

**THE FOUNDATION FOR
SEMINOLE COUNTY
SCHOOLS, INC.**

Financial Statements

**Years Ended June 30, 2023
and 2022**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Foundation for Seminole County Public Schools, Inc.
Sanford, Florida

Opinion

We have audited the accompanying financial statements of The Foundation for Seminole County Public Schools, Inc. (a nonprofit organization), a component unit of the Seminole County District School Board, which comprise the statement of net position as of June 30, 2023, and the related statements of revenues, expenses and changes in net position, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Foundation for Seminole County Public Schools, Inc. as of June 30, 2023, 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 The Foundation for Seminole County Public Schools, 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 The Foundation for Seminole County Public Schools, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Foundation for Seminole County Public Schools, 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 The Foundation for Seminole County Public Schools, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-7 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2023, on our consideration of The Foundation for Seminole County Public Schools, 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 The Foundation for Seminole County Public Schools, 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 The Foundation for Seminole County Public Schools, Inc.'s internal control over financial reporting and compliance.

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 29, 2023

Management's Discussion and Analysis

As financial management of the Foundation for Seminole County Public Schools, Inc. (hereinafter referred to as the "Foundation"), we offer the readers of these basic financial statements this narrative overview and analysis of the Foundation's financial activities for the fiscal years that ended on June 30, 2023 and 2022. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the Foundation's financial statements, which follow this information.

Financial Highlights

- The Foundation's overall combined assets totaled \$6,049,640 at the close of the 2023 fiscal year compared to \$5,998,231 the previous year. Total assets exceeded liabilities by \$5,864,579 (*combined net position*) compared with \$5,905,440 one year earlier.
- The Foundation's combined net position decreased by \$40,861 (1%). The restricted portion of net position totaling \$5,175,967 decreased by \$65,539 during the year. The unrestricted portion of net position totaling \$688,612 represents unrestricted amounts that may be used to meet the Foundation's ongoing obligations for its discretionary program activities.
- The Foundation received contributions and corporate, state, and other grants totaling \$4,585,153 in support of its various activities and programs. These and other Foundation funds were used to finance Grants for Great Ideas to teachers and employees of the Seminole County District School Board and to fund student scholarships and tuition reimbursements. Fiscal agent programs accounted for \$997,044 of program support, which included programs such as Families in Need, Environmental Studies Center, and Safe and Drug Free Schools. In kind program amounts of \$2,050,177 supported Tools 4 Seminole Schools in fiscal year 2023.
- During 2023, the Foundation purchased fifty-nine new tuition contracts with the Florida Prepaid College Foundation to benefit future qualifying participants.
- The Foundation's fundraising events produced net revenues of \$212,314 in 2023, compared to \$210,000 in 2022.

Overview of the Financial Statements

The Foundation presents its financial statements for the fiscal year ended June 30, 2023, which included for comparative purposes the fiscal year ended June 30, 2022. The Foundation is a direct support Foundation and component unit of the Seminole County District Board (a governmental agency). The Foundation accounts for its transactions in accordance with the pronouncements issued by the Governmental Accounting Standards Board (GASB). The Foundation is considered a Business-Type Activity under the provisions of GASB.

The Foundation's financial statements are comprised of two parts: 1) management's discussion and analysis, and 2) the basic financial statements, including the notes to the financial statements.

The objective of the Management's Discussion and Analysis is to focus on current activities, resulting changes and currently known facts to provide the reader with an overall summary of the accompanying financial statements. It should be read in conjunction with the basic financial statements and the accompanying notes.

The financial statements include the following:

- Statements of Net Position
- Statements of Revenues, Expenses and Changes in Net Position
- Statements of Cash Flows
- Statements of Functional Expenses
- Notes to Financial Statements

The financial statements consist of entity-wide financial statements that provide both the short and long-term financial information about the Foundation's overall financial status, including its business-type activities. These statements report information about the Foundation using full accrual accounting methods and an economic resources measurement focus as utilized by similar business activities in the private sector. Information concerning all of the Foundation's assets and liabilities, both financial and capital, and short-term and long-term debt (when applicable) are included. Likewise, all revenues and expenses received during the year, regardless of when cash is received or paid are reported.

The financial statements also include notes which provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the Foundation's significant accounting policies, account balances and activities, material risks, obligations, commitments, contingencies, and subsequent events, if any.

