



**The Escambia County Public Schools Foundation  
for Excellence, Inc.**

**A Component Unit of the Escambia County District School Board**

**Financial Statements**

**June 30, 2022**



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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
The Escambia County Public Schools Foundation for Excellence, Inc.  
Pensacola, Florida

### **Report on the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Escambia County Public Schools Foundation for Excellence, Inc. (a nonprofit organization) (a component unit of the Okaloosa County District School Board), which comprise the statement of financial position as of June 30, 2022, 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 Escambia County Public Schools Foundation for Excellence, Inc. as of June 30, 2022, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Escambia County Public Schools Foundation for Excellence, 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 Escambia County Public Schools Foundation for Excellence, 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 Escambia County Public Schools Foundation for Excellence, 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 Escambia County Public Schools Foundation for Excellence, 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 December 2, 2022 on our consideration of Escambia County Public Schools Foundation for Excellence, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Escambia County Public Schools Foundation for Excellence, 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 Escambia County Public Schools Foundation for Excellence, Inc.'s internal control over financial reporting and compliance.

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

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida

December 2, 2022

**The Escambia County Public Schools Foundation for Excellence, Inc.**  
**Statement of Financial Position**

<i>June 30,</i>	<b>2022</b>
<hr/>	
<b>Assets</b>	
Cash	\$ 325,386
Certificates of deposit	727,539
Grant receivable	28,038
<hr/>	
Total assets	\$ 1,080,963
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<b>Liabilities and Net Assets</b>	
Liabilities	
Accounts payable	\$ 2,009
<hr/>	
Total liabilities	2,009
<hr/>	
Net assets	
Without donor restrictions	347,238
With donor restrictions	731,716
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Total net assets	1,078,954
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Total liabilities and net assets	\$ 1,080,963
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*The accompanying notes are an integral part of these financial statements.*

**The Escambia County Public Schools Foundation for Excellence, Inc.**  
**Statement of Activities**

<i>For the year ended June 30, 2022</i>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue and Other Support</b>			
Contributions and grants	\$ 610,198	\$ 92,926	\$ 703,124
In-kind support	67,395	-	67,395
Event and other support income	142,820	-	142,820
Interest income	9,619	-	9,619
Net assets released from restrictions	161,803	(161,803)	-
<b>Total revenue and other support</b>	<b>991,835</b>	<b>(68,877)</b>	<b>922,958</b>
<b>Expenses</b>			
<i>Program services</i>			
Educational grants	121,964	-	121,964
School enrichment	93,012	-	93,012
Take Stock In Children (TSIC)	356,843	-	356,843
Educational enhancements	172,059	-	172,059
<b>Total program services</b>	<b>743,878</b>	<b>-</b>	<b>743,878</b>
<i>Supporting services</i>			
General and administrative	158,249	-	158,249
<b>Total expenses</b>	<b>902,127</b>	<b>-</b>	<b>902,127</b>
<b>Change in Net Assets</b>	<b>89,708</b>	<b>(68,877)</b>	<b>20,831</b>
Net assets at beginning of year	257,530	800,593	1,058,123
Net assets at end of year	\$ 347,238	\$ 731,716	\$ 1,078,954

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

**The Escambia County Public Schools Foundation for Excellence, Inc.**  
**Statement of Functional Expense**

<i>For the year ended June 30, 2022</i>	<u>Program Services</u>					<u>Supporting Services</u>	<u>Total</u>
	Educational Grants	School Enrichment	Take Stock in Children	Educational Enhancements	Programs subtotal	Management and General	
Donated payroll and benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,393	\$ 53,393
Payroll and benefits	-	-	-	-	-	46,473	46,473
Contract labor	-	-	142,976	-	142,976	300	143,276
Grants	121,964	-	-	-	121,964	-	121,964
Professional fees	-	-	-	-	-	10,683	10,683
Depreciation	-	-	-	-	-	149	149
Direct teacher/student support	-	93,012	-	172,059	265,071	-	265,071
Insurance	-	-	-	-	-	1,667	1,667
Memberships	-	-	-	-	-	1,800	1,800
Rent and utilities - In-kind support	-	-	-	-	-	14,002	14,002
Scholarships	-	-	213,867	-	213,867	-	213,867
Supplies	-	-	-	-	-	5,385	5,385
Travel	-	-	-	-	-	2,843	2,843
Other	-	-	-	-	-	21,554	21,554
<b>Total</b>	<b>\$ 121,964</b>	<b>\$ 93,012</b>	<b>\$ 356,843</b>	<b>\$ 172,059</b>	<b>\$ 743,878</b>	<b>\$ 158,249</b>	<b>\$ 902,127</b>

