level</u>
Investments:				
Fixed Income	8.86	BB- to AA-	124,213	1
U.S. and International Equities	N/A	N/A	417,038	1
U.S. Treasury Bonds	Less than 1	AA+	172,089	1
Cash and Cash Equivalents	N/A	N/A	<u>93,279</u>	N/A
<b>Total Non-Endowment Investments</b>			<u>806,619</u>	
<b>Total Investments</b>			1,033,983	
<b>Cash Deposit Accounts</b>			<u>373,610</u>	
<b>Total Cash, Cash Equivalents and Investments</b>			<u>\$ 1,407,593</u>	

**Presented in the Statement of Net Position**

Cash and Cash Equivalents	\$ 469,955
Investments	<u>937,638</u>
<b>Total Cash, Cash Equivalents and Investments</b>	<u>\$ 1,407,593</u>

**PUBLIC EDUCATION FOUNDATION OF MARION COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**OCALA, FLORIDA**

Investments as of June 30, 2023:

<b>Measurement Endowment Investments</b>	<b>Maturities (Years)</b>	<b>Credit Rating</b>	<b>Fair Value</b>	<b>Fair Value Level</b>
Investments:				
Fixed Income	6.49	BB- to AA	\$ 55,690	1
U.S. and International Equities	N/A	N/A	144,125	1
Cash and Cash Equivalents	N/A	N/A	<u>3,494</u>	N/A
<b>Total Endowment Investments</b>			<u>203,309</u>	

<b>Measurement Non-Endowment Investments</b>	<b>Maturities (Years)</b>	<b>Credit Rating</b>	<b>Fair Value</b>	<b>Fair Value Level</b>
Investments:				
Fixed Income	6.21	BB- to AA	120,204	1
U.S. and International Equities	N/A	N/A	347,547	1
U.S. Treasury Bonds	Less than 1	AA+	223,923	1
Cash and Cash Equivalents	N/A	N/A	<u>37,825</u>	N/A
<b>Total Non-Endowment Investments</b>			<u>729,499</u>	
<b>Total Investments</b>			932,808	
<b>Cash Deposit Accounts</b>			<u>555,805</u>	
<b>Total Cash, Cash Equivalents and Investments</b>			<u>\$ 1,488,613</u>	

**Presented in the Statement of Net Position**

Cash and Cash Equivalents	\$ 597,124
Investments	<u>891,489</u>
<b>Total Cash, Cash Equivalents and Investments</b>	<u>\$ 1,488,613</u>

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, establishes disclosure requirements related to the following types of investment risks:

**Credit Risk**—Credit risk relates to the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit for debt securities of the Foundation is presented in the schedule above. Investment ratings are from Moody’s Investor Services, Inc., Standard & Poor’s, and Fitch.

**Interest Rate Risk**—Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment’s fair value. The weighted average maturities are presented in the schedule above.

**Note 5 - Capital Assets**

Capital assets consist of the following at June 30, 2024:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
Furniture and Equipment	\$ 10,816	\$ -	\$ -	\$ 10,816
Vehicle	25,150	-	-	25,150
Less: Accumulated Depreciation	<u>(32,910)</u>	<u>(1,836)</u>	-	<u>(34,746)</u>
	<u>\$ 3,056</u>	<u>\$ (1,836)</u>	<u>\$ -</u>	<u>\$ 1,220</u>

**PUBLIC EDUCATION FOUNDATION OF MARION COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**OCALA, FLORIDA**

Capital assets consist of the following at June 30, 2023:

	Beginning Balance	Additions	Disposals	Ending Balance
Furniture and Equipment	\$ 10,816	\$ -	\$ -	\$ 10,816
Vehicle	25,150	-	-	25,150
Less: Accumulated Depreciation	(31,074)	(1,836)	-	(32,910)
	<u>\$ 4,892</u>	<u>\$ (1,836)</u>	<u>\$ -</u>	<u>\$ 3,056</u>

Depreciation and amortization expense for the years ended June 30, 2024 and 2023, is \$1,836 and \$1,836, respectively.