Statements of Net Position

Net Position. As noted previously, net assets may serve over time as a useful indicator of the Foundation's financial position. This year, the Foundation's combined total assets exceeded liabilities (net position) by \$5,864,579 at the end of 2023 (compared to \$5,905,440 at the end of 2022), which is summarized as follows:

Net Position				
June 30, 2023 and 2022				
	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Assets:				
Current and other assets	\$ 4,654,458	\$ 4,803,626	\$ (149,168)	(3%)
Noncurrent assets	<u>1,395,182</u>	<u>1,194,605</u>	<u>200,577</u>	<u>17%</u>
Total assets	<u>\$ 6,049,640</u>	<u>\$ 5,998,231</u>	<u>\$ 51,409</u>	<u>1%</u>
Liabilities:				
Accounts payable and other	<u>\$ 185,061</u>	<u>\$ 92,791</u>	<u>\$ 92,270</u>	<u>99%</u>
Total liabilities	<u>\$ 185,061</u>	<u>\$ 92,791</u>	<u>\$ 92,270</u>	<u>99%</u>
Net position:				
Unrestricted:				
Undesignated	\$ 583,184	\$ 557,939	\$ 25,245	5%
Board designated	105,428	105,995	(567)	(1%)
Restricted:				
Expendable	3,168,384	3,299,672	(131,288)	(4%)
Non-expendable	<u>2,007,583</u>	<u>1,941,834</u>	<u>65,749</u>	<u>3%</u>
Total net position	<u>\$ 5,864,579</u>	<u>\$ 5,905,440</u>	<u>\$ (40,861)</u>	<u>(1%)</u>

Total assets increased by \$51,409 to a total of \$6,049,640. Total assets consist primarily of cash and cash equivalents, which make up 14% of total assets, short-term investments, which make up 59%, accounts receivable, which make up 2%, amounts due from related party, which make up 2%, and prepaid scholarships held by the Florida College Prepaid Scholarship Foundation, which make up 23%. Total assets reflect the primary activities of the Foundation in the areas of scholarships and program enhancement.

The Foundation's liabilities consist completely of accounts payable and other. Restricted net position of the Foundation totaled \$5,175,967 at the end of 2023, compared to \$5,241,506 in 2022. These funds are composed of restricted non-expendable endowment contributions of \$2,007,583 and restricted expendable net position of \$3,168,384, which may only be expended for donor pre-designated uses.

Statements of Revenues, Expenses and Changes in Net Position

Change in Net Position. While the statement of net position shows a snapshot of the Foundation's financial position at the end of the fiscal year, the statement of changes in net position provides answers as to the nature and sources of those changes. This year, the Foundation's total operating revenues increased by \$404,149 to a total of \$5,137,164 compared to \$4,733,015 in the prior year. The Foundation's program support decreased by \$467,897 in total from 2022 to 2023. During 2023, an increase in donations was received for Tools 4 Seminole Schools and for individual and corporate contributions. Other income decreased by \$5,988 in total from 2022 to 2023. Investment income increased by \$875,720 compared to the prior year due to favorable market conditions.

The Foundation's program and other spending decreased by \$55,177 in total from 2022 to 2023. During 2023, the Foundation's fundraising cost decreased by \$86,217. During the same period, general and administrative costs increased by \$40,650. Fundraising and administrative expenses accounted for 8% of total expenses for the fiscal year ended June 30, 2023. However, total dollars spent on fundraising and administrative expenses decreased by \$45,567.

The following is a summary of changes in net position for the fiscal year:

Revenue, Expenses and Changes in Net Position Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Operating revenues:				
Program support	\$ 4,585,153	\$ 5,053,050	\$ (467,897)	(9%)
Fund raising events, net	212,314	210,000	2,314	1%
Other income	20,098	26,086	(5,988)	(23%)
Investment income	<u>319,599</u>	<u>(556,121)</u>	<u>875,720</u>	<u>(157%)</u>
Total operating revenues	<u>5,137,164</u>	<u>4,733,015</u>	<u>404,149</u>	<u>9%</u>
Operating expenses:				
Program services	4,768,443	4,823,620	(55,177)	(1%)
Fund raising	60,155	146,372	(86,217)	(59%)
General and administrative	<u>349,427</u>	<u>308,777</u>	<u>40,650</u>	<u>13%</u>
Total operating expenses	<u>5,178,025</u>	<u>5,278,769</u>	<u>(100,744)</u>	<u>(2%)</u>
Change in net position	<u>\$ (40,861)</u>	<u>\$ (545,754)</u>	<u>\$ 504,893</u>	<u>(93%)</u>

Statements of Cash Flows

Net cash used in operating activities amounted to \$193,047 in 2023, compared to \$535,512 net cash provided by operating activities in 2022. Cash flows used in investing activities totaled \$211,527 in 2023, compared to \$128,491 in 2022.

