

GLADES EDUCATION FOUNDATION, INC.

Annual Financial Report

June 30, 2019

GLADES EDUCATION FOUNDATION, INC.

June 30, 2019

Table of Contents

| | <u>Pages</u> |
|---|--------------|
| Independent Auditor's Report | 1-2 |
| Financial Statements | |
| Statement of Financial Position | 3 |
| Statement of Activities | 4 |
| Statement of Cash Flows | 5 |
| Notes to the Financial Statements | 6-8 |
| Other Auditor's Reports and Management Letter | |
| 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 <i>Governmental Auditing Standards</i> | 9-10 |
| Independent Accountant's Examination Report on Compliance with Section 218.415, Florida Statutes | 11 |
| Management Letter Required by Chapter 10.550 of the Auditor General of the State of Florida | 12-13 |
| Auditee's Response to Auditor's Report and Management Letter | 14 |

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INDEPENDENT AUDITOR'S REPORT

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MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF
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To the Board of Directors
Glades Education Foundation, Inc.
Moore Haven, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Glades Education Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities 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.

Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Glades Education Foundation, Inc., 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2020, on our consideration of Glades 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 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.

Bay, Miller, Kistner & Perry, P.A.

Clewiston, Florida
August 19, 2020

GLADES EDUCATION FOUNDATION, INC.
Statement of Financial Position
June 30, 2019

ASSETS

| | |
|--|------------------|
| Cash and cash equivalents | \$ 60,223 |
| Property and equipment, net of accumulated depreciation | <u>1,472</u> |
| Total assets | <u>\$ 61,695</u> |

NET ASSETS

| | |
|------------------------|------------------|
| Net assets | |
| Unrestricted | \$ 45,573 |
| Permanently restricted | <u>16,122</u> |
| Total net assets | <u>\$ 61,695</u> |

See accompanying notes to the financial statements.

GLADES EDUCATION FOUNDATION, INC.
Statement of Activities
For the Year Ended June 30, 2019

| | |
|---|------------------|
| Changes in unrestricted net assets | |
| Unrestricted revenues | |
| Contributions | \$ 2,180 |
| Fund raising event - Ragin Cajun (net) | 42,416 |
| Reimbursements | 20,450 |
| Miscellaneous income | 5,339 |
| Specialty license plate revenue | 157 |
| Interest income | <u>223</u> |
| Total unrestricted revenues | <u>70,765</u> |
| Unrestricted expenses | |
| Program services | |
| Depreciation | 2,149 |
| Other | 1,135 |
| Awards banquet | 1,000 |
| Supporting services | |
| Contract services | 8,500 |
| Accounting and professional | 1,475 |
| Other | 3,645 |
| Meeting expenses | 6,652 |
| Office | <u>2,108</u> |
| Total unrestricted expenses | <u>26,664</u> |
| Increase in unrestricted net assets | <u>44,101</u> |
| Changes in permanently restricted net assets | |
| Permanently restricted revenues | |
| Southwest Florida Community Foundation - AVID success | 40,000 |
| Florida Power and Light - Leading Literacy | 10,000 |
| CFEF - Matching grants Tutors and AVID | 11,998 |
| Suncoast Credit Union AVID | 15,000 |
| H E Hill Foundation - Summer Camp | <u>9,600</u> |
| Total permanently restricted revenues | <u>86,598</u> |
| Permanently restricted expenses | |
| H E Hill Foundation - Summer Camp | 7,789 |
| AVID and other school programs | <u>138,485</u> |
| Total permanently restricted expenses | <u>146,274</u> |
| Decrease in permanently restricted net assets | <u>(59,676)</u> |
| Net assets, beginning of year | <u>77,270</u> |
| Net assets, end of year | <u>\$ 61,695</u> |

See accompanying notes to the financial statements.

GLADES EDUCATION FOUNDATION, INC.
Statement of Cash Flows
For the Year Ended June 30, 2019

Cash flows from operating activities:

| | |
|---|-------------------------|
| Increase in unrestricted net assets | \$ 44,101 |
| Decrease in permanently restricted net assets | <u>(59,676)</u> |
| Decrease in net assets | (15,575) |
| Adjustments to reconcile decrease in net assets to net cash used for operating activities: | |
| Depreciation | <u>2,149</u> |
| Net cash used for operating activities | (13,426) |
| Cash and cash equivalents, beginning of year | <u>73,649</u> |
| Cash and cash equivalents, end of year | <u><u>\$ 60,223</u></u> |

See accompanying notes to the financial statements.

GLADES EDUCATION FOUNDATION, INC.
Notes to the Financial Statements
June 30, 2019

NOTE 1 - NATURE AND PURPOSE OF THE FOUNDATION

Glades Education Foundation, Inc. (the Foundation), was organized in 2013 as a Florida non-profit corporation without capital stock under the provisions of Chapter 617 of the Florida Statutes. The Foundation has been certified as a direct support organization of the School Board of Glades County and is a component unit of the District School Board.

The Foundation was formed to acquire resources to be used to enhance the number and quality of programs administered and supported by the School Board of Glades County.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The significant accounting policies followed by the Foundation are described in the following paragraphs to enhance the usefulness of the financial statements to the reader.

Net Asset Classifications

Resources for various purposes are classified for accounting and financial reporting purposes into net asset categories established according to their nature and purpose as follows:

Unrestricted Net Assets - Unrestricted net assets represent funds which are fully available to be utilized in any Foundation program or for supporting services, and those resources invested in equipment and furnishings.

Temporarily Restricted Net Assets - Temporarily restricted net assets are comprised of funds which are restricted by donors for specific purposes. The restrictions are satisfied either by the passage of time or by actions of the Foundation.

