



**Carlson & Company, Chartered**  
Certified Public Accountants

**Santa Rosa Education Foundation, Inc.**

Milton, Florida

Audited Financial Statements

June 30, 2024

**Santa Rosa Education Foundation, Inc.**

Milton, Florida

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**Carlson & Company, Chartered**  
Certified Public Accountants

Independent Auditors' Report

To the Board of Directors  
Santa Rosa Education Foundation, Inc.  
Milton, Florida

***Opinion***

We have audited the accompanying financial statements of Santa Rosa 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 Santa Rosa 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 Santa Rosa 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.

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 Santa Rosa 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 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.

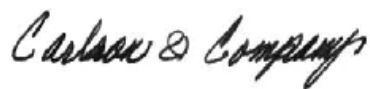
In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- 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 Santa Rosa 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 Santa Rosa 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2024, on our consideration of Santa Rosa 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 Santa Rosa 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 Santa Rosa Education Foundation, Inc.'s internal control over financial reporting and compliance.



Pensacola, Florida  
October 29, 2024

**Santa Rosa Education Foundation, Inc.**

Statement of Financial Position

June 30, 2024

**Assets**

Cash and cash equivalents	\$ 437,103
Restricted cash - Take Stock in Children	136,917
Accounts receivable	30,181
Prepaid insurance	3,088
Investments	<u>16,601</u>
Total assets	<u>\$ 623,890</u>

**Liabilities and net assets**

Liabilities	
Accounts payable	<u>\$ 13,647</u>
Total liabilities	<u>13,647</u>
Net assets	
Without donor restrictions	73,782
With donor restrictions	<u>536,461</u>
Total net assets	<u>610,243</u>
Total liabilities and net assets	<u>\$ 623,890</u>

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

**Santa Rosa Education Foundation, Inc.**

Statement of Activities

For the year ended June 30, 2024

**Changes in net assets without donor restrictions**

Revenue and support		
Contributions	\$	39,692
In-kind contributions		118,577
Interest income		122
Unrealized gain on donated investments		467
Realized gain on donated investments		82
Special events	\$ 62,767	
less direct costs	<u>(23,504)</u>	39,263
Net assets released from donor restrictions		<u>655,668</u>
Total revenue and support without donor restrictions		<u>853,871</u>
Expenses		
Program expenses		674,555
Management and general expenses		62,129
Fundraising expenses		944
In-kind expenses		<u>118,577</u>
Total expenses		<u>856,205</u>
Change in net assets without donor restrictions		<u>(2,334)</u>
<b>Changes in net assets with donor restrictions</b>		
Take Stock in Children contributions		124,248
Take Stock in Children grant		105,545
Consortium of Florida Education Foundation funding		278,278
Contributions received for other specific programs		168,631
Net assets released from donor restrictions		<u>(655,668)</u>
Change in net assets with donor restrictions		<u>21,034</u>
Total increase in net assets		18,700
Net assets, beginning of year		<u>591,543</u>
Net assets, end of year	\$	<u><u>610,243</u></u>

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

**Santa Rosa Education Foundation, Inc.**

Statement of Functional Expenses

For the year ended June 30, 2024

<u>Expenses</u>	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Totals</u>
Advertising and promotion	\$ -	\$ 22,594	\$ -	\$ 22,594
Conferences and meetings	13,984	1,535	-	15,519
Insurance	-	5,026	-	5,026
Office expense	38,715	1,590	944	41,249
Payments to FL Prepaid College Foundation	150,000	-	-	150,000
Professional fees	9,071	4,745	-	13,816
Salaries and wages	98,405	23,133	-	121,538
Supplies	27,613	3,031	-	30,644
Teacher grants and assistance	331,980	-	-	331,980
Travel	<u>4,787</u>	<u>475</u>	<u>-</u>	<u>5,262</u>
Total functional expenses	<u>\$ 674,555</u>	<u>\$ 62,129</u>	<u>\$ 944</u>	<u>\$ 737,628</u>