Economic Factors That Will Affect the Future

Charitable giving continues to be significantly affected by many factors including the general state of the economy, the health of the stock market and prospective donors' perception of the benefiting Foundation. In the face of rampant inflation, aggressive actions by the Fed to combat said inflation, rising interest rates, strained supply chains, and the continued conflict in Ukraine, the market has experienced volatility. The Foundation is not immune to the market volatility, and this has impacted the Foundation investment funds.

The Foundation enjoys a positive reputation in the local community and has continued to receive support from donors. The donor base has grown over the past several years and program support for Seminole County Public Schools has increased.

This year, the school district closed the ESSS Fiscal Agent Partner Fund, and the Foundation disbursed \$480,485 to close out the fund. This caused the Foundation to have a high negative variance for Net Income and impacted the Statement of Net Position.

Requests for Information

This financial report is designed to provide our donors, grantors, recipients, and creditors with a general overview of the Foundation's finances and to demonstrate the Foundation's accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to the Executive Director, The Foundation for Seminole County Public Schools, 400 East Lake Mary Boulevard, Sanford, FL 32773.

The Foundation for Seminole County Public Schools, Inc.

STATEMENTS OF NET POSITION

June 30, 2023 and 2022

ASSETS

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 835,218	\$ 1,239,792
Investments	3,566,982	3,429,118
Accounts receivable and pledges, net	112,503	31,226
Due from related party-SCPS	130,311	103,490
Prepaid expenses	9,444	-
Beneficial interest in assets held by others and prepaids	<u>1,395,182</u>	<u>1,194,605</u>
Total assets	<u>\$ 6,049,640</u>	<u>\$ 5,998,231</u>

LIABILITIES AND NET POSITION

LIABILITIES		
Accounts payable and other	<u>\$ 185,061</u>	<u>\$ 92,791</u>
Total liabilities	<u>185,061</u>	<u>92,791</u>
NET POSITION		
Without donor restrictions		
Undesignated	583,184	557,939
Board designated	105,428	105,995
With donor restrictions		
Expendable	3,168,384	3,299,672
Non-expendable	<u>2,007,583</u>	<u>1,941,834</u>
Total net position	<u>5,864,579</u>	<u>5,905,440</u>
Total liabilities and net position	<u>\$ 6,049,640</u>	<u>\$ 5,998,231</u>

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

The Foundation for Seminole County Public Schools, Inc.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Years Ended June 30, 2023 and 2022

	2023	2022
REVENUES AND SUPPORT		
Program support:		
Program revenue and contributions	\$ 1,214,199	\$ 2,264,071
Fiscal agent programs	997,044	778,824
Contributions of non-financial assets:		
Tools 4 Seminole Schools	2,050,177	1,697,241
Office space	192,396	184,457
Employee services	131,337	128,457
Fund raising events, net	212,314	210,000
Other income	9,821	28,094
Total revenues and support	4,807,288	5,291,144
EXPENSES		
Program services:		
Other programs	4,768,443	4,823,620
Support services:		
Fund raising	60,155	146,372
General and administrative	349,427	308,777
Total expenses	5,178,025	5,278,769
Change in net position - before investments	(370,737)	12,375
Unrealized gain (loss) from scholarships	10,277	(2,008)
Investment income (loss)	319,599	(556,121)
Change in net position	(40,861)	(545,754)
Net position, beginning of year	5,905,440	6,451,194
Net position, end of year	\$ 5,864,579	\$ 5,905,440

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

The Foundation for Seminole County Public Schools, Inc.