**Note 6 - Net Position**

Net positions at June 30, 2024 and 2023, are available for the following purposes or periods:

	<u>2024</u>	<u>2023</u>
<b>Unrestricted</b>		
Invested in Property, Plant and Equipment	\$ 1,220	\$ 3,056
Undesignated	964,977	1,117,170
<b>Total Unrestricted</b>	<u>\$ 966,197</u>	<u>\$ 1,120,226</u>
<b>Restricted</b>		
<b>Tools 4 Teaching</b>	<u>2024</u>	<u>2023</u>
Total Inventory for Tools 4 Teaching	\$ 158,595	\$ 332,417
<b>Total Tools 4 Teaching</b>	<u>\$ 158,595</u>	<u>\$ 332,417</u>
<b>Non-Spendable Endowments</b>	<u>2024</u>	<u>2023</u>
Marion County Medical Society	\$ 45,519	\$ 45,519
Colt Alumni Winners Circle	55,000	55,000
Student Media Festival Endowment	25,000	25,000
The Margaret "Peggie" Anderson Endowment	20,049	20,049
Fort McCoy Alumni Scholarship	10,000	10,000
Westport High School Music Scholarship Endowment	4,750	4,750
<b>Total Non-Spendable Endowments</b>	<u>\$ 160,318</u>	<u>\$ 160,318</u>
<b>Scholarships - Restricted</b>	<u>2024</u>	<u>2023</u>
Florida Prepaid Scholarships	\$ 2,419,008	\$ 2,329,883
Unspent Earnings on Endowments	67,045	42,991
The Margaret "Peggie" Anderson Scholarship Fund	45,904	45,904
Jim and Joanne Yancey Scholarship Fund	45,468	30,868
Joshua Rossignol Memorial Scholarship	27,837	25,737
Trudy Boone Foxfire Realty	16,000	17,000
Marion County Medical Society	12,264	14,264
Gissy, Hancock, Eno, McGurn	9,910	5,000
Walter William Wade Memorial	9,500	9,500

**PUBLIC EDUCATION FOUNDATION OF MARION COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**OCALA, FLORIDA**

Colt Alumni Winners Circle	\$	8,930	\$	*
Teacher to Be		8,281		8,881
John Gibb Memorial Scholarship		7,990		5,625
HCA Ocala Florida Jumpstart		6,973		*
Fred Smiley Scholarship Fund		5,630		6,264
Marilyn Hughes		3,348		3,142
Fort McCoy Alumni Scholarship		2,773		3,373
Niko Malidelis		2,658		2,658
FICPA		2,503		2,503
Others Whose Balance is Less Than \$2,500		<u>1,720</u>		<u>4,315</u>
<b>Total Scholarships/Spendable Endowments</b>		<u>\$ 2,703,742</u>		<u>\$ 2,557,908</u>

\* Balance was below \$2,500

**Note 7 - Direct-Support Received from the School Board**

The School Board is authorized under Section 237.40, Florida Statutes, to provide or permit use of property, facilities, and personal services of the School Board by a direct-support organization. At June 30, the School Board provided direct-support to the Foundation as follows:

	<u>2024</u>	<u>2023</u>
<b>Direct-Support Received</b>		
Salaries and Benefits	\$ 208,484	\$ 224,035
Facilities	<u>58,464</u>	<u>58,464</u>
<b>Total Direct-Support Received</b>	<u>\$ 266,948</u>	<u>\$ 282,499</u>

Additionally, the School Board provides use of equipment and information services support. A value for the use of equipment and information services support has not been established and is not included in the accompanying financial statements.

**Note 8 - Concentration of Credit Risk**

**Demand Deposits**

The Foundation maintains demand deposit accounts with a national bank in which funds are insured by the Federal Deposit Insurance Corporation (FDIC). At times throughout the year, the funds held in these accounts may exceed FDIC limits.

**Revenue**

The Foundation receives a significant amount of its support from the School Board and the School Board's employees. A significant reduction in the level of this support, if this were to occur, may have an effect on the Foundation's programs and activities.

**Note 9 - Endowments**

The Foundation's endowments consist of six (6) donor-restricted funds. As required by GAAP, net positions associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

**PUBLIC EDUCATION FOUNDATION OF MARION COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS  
OCALA, FLORIDA**

**Endowment Spending and Investment Policy**

The Foundation has adopted investment policies, approved by the Board of Directors, to provide a predictable funding stream for programs supported by its endowments, while maintaining the purchasing power of these assets and growing the fund corpus over the long term. These policies apply to donor-restricted funds held in perpetuity or for specific periods, as well as Board-designated funds.

The investment policy authorizes a balanced portfolio of equity and fixed income investments. Equity investments aim to maximize long-term growth, while fixed income investments focus on generating income, providing stable returns, and protecting against prolonged declines in equity values. Cash investments serve as temporary holdings for liquidity needs.

Except for fixed income investments guaranteed by the U.S. Government, no single investment security may exceed 5% of total portfolio assets. Alternative investments, including venture capital, hedge funds, and real estate, are permitted but limited to 15% of the total portfolio. The policy includes diversification guidelines to mitigate risk and minimize large losses over time.

The Foundation recognizes that the strategic allocation of assets across categories with varying risk, return, and correlation is the most significant factor in determining long-term returns and portfolio stability.

The Foundation expects that actual returns and volatility may differ from expectations in the short term. While flexibility in asset allocation is maintained, changes are anticipated only in response to material shifts in the Foundation, spending policies, or market conditions.

**Note 10 - Interest in Beneficial Trust**

Amounts reported in the statements of net position as interest in beneficial trust are at current market value. The balance is from cumulative transfers by the Foundation to the Community Foundation of Ocala Marion County and related earnings. The Community Foundation of Ocala Marion County holds and invests the funds on behalf of the Foundation in an endowment fund for the benefit of the Foundation. Funds are to be distributed to the Foundation at their request.

	<b>2024</b>	<b>2023</b>
<b>Interest in Beneficial Trust</b>		
Amount Transferred by the Foundation	\$ 6,449	\$ 6,449
Income Earned	3,927	2,848
<b>Total Interest in Beneficial Trust</b>	<b>\$ 10,376</b>	<b>\$ 9,297</b>

**Note 11 - Funds Held on Behalf of Others**

The liability account “Funds Held on Behalf of Others” represent funds received by the Foundation on behalf of others. The Foundation’s policy is to recognize the funds in cash and an offsetting liability until the funds are distributed to the ultimate beneficiary, at which time the asset and liability are removed from the Foundation’s books.

**PUBLIC EDUCATION FOUNDATION OF MARION COUNTY, INC.  
NOTES TO FINANCIAL STATEMENTS  
OCALA, FLORIDA**

**Note 12 - Related-Party Transaction**

The School Board provides property, facilities, and personal services to the Foundation as described in Note 7. Several Board members are also employed by the School Board.

**ADDITIONAL ELEMENTS OF REPORT PREPARED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*,  
ISSUED BY THE COMPTROLLER GENERAL OF THE UNITED STATES**

**INDEPENDENT AUDITOR’S 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**

To the Board of Directors  
Public Education Foundation of Marion County, Inc.  
Ocala, 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 the Public Education Foundation of Marion County, Inc. (the Foundation) a non-profit organization, which comprises the statement of net position as of the year ended June 30, 2024, the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Foundation’s basic financial statements and have issued our report thereon dated September 9, 2024.

**Report on 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 opinion 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 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 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, material weaknesses may exist that were not identified.

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To the Board of Directors  
Public Education Foundation of Marion County, Inc.  
Ocala, Florida

**INDEPENDENT AUDITOR'S 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**

**Report on 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 its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance 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.



September 9, 2024  
Ocala, Florida

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