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

**Santa Rosa Education Foundation, Inc.**

Statement of Cash Flows

For the year ended June 30, 2024

**Cash flows from operating activities:**

Change in net assets	\$ 18,700
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Decrease (increase) in operating assets:	
Grants receivable	554
Prepaid insurance	(374)
Increase (decrease) in operating liabilities:	
Accounts payable	<u>13,647</u>
 Net cash provided (used) by operating activities	 32,527

**Cash flows from investing activities:**

Change in investments	<u>(16,567)</u>
 Net cash provided (used) by investing activities	 (16,567)

Increase in cash, cash equivalents, and restricted cash	15,960
Cash, cash equivalents, and restricted cash at July 1, 2023	<u>558,060</u>
Cash, cash equivalents, and restricted cash at June 30, 2024	<u><u>\$ 574,020</u></u>

Interest paid during fiscal year	\$ -
Income taxes paid during fiscal year	\$ -

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

## **Santa Rosa Education Foundation, Inc.**

Notes to Financial Statements

June 30, 2024

### **NOTE 1 – PURPOSE AND ORGANIZATION**

The Santa Rosa Education Foundation, Inc. (the Foundation), is a non-profit Florida corporation whose primary activity is raising and providing funds to supplement and assist the Santa Rosa County, Florida school system.

### **NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of Accounting**

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

#### **Net Asset Classifications**

Under generally accepted accounting principles for not-for-profit organizations, the Foundation classifies net assets, revenues, gains and losses based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

**With donor restrictions** – Nets assets subject to donor or grantor imposed restrictions. Donor or grantor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Without donor restrictions** – Net assets available for use in general operations and not subject to donor or grantor restrictions.

#### **Cash and Cash Equivalents**

For purposes of the cash flow statement, the Foundation considers all bank accounts to be cash and cash equivalents.

The Foundation maintains a restricted cash account for Take Stock in Children grant money.

#### **Functional Allocation of Expenses**

The costs of program and supporting services have been summarized on a functional basis in the statements of activities. The statement of functional expenses present the natural classification detail of expenses by function. The Foundation used direct identification of specific expenses and assigns the expense by function. Certain costs have been allocated between program and supporting services based on estimates. The expenses allocated include salaries and professional fees which are allocated on the basis of estimates of time and effort.

#### **Revenue Recognition**

Contributions are recognized when the donor makes an unconditional promise to give. Contributions not restricted to a specific purpose are reported as contributions without donor restrictions. All other donor-restricted contributions are reported as increases in net assets with donor restrictions.

**Santa Rosa Education Foundation, Inc.**

Notes to Financial Statements

June 30, 2024

(Continued)

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Grants Receivable**

Grants receivable are reported at the outstanding balance due from the quarterly legislative funding reimbursement from Take Stock in Children, Inc., net of any allowance for credit losses. The Foundation evaluates its receivables on an ongoing basis by analyzing relationships and payment histories and has determined that no allowance for credit losses is deemed necessary.

The Foundation follows the provisions of the Financial Accounting Standards Board (FASB) guidance in Topic 606, *Revenue from Contracts with Customers*, in the Accounting Standards Codification (ASC). The Organization follows the principle that revenue is recognized when it transfers promised goods or services to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services.

**Advertising costs**

Advertising costs are expensed when incurred and are reported as advertising and promotion.

**Income Taxes**

The Foundation is exempt from federal and state income taxes under § 501(c)(3) of the Internal Revenue Code and Florida Statutes § 220.13(2). However, any unrelated business income may be subject to taxation. The Foundation has no obligation for unrelated business income tax and is not aware of any uncertain tax positions that would require disclosure or accrual. The Foundation files an annual information report with the Internal Revenue Service on Form 990 (Return of Organization Exempt from Income Tax). These required filings are current and are subject to examination by the Internal Revenue Service, generally for three years after they are filed.

**Estimates**

The preparation of financial statements under generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates and those differences could be material.

**Date of Management's Review**

The Foundation has evaluated subsequent events for potential recognition or disclosure in these financial statements through October 29, 2024, the date the financial statements were available to be issued.