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from grants, contributions and development	\$ 2,466,978	\$ 3,546,878
Cash received from fundraising events	212,314	210,000
Cash received from investments	107,255	175,367
Cash received from other	9,821	28,094
Cash paid for program expenses	(2,714,550)	(3,282,561)
Cash paid for support services	<u>(274,865)</u>	<u>(142,266)</u>
Cash provided by (used in) operating activities	<u>(193,047)</u>	<u>535,512</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of scholarships	(285,385)	(152,856)
Net proceeds of investments	<u>73,858</u>	<u>24,365</u>
Cash used in investing activities	<u>(211,527)</u>	<u>(128,491)</u>
Net increase (decrease) in cash and cash equivalents	(404,574)	407,021
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,239,792</u>	<u>832,771</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 835,218</u>	<u>\$ 1,239,792</u>

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

The Foundation for Seminole County Public Schools, Inc.

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended June 30, 2023

(with comparative totals for the year ended June 30, 2022)

	Program Services						Support Services			2023	2022
	Grants for	Take Stock	Tools for	Fiscal Agent	Other	Fund	General and				
	Great Ideas	in Children	Seminole Schools	Programs	Programs		Raising	Administrative	Total		
Program support	\$ -	\$ 98,562	\$ 1,866,946	\$ 1,373,747	\$ 709,773	\$ 4,049,028	\$ -	\$ -	\$ -	\$ 4,049,028	\$ 4,077,092
Fundraising	-	-	-	-	-	-	-	-	-	-	53,996
Personnel and benefits	31,757	144,967	127,679	-	86,660	391,063	60,155	221,795	281,950	673,013	601,439
Grants for great ideas	64,629	-	-	-	-	64,629	-	-	-	64,629	62,498
Administration and scholarship	-	95,707	-	-	-	95,707	-	10,520	10,520	106,227	166,221
Rent	-	13,964	148,666	-	-	162,630	-	29,766	29,766	192,396	184,457
Legal and professional	-	-	-	-	-	-	-	24,290	24,290	24,290	20,154
Dues	-	-	-	-	-	-	-	23,625	23,625	23,625	22,653
Bank charges	-	-	-	-	-	-	-	10,789	10,789	10,789	10,828
Public relations	-	-	-	-	-	-	-	7,688	7,688	7,688	7,413
Operations	-	972	181	-	-	1,153	-	10,894	10,894	12,047	59,578
Board and investor development	-	412	-	-	-	412	-	7,219	7,219	7,631	6,873
Insurance	-	-	-	-	-	-	-	2,841	2,841	2,841	2,796
Travel	-	2,097	1,724	-	-	3,821	-	-	-	3,821	2,771
Total expenses	\$ 96,386	\$ 356,681	\$ 2,145,196	\$ 1,373,747	\$ 796,433	\$ 4,768,443	\$ 60,155	\$ 349,427	\$ 409,582	\$ 5,178,025	\$ 5,278,769

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

The Foundation for Seminole County Public Schools, Inc.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE A – FOUNDATION

The Foundation for Seminole County Public Schools, Inc. (the “Foundation”) is a not-for-profit corporation, which provides financial assistance and support for Seminole County, Florida Public Schools and the students and educators within the school systems. The Foundation is considered a component unit of the School Board of Seminole County and provides this assistance and support through direct contributions to schools within the district as well as scholarships to and on behalf of students and educators.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting and Presentation

The financial statements of the Foundation have been prepared in accordance with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (the “GASB”) is the standard setting body for governmental accounting and financial reporting. The Foundation has followed the financial presentation model of GASB Statement No. 34, *Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments*. For financial reporting purposes, the Foundation is considered a special-purpose government entity engaged exclusively in business-type activities. Accordingly, the Foundation’s financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation to pay has been incurred.

Certain financial statements include prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation’s financial statements for the year ended June 30, 2021, from which the summarized information was derived.

2. Fund Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. All of the Foundation’s financial activity is accounted for in a single business-type fund, which contains restricted and unrestricted components. The Foundation’s Operating Account includes unrestricted and restricted resources, representing the portion of expendable and nonexpendable funds that are available for operations and funds available for use in accordance with specific restrictions, respectively. When both restricted and unrestricted resources are available for use, it is the Foundation’s policy to use restricted resources first, then unrestricted resources as they are needed.

The Foundation for Seminole County Public Schools, Inc.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Fund Accounting (continued)

The net position of the Foundation and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board and/or management for general operating purposes. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. For example, the Board has designated a portion of net assets without donor restrictions as a quasi-endowment (an amount to be treated by management as if it were part of the donor restricted endowment) for the purpose of securing the Foundation's long-term financial viability.

