

**Baker County Education  
Foundation, Inc.**

**Financial Statements and Independent  
Auditors' Report**

June 30, 2019



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Carr, Riggs & Ingram, LLC  
4010 N.W. 25th Place  
Gainesville, Florida 32606  
P.O. Box 13494  
Gainesville, Florida 32604

(352) 372-6300  
(352) 375-1583 (fax)  
[www.cricpa.com](http://www.cricpa.com)

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Baker County Education Foundation, Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of the Baker County Education Foundation, Inc. (the "Foundation"), a component unit of the Baker County School District, which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

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, 2019, 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.

***Emphasis of matter***

As discussed in Note 5 to the financial statements, management adopted Financial Accounting Standards Board ASU 2016-14, Not-for-Profit Entities (Topic 958). This new standard required changes to be made in how net assets are classified based on donor restrictions and has added multiple new disclosures. Our opinion is not modified with respect to that matter.

*Carr, Riggs & Ingram, L.L.C.*

January 21, 2020  
Gainesville, Florida



**Baker County Education Foundation, Inc.**

**Statement of Financial Position  
As of June 30, 2019**

**Assets**

Cash	\$	59,545
Certificates of deposit		32,078
<hr/>		
Total assets	\$	91,623
<hr/>		

**Net assets**

Without donor restrictions	\$	68,302
With donor restrictions		23,321
<hr/>		
Total net assets	\$	91,623
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*See accompanying notes.*

**Baker County Education Foundation, Inc.**

**Statement of Activities  
Year ended June 30, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and support</b>			
Private contributions	\$ 4,333	\$ 34,116	\$ 38,449
Payroll deduction contributions	18,471	-	18,471
Donated services	5,354		5,354
Interest income	33	225	258
Grants	666	17,857	18,523
Special events	5,865	4,015	9,880
Net assets released from restriction	49,084	(49,084)	-
<b>Total revenue and support</b>	<b>89,160</b>	<b>7,129</b>	<b>96,289</b>
<b>Expenses</b>			
Program services:			
Scholarships	33,450	-	33,450
Program enhancements	37,376	-	37,376
<b>Total program services</b>	<b>70,826</b>	<b>-</b>	<b>70,826</b>
Supporting services:			
Administrative	10,769	-	10,769
Fundraising	4,858	-	4,858
<b>Total expenses</b>	<b>86,453</b>	<b>-</b>	<b>86,453</b>
<b>Change in net assets</b>	<b>2,707</b>	<b>7,129</b>	<b>9,836</b>
<b>Net assets, beginning of year</b>	<b>65,595</b>	<b>16,192</b>	<b>81,787</b>
<b>Net assets, end of year</b>	<b>\$ 68,302</b>	<b>\$ 23,321</b>	<b>\$ 91,623</b>

*See accompanying notes.*



**Baker County Education Foundation, Inc.**

**Statement of Functional Expenses  
Year ended June 30, 2019**

	Program Services	Management and General	Fundraising	Total
Scholarships	\$ 33,450	\$ -	\$ -	\$ 33,450
Program enhancements	37,376	-	-	37,376
Administrative	-	10,769	-	10,769
Fundraising	-	-	4,858	4,858
	<u>\$ 70,826</u>	<u>\$ 10,769</u>		<u>\$ 86,453</u>

*See accompanying notes.*



**Baker County Education Foundation, Inc.**

**Statement of Cash Flows  
Year ended June 30, 2019**

<b>Cash flows from operating activities</b>	
Change in net assets	\$ 9,836
<hr/>	
Net cash provided (used) by operating activities	9,836
<b>Cash flows from investing activities</b>	
Liquidation of certificates of deposit	1,373
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Net cash provided (used) by investing activities	1,373
<b>Net increase in cash</b>	11,209
<b>Cash, beginning of year</b>	48,336
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<b>Cash, end of year</b>	\$ 59,545
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*See accompanying notes.*



Notes to Financial Statements

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Baker County Education Foundation, Inc. (the “Foundation”) is a nonprofit organization established to provide charitable and educational aid to the District School Board of Baker County, Florida.

***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates and assumptions. Actual results could vary from the estimates that were used.

***Financial Statement Presentation***

The Foundation is required to report information regarding its financial position and activities according to two classes of net assets: donor restricted assets and net assets without donor restrictions.

***Basis of Accounting***

In accordance with generally accepted accounting principles, the financial statements have been prepared on the accrual basis of accounting.

***Financial Statement Presentation***

The Foundation has adopted the provisions of Financial Accounting Standards Board (FASB) ASC 958-205, *Presentation of Financial Statements*. Accordingly, the net assets are reported in two mutually exclusive classes:

*With donor restrictions* – Those net assets resulting from inflows of assets whose use is limited by donor-imposed time or purpose restrictions.

*Without donor restrictions* – Those net assets resulting from inflows of assets whose use is not limited by donor-imposed time or purpose restrictions.

***Contributions***

Contributions received are recorded as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in donor restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), donor restricted net assets are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Notes to Financial Statements

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Expense Classifications***

*Program Services* consists primarily of scholarships awarded to high school students and employees of the Baker County District school system and grants to schools in the District.

*Supporting Services* are expenses that provide for the overall support and direction of the Foundation.

*Fundraising expenses* are expenses that are directly related to the fundraising efforts or events.

***Donated Services***

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. Volunteers also sometimes provide services throughout the year that may not be recognized as contributions in the financial statements since revenue recognition criteria were not met.

***Income Taxes***

No provision for income taxes has been made since the Foundation has been granted tax-exempt status.

The Foundation has taken no uncertain tax positions that require recognition or disclosure in the financial statements.

***Statement of Cash Flows***

For purpose of the Statement of Cash Flows, the Foundation considers only highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

**NOTE 2 – LIQUIDITY**

The Foundation has \$91,623 worth of financial assets available consisting of cash of \$59,545 and investments in certificates of deposit of \$32,078. This includes an amount of \$23,321 which is subject to donor restrictions. There are no other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. As part of its liquidity management, the Foundation invests cash in excess of operational requirement in short-term certificates of deposits.



**Baker County Education Foundation, Inc.**

**Notes to Financial Statements**

**NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions at June 30, 2019, are available for the following scholarships and programs:

Bud Rhoden Scholarship	\$ 266
America Contest	200
Kim Brannan Memorial	9,004
Finley Scholarship	164
Colby Hodges Scholarship	6,558
Other restricted programs	7,129
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Total	\$ 23,321

**NOTE 4– FUNCTIONAL EXPENSES**

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Foundation. Those expenses include payroll and general administrative office expenses. The payroll is allocated based on estimates of time spent, and that ratio is used to allocate general and administrative expenses. The other administrative expenses are allocated based on identification of the functions served.

**NOTE 5 – ADOPTION OF NEW ACCOUNTING STANDARD**

The Foundation has adopted FASB’s accounting standard for Not-for-Profit entities, 2016-14, for the year ended June 30, 2019. Although there has been no material effect on the financial statements by adopting this standard, the Foundation has added the Statement of Functional Expenses as a basic financial statement, included certain disclosures on liquidity and functional expenses, and displayed the net assets and revenues with different titles in accordance with the new accounting standard.

**NOTE 6 – SUBSEQUENT EVENTS**

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through January 21, 2020 the date the financial statements were available to be issued.