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



**The Escambia County Public Schools Foundation for Excellence, Inc.**  
**Statement of Cash Flows**

<i>For the year ended June 30,</i>	<b>2022</b>
<b>Cash Flows from Operating activities</b>	
Change in net assets	\$ 20,831
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	149
Change in operating assets and liabilities:	
Accounts receivable	4,989
Accounts payable	2,009
<b>Net cash provided by operating activities</b>	<b>27,978</b>
<b>Investing activities</b>	
Purchases of certificates of deposit	(4,680)
<b>Net cash provided (used) by investing activities</b>	<b>(4,680)</b>
<b>Net increase in cash</b>	<b>23,298</b>
<b>Cash at beginning of year</b>	<b>302,088</b>
<b>Cash at end of year</b>	<b>\$ 325,386</b>

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

# The Escambia County Public Schools Foundation for Excellence, Inc.

## Notes to Financial Statements

### **Note 1: DESCRIPTION OF THE ORGANIZATION**

The Escambia County Public Schools Foundation for Excellence, Inc. (“the Foundation”) is a not-for-profit corporation organized under the laws of the State of Florida. The Foundation was formed in September 1986 for the purpose of raising funds for supplementing and assisting the Escambia County Public School District (“the District”). The Foundation operates exclusively to receive, hold, invest, and administer property and to make expenditures to or for the benefit of public pre-kindergarten through twelfth grade, adult vocational and community education programs in Escambia County, Florida. The Foundation also receives support through private contributions from individuals and businesses and various fund-raising projects. The Foundation is a direct support organization of the School District as authorized by Chapter 237.40 F.S. and therefore is considered a component unit of the District.

### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ***Basis of Accounting***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

#### ***Use of Estimates***

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

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

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

#### ***Accounts Receivable***

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Foundation provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of members to meet their obligations.

## The Escambia County Public Schools Foundation for Excellence, Inc. Notes to Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Foundation's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. At June 30, 2022, the Foundation considers all receivables fully collectable.

#### *Promises to Give*

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

#### *Property and Equipment*

All acquisitions of property and equipment in excess of \$1,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Assets acquired and maintained by individual programs and schools are not capitalized in the Foundation's accounting records. Depreciation is computed using the straight-line method. Estimated useful lives used in computing depreciation are as follows:

Furniture and equipment	5 - 7 years
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#### *Net Assets*

The Foundation reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Foundation, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

## The Escambia County Public Schools Foundation for Excellence, Inc. Notes to Financial Statements

### Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Net Assets (Continued)***

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

#### ***Revenue Recognition***

Program service fees and payments under various contracts are accounted for under ASC Topic 606, *Revenue from Contracts with Customers (ASC 606)*, recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied. Prior to the adoption of ASC 606, the Foundation recognized revenue when persuasive evidence of an arrangement existed, delivery of products had occurred, the sales price was fixed or determinable and collectability was reasonably assured.

Contributions and grants are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

The majority of the Foundation's revenue consists of contributions, grants, event and other support and donated services or assets. These revenue sources are not subject to ASC Topic 606.

#### ***Donated Assets***

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation. During the year ended June 30, 2022, no donated equipment or supplies were received.

#### ***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 provided fund-raising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met. The Foundation receives donated wages, rent, and other services from the Escambia County School District. During the year ended June 30, 2022, the value of services totaled \$67,395.

## **The Escambia County Public Schools Foundation for Excellence, Inc.**

### **Notes to Financial Statements**

#### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Directly identifiable expenses are charged to programs and supporting services. Expenses related to payroll, payroll taxes, and employee benefits are allocated based on actual percentages of time spent in each functional area. When applicable, expenses that benefit more than one program or supporting function are allocated to the various programs and functions based on the percentage of benefit to each program. For the year ended June 30, 2022, management did not allocate any donated payroll or benefits to program services.

##### ***Fees for Restricted Accounts***

The Foundation charges a 3% fiscal agent fee on all new deposits and donations designated for restricted fund accounts. In addition to the above fiscal agent fee, if a deposit or donation is made with a debit or credit card, the Foundation will charge a minimum of 4% convenience fee, not to exceed 5%.

##### ***Income Taxes***

Under section 501(c)(3) of the Internal Revenue Code, the Foundation is exempt from taxes on income other than unrelated business income. Unrelated business income results from rent, administration of self-insurance activities, and commissions.

The Foundation utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2022, the Foundation has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements. The Foundation believes it is no longer subject to income tax examinations for years prior to 2018.

##### ***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 2, 2022 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**The Escambia County Public Schools Foundation for Excellence, Inc.**  
**Notes to Financial Statements**

**Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY**

The Foundation maintains its financial assets primarily in cash and cash equivalents to provide liquidity to ensure funds are available as the Foundation's expenditures come due. The following reflects the Foundation's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

<i>June 30,</i>	<b>2022</b>
Financial assets, at year-end	\$ 1,080,963
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions	
Restricted by donor with time or purpose restrictions	(731,716)
Financial assets available to meet cash needs for general expenditures	<u>\$ 349,247</u>

Financial assets at year-end as noted in the above schedule exclude property and equipment.