See Note G for more information on the composition of net assets without donor restrictions.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed restrictions, time and/or purpose restrictions.

The Foundation reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of revenues, expenses, and changes in net position as net assets released from restrictions.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Foundation to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a Board approved spending policy.

See Note H for more information on the composition of net assets with donor restrictions.

The Foundation for Seminole County Public Schools, Inc.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation has been determined by the Internal Revenue Service not to be a private foundation. There was no unrelated business income for the current year.

Management has analyzed the Foundation's various federal and state filing positions and believes that its income tax filing positions and deductions are well documented and supported, and that no accruals for tax liabilities are necessary. Therefore, no reserves for uncertain income tax positions have been recorded.

4. Revenue Recognition

The Foundation follows Accounting Standard Update (ASU) 2014-09, *Revenue from Contracts with Customers* (ASC 606), which outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied, and ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASC 958-605), which clarifies how transactions should be accounted for as contributions (nonreciprocal transactions) or exchange transactions and whether a contribution is conditional.

Revenues are recognized on the accrual basis. Contributions subject to donor-imposed restrictions are recorded as with donor restrictions and are reclassified as without donor restrictions when the donor-imposed restrictions has been fulfilled or the stipulation of time period has elapsed. Contributions with restrictions that are met during the fiscal year are recorded as net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions that are not fulfilled in the accounting period. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Expiration of donor restrictions on net assets, that is, the expiration of the donor-imposed stipulation purpose or the elapsing of the specified time period, are reported as net assets released from restrictions.

The Foundation for Seminole County Public Schools, Inc.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Program Services

The Foundation manages several program services that benefit the students and educators; one of the largest is Take Stock in Children. These funds are joint sponsored with the State of Florida and must be distributed as scholarships to the students of Seminole County and used for the operations of the Take Stock in Children program. In March 2010, the Foundation started Tools 4 Seminole Schools, which provides teachers in the school district with the opportunity to “shop” once a month for free for new and used school supplies. The Foundation also holds many fundraising events that supply funds that are not restricted to a direct program; these funds are distributed to Seminole County teachers for classroom projects. Other programs supported by the Foundation include Grants for Great Ideas, Families in Need, and Inspired by the Arts.

6. Functional Allocation of Expenses

The cost of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

7. Cash and Cash Equivalents

For purposes of the statements of cash flows, the Foundation considers all unrestricted, highly liquid investments with an initial maturity of six months or less to be cash equivalents.

8. Allowance for Doubtful Accounts

Program service receivables and contributions are stated at the amount management expects to collect from outstanding balances. Management assesses the current status of individual accounts and promises to give and provides for probable uncollectible amounts through a provision for doubtful accounts.

9. Unearned Revenue

Revenues collected for future events are reported as unearned revenue and recognized in future periods when the event occurs.

The Foundation for Seminole County Public Schools, Inc.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

10. Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statements of Net Position. Unrealized gains and losses are included in the Statements of Revenues, Expenses and Changes in Net Position. Investment income and gains restricted by a donor are reported as increases in unrestricted net position if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

11. Beneficial Assets Held by Others

The Prepaid College Fund consists of funds contributed by the Foundation as part of the Take Stock in Children program. Contributions are matched by the State of Florida, and recorded as contribution income by the Foundation on the Statements of Revenues, Expenses and Changes in Net Position at the time of contribution. The funds are to be used for college scholarships for selected individuals graduating from high school in Seminole County. As the scholarships are awarded, the expenditures are recorded by the Foundation on the Statements of Revenues, Expenses and Changes in Net Position. The Foundation does not have access to the principal held by the Community Foundation of Central Florida, Inc. In addition, the funds held by the Prepaid College Fund can only be utilized for scholarships.

12. Use of Estimates

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

13. Fair Value Measurement

The Foundation adopted the accounting guidance relating to fair value measurements. This guidance establishes a framework for measuring fair value and expands disclosures about fair value measurements. This guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels as follows:

The Foundation for Seminole County Public Schools, Inc.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

13. Fair Value Measurement (continued)

Level 1 -- quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access as of the measurement date.

Level 2 -- inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 -- unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value.

Level 1 Fair Value Measurements

The fair values of mutual funds, certificates of deposits, equities, and debt securities are based on quoted market prices.