Permanently Restricted Net Assets - Permanently restricted net assets include resources with permanent donor-imposed restrictions, which require the assets to be maintained in perpetuity but permit the Foundation to expend all or part of the income derived from the donated assets.

When an expenditure is incurred for purposes for which both unrestricted and restricted (temporarily or permanently) funds are available, it is the policy of the Foundation to generally consider restricted funds to have been reduced first.

As of June 30, 2019, the Foundation had no temporarily restricted net assets.

GLADES EDUCATION FOUNDATION, INC.
Notes to the Financial Statements
June 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed Services and Materials

A significant portion of the Foundation's functions are conducted by unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the criteria for recognition as contributed services.

In-kind contributions, when received, are recorded at the fair market value of the materials received.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

All contributions are considered available for unrestricted use unless specifically restricted by the donor or subject to other legal restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Capital Assets

Capital assets purchased or acquired are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following useful lives:

| | |
|-----------|---------|
| Equipment | 5 years |
|-----------|---------|

Income Taxes

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

The Foundation's Forms 990, Return of Organization Exempt from Income Tax, for the fiscal years ended June 30, 2017, 2018, and 2019 are subject to examination by the IRS, generally for three years after filing.

GLADES EDUCATION FOUNDATION, INC.
Notes to the Financial Statements
June 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

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

Evaluation of Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through August 19, 2020, the date the financial statements were available to be issued.

NOTE 3 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of two interest-bearing accounts in a financial institution that qualifies as a public depository.

As of June 30, 2019, the carrying amount of the Foundation's interest-bearing checking accounts was \$60,223 and the bank's balance was \$65,331. The difference was due to checks that had written, but not yet paid by the bank.

The Foundation's use of interest-bearing bank accounts in a financial institution that is covered by federal depository insurance makes credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk nominal or nonexistent in regards to these accounts.

At no time during the year did the cash balance with the financial institution exceed FDIC limits.

NOTE 4 - PERMANENT RESTRICTION OF NET ASSETS

As of June 30, 2019, the Glades Education Foundation, Inc. had received certain grant revenues and funds from private foundations which are restricted as to their use and were unexpended at year end. These funds are considered a permanent restriction of net assets.

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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
Glades Education Foundation, Inc.
Moore Haven, 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 Glades Education Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 19, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Glades Education Foundation, Inc.'s internal control over financial reporting (internal control) to determine the 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 Glades Education Foundation, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Glades 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 determination of financial statement amounts. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bay, Miller, Kisher & Perry, P.A.

Clewiston, Florida
August 19, 2020

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INDEPENDENT ACCOUNTANT'S EXAMINATION REPORT
ON COMPLIANCE WITH THE REQUIREMENTS OF
SECTION 218.415, FLORIDA STATUTES

To the Board of Directors
Glades Education Foundation, Inc.
Moore Haven, Florida

We have examined the compliance of Glades Education Foundation, Inc. with Section 218.415, Florida Statutes, during the fiscal year ended June 30, 2019. Management is responsible for Glades Education Foundation, Inc.'s compliance with those requirements. Our responsibility is to express an opinion on Glades Education Foundation, Inc.'s compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether Glades Education Foundation, Inc. complied with Section 218.415, Florida Statutes, in all material respects. An examination involves performing procedures to obtain evidence about whether Glades Education Foundation, Inc. complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on Glades Education Foundation, Inc.'s compliance with specified requirements.

In our opinion, Glades Education Foundation, Inc. complied, in all material respects, with the requirements of Section 218.415, Florida Statutes for the fiscal year ended June 30, 2019.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representative, the Florida Auditor General, and applicable management of Glades Education Foundation, Inc., and is not intended to be and should not be used by anyone other than these specified parties.

Boy, Miller, Kisker & Perry, P.A.
Clewiston, Florida
August 19, 2020

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MANAGEMENT LETTER IN ACCORDANCE WITH
THE RULES OF THE AUDITOR GENERAL OF THE
STATE OF FLORIDA

To the Board of Directors
Glades Education Foundation, Inc.
Moore Haven, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Glades Education Foundation, Inc., as of and for the fiscal year ended June 30, 2019, and have issued our report thereon dated August 19, 2020.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our 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* and Independent Accountant's Examination Report on Compliance with the Requirements of Section 218.45, Florida Statutes, in Accordance with Chapter 10.550, Rules of the Auditor General of the State of Florida. Disclosures in those reports which are dated August 19, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no comments and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Such disclosure is included in the notes to the financial statements.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not Glades Education Foundation, Inc. has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that Glades Education Foundation, Inc. did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for Glades Education Foundation, Inc. It is management's responsibility to monitor Glades Education Foundation, Inc.'s financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material, but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Bay, Miller, Kisher & Perry, P.A.

Clewiston, Florida
August 19, 2020

GLADES EDUCATION FOUNDATION, INC.

P.O. Box 443
Moore Haven, Florida 33471

August 19, 2020

Ms. Sherrill F. Norman, CPA
Auditor General
State of Florida
111 W. Madison Street
Claude Denson Pepper Building
Tallahassee, FL 32399-1450

Re: Foundation's Response to Auditor's Findings in the Schedule of Findings -
Fiscal Year 2018-2019

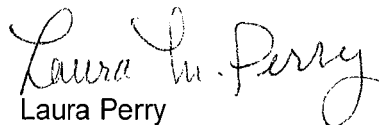
Dear Ms. Norman:

The Rules of the Auditor General require the audit report to include a written statement of explanation, including corrective action to be taken, or a rebuttal regarding any deficiencies cited by the auditor in the annual financial report.

There were no deficiencies cited in the current year auditor's reports or management letter.

If you need additional information, please contact our office.

Sincerely,


Laura Perry
President