**Note 4: CERTIFICATES OF DEPOSIT**

At June 30, 2022, the Foundation had \$727,539 of monies in six certificates of deposit at local financial institutions. These certificates are reported at amortized cost. Terms of these investments range from nine months to three years, maturing July 2021 through June 2023, with interest earned at rates of .25% to 1.20%.

**Note 5: GRANT RECEIVABLE**

Grant receivable consists of Take Stock in Children grant funds in the amount of \$28,038 as of June 30, 2022.

**Note 6: AVAILABLE CREDIT**

The Foundation has a credit card through a local bank with a limit of \$10,000. As of June 30, 2022, the Foundation had an outstanding balance of \$2,009 on the credit card.

**The Escambia County Public Schools Foundation for Excellence, Inc.**  
**Notes to Financial Statements**

**Note 7: NET ASSETS**

A summary of net assets without donor restrictions follows:

<i>June 30,</i>	<b>2022</b>
Undesignated	\$ 347,238
Net assets without donor restrictions	\$ 347,238

A summary of net assets with donor purpose restrictions follows:

<i>June 30,</i>	<b>2022</b>
<i>Donor purpose restricted</i>	
Programs	
Take Stock in Children	\$ 188,369
FEAPS	36,041
Laptop Computers	31,320
Grants for Excellence	24,501
Workforce - ECE Academies	22,747
Stuff the Bus - Restricted	12,517
Media Services	8,768
Workforce Fire Fighters - PFHS	8,629
Social Studies	7,805
Athletics	7,361
Wendy's Golden Apple Academy	5,757
Fine Arts	5,574
Workforce Criminal Justice - EHS	5,221
Fishbein Foundation Scholarship	5,092
Others (Less than \$5,000 individually)	63,778
<b>Total Programs</b>	<b>433,480</b>
Schools	
Weis Elem 3 year old Pre-K	74,517
WFHS Cox and GP Academies	18,556
Superintendent's Circle	17,295
Scenic Heights Main Acct	12,860
United Way	11,399
Cordova Park Elementary School	10,909
Roy Hyatt Environmental Serv	9,530
Reg Sci & Engr Fair	8,006
Workman Orchestra	7,433
WHS Tennis	6,404
Technology	6,197
Title 1	5,464
Others (Less than \$5,000 individually)	109,666
<b>Total Schools</b>	<b>298,236</b>
<b>Net assets with donor restrictions</b>	<b>\$ 731,716</b>

**The Escambia County Public Schools Foundation for Excellence, Inc.**  
**Notes to Financial Statements**

**Note 8: CONCENTRATIONS**

The Foundation's services are funded primarily through the involvement of the local business community, grants from Take Stock in Children, and area organizations in coordination with the Escambia County School District. The Foundation's ability to provide the same level of services is dependent on the continued funding from these sources.



## **SUPPLEMENTARY INFORMATION**

**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 and Members  
The Escambia County Public Schools Foundation for Excellence, Inc.  
Pensacola, 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 Escambia County Public Schools Foundation for Excellence, Inc. ("the Foundation"), a nonprofit organization, which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expense, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 2, 2022.

**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 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 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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we identified a deficiency in internal control, described in the accompanying schedule of internal control findings as item 2021-001 that we consider to be a material weakness.

## **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, 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*.

## **Foundation's Response to Findings**

The Foundation's response to the findings identified in our audit is described in the accompanying schedule of internal control findings. The Foundation's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida

December 2, 2022

**The Escambia County Public Schools Foundation for Excellence, Inc.  
Schedule of Internal Control Findings**

CONTROL NUMBER	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
2021-001	MW	Revenue and Expense Recognition for Restricted Activities	As part of the financial close process, certain errors were made in reporting revenues and expenses associated with restricted programs. The amounts were originally recorded directly in equity accounts or were improperly deferred. The Foundation's closing entry errors caused contributions, grant revenues, deferred revenues, and related program expense accounts to be materially misstated.	We recommend the Foundation continue building internal control measures to reduce the risk of errors in recording revenues and expenses that originate in equity accounts. In addition, we recommend the Foundation continue building internal control measures to reduce the risk of accounting errors relating to revenue recognition. One measure the Foundation might take is to have a Board member review the financial statements every month for accuracy, expense cutoff, and proper revenue recognition.	We are adding increased oversight with the addition of an outside accountant with not-for-profit experience to the Board which we anticipate will help reduce the amount and frequency of year-end audit adjustments.