14. Concentration of Credit Risk

Financial instruments, which potentially expose the Foundation to concentrations of credit risk, consist principally of cash bank deposits. The Foundation's policy is to place its cash investments with high quality financial institutions. At June 30, 2023 and 2022, the Foundation held \$250,835 and \$547,212, respectively, in excess of federally insured amounts. The Foundation has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

15. Subsequent Events

Management has evaluated the effect subsequent events would have on the financial statements through the date these financial statements were available to be issued on September 29, 2023.

The Foundation for Seminole County Public Schools, Inc.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

16. Accounting Pronouncements Implemented

In February 2016, the FASB issued ASU 2016-02, *Leases*, that requires lessees to put most leases on their balance sheets and recognize expenses on their income statements in a manner similar to today's capital lease accounting. For lessors, the guidance modifies the classification criteria for accounting for sales-type and direct financing leases. The Foundation adopted ASU 2016-02 effective July 1, 2022. The adoption of this pronouncement had no impact on the financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Non-Financial Assets*, which requires the monitoring and tracking of gifts in kind by asset category, while also noting any donor-imposed restrictions. The Foundation adopted ASU 2020-07 effective July 1, 2021. The adoption has no significant impact on the Foundation's financial statements.

NOTE C – CONTRIBUTED SERVICES AND MATERIALS

Donated services and facilities that are measurable are recorded as a contribution at their fair market values at the date of receipt by the Foundation. Donated teaching supplies supporting Tools 4 Seminole Schools are recorded at estimated market values when received by the teacher, the time at which the goods are deemed to have value. The estimated value of these donated services and materials at June 30, 2023 and 2022 is \$2,050,177 and \$1,697,241, respectively. A corresponding amount is recorded as expense. (See Note E for facilities and services donated).

NOTE D – BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Foundation's beneficial interest in assets held by others at June 30, 2023 and 2022, consists of the following:

	<u>2023</u>	<u>2022</u>
The Community Foundation of Central Florida, Inc.	\$ 18,615	\$ 17,993
Prepaid College Fund	<u>1,376,567</u>	<u>1,176,612</u>
	<u>\$ 1,395,182</u>	<u>\$ 1,194,605</u>

The Foundation for Seminole County Public Schools, Inc.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE E – RELATED PARTY TRANSACTIONS

The Foundation receives contributions for various programs specifically designated for Seminole County Public Schools (“SCPS”), primarily the Families in Need program. The Foundation then awards grants to SCPS based on project applications. Expenditures must be in accordance with the requirement of the grant which is monitored by the Foundation. The awarded funds are deposited into the SCPS District’s Special Revenue Fund. If the full grant is not expended by year end, the excess funds are returned to the Foundation. For the years ended June 30, 2023 and 2022, the Foundation received donations of \$997,044 and \$778,824, respectively, and expended \$1,373,747 and \$782,464, respectively, for the various programs. As of June 30, 2023 and 2022, SCPS held non expended funds of \$130,311 and \$103,490, respectively, in their possession that will be returned to the Foundation.

The Foundation receives donated office space and employee services from The School Board of Seminole County. The fair market value of the contributions is recorded as revenue at the date of contribution with a corresponding amount recorded as expense. During the year ended June 30, 2023, the Foundation received \$192,396 for office space and \$131,337 for employee services. During the year ended June 30, 2022, the Foundation received \$184,457 for office space and \$128,457 for employee services.

NOTE F – INVESTMENTS

The fair value of the investments is reflected in the Statements of Net Position. A summary of investments at June 30, 2023 and 2022, is as follows:

	2023		
	Original Cost	Level I Fair Value	Unrealized Gain (Loss)
Equities	\$ 2,053,862	\$ 2,036,746	\$ (17,116)
Debt securities	1,717,412	1,530,236	(187,176)
Total	\$ 3,771,274	\$ 3,566,982	\$ (204,292)
	2022		
Equities	\$ 2,484,124	\$ 2,192,284	\$ (291,840)
Debt securities	1,459,298	1,236,834	(222,464)
Total	\$ 3,943,422	\$ 3,429,118	\$ (514,304)

The Foundation for Seminole County Public Schools, Inc.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE F – INVESTMENTS (continued)

Investment income is reported in the Statements of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2023 and 2022, and is summarized