**NOTE 3 – IN-KIND CONTRIBUTIONS**

In-kind contributions are recorded at current value at the time of the contribution as contributions received with an offsetting entry to the appropriate cost or expense account. Contributed services are reflected in the financial statements at the fair value of the services rendered. Contributions of services are recognized if the services received (a) create or enhance non-financial assets, or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

**Santa Rosa Education Foundation, Inc.**

Notes to Financial Statements

June 30, 2024

(Continued)

**NOTE 3 – IN-KIND CONTRIBUTIONS (Continued)**

The Foundation benefits substantially from non-specialized services donated by volunteers. These services included significant contributions of time and mileage to assist in providing program and support services, and fundraising for the Foundation. However, the value of these donated services is not included in these financial statements since no objective basis is available to measure the value of such services. Recognized in-kind contributions totaled \$118,577 and consisted of \$98,953 of donated facilities and salaries and \$19,624 of donated supplies and services for the year ended June 30, 2024.

**NOTE 4 – CONCENTRATION OF CREDIT RISK**

The Foundation maintains its cash balances at a federally insured bank. Deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor at each banking institution. The Foundation had uninsured balances of approximately \$324,000 at June 30, 2024.

**NOTE 5 – INVESTMENTS**

The Foundation maintains an investment account consisting of money market funds and mutual funds. According to generally accepted accounting principles, investments are reported at fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in the principal market for the item in an orderly transaction between market participants on the measurement date. Generally accepted accounting principles have a fair value hierarchy which requires an organization to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value as follows:

Level 1 – Observable inputs such as quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 – Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs which are supported by little or no market activity.

The fair value of the assets of the Foundation has been determined based on quoted market prices of identical assets (Level 1). The cost and fair market value of the investments held by the Foundation as of June 30, 2024 were:

	<u>Cost</u>	<u>Fair Value</u>
Cash and money market funds	\$ 97	\$ 97
Mutual funds	16,037	16,504
Subtotal	16,134	16,601
Allowance for unrealized gain on investments	467	-
Total investments	<u>\$ 16,601</u>	<u>\$ 16,601</u>

**Santa Rosa Education Foundation, Inc.**

Notes to Financial Statements

June 30, 2024

(Continued)

**NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS**

The restrictions on net assets at June 30, 2024 relate to donations that have been recognized but have been restricted by the donor for a specific purpose. Donations with restrictions are considered net assets with donor restrictions until the purpose has been fulfilled. The total net assets with donor restrictions as of June 30, 2024 were:

Take Stock in Children laptops	\$ 54,339
Take Stock in Children program development	195,456
Take Stock in Children operating	11,060
Take Stock in Children scholarships	85,270
LW Cooper Foundation grant	11,189
DUO program	43,097
Little Red Schoolhouse	18,000
Social Studies Adoption	14,466
Teacher grants	48,438
Other program specific restricted items	55,146
Total net assets with donor restrictions	<u>\$ 536,461</u>

**NOTE 7 – AVAILABLE RESOURCES AND LIQUIDITY**

The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments. In addition to financial assets available to meet general expenditures over the next twelve months, the Foundation operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. The following reflects the Foundation's financial assets as of the balance sheet date, reduced by amounts not available for general use due to contractual or donor-imposed restrictions within one year of the balance sheet date.

Financial assets at year end:	
Cash and cash equivalents	\$ 437,103
Restricted cash - Take Stock in Children	136,917
Grants receivable	30,181
Total financial assets	<u>604,201</u>
Less amount not available to be used within one year	
Net assets with donor restrictions	<u>(536,461)</u>
Financial assets available to meet cash needs	
for general expenditure within one year	<u>\$ 67,740</u>



Carlson & Company, Chartered  
Certified Public Accountants

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*

To the Board of Directors  
Santa Rosa Education Foundation, Inc.  
Milton, Florida

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 the Santa Rosa 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 October 29, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Santa Rosa 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 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.

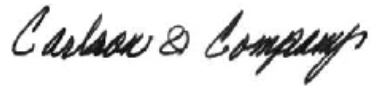
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, 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.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Santa Rosa Education 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, 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.



Pensacola, Florida  
October 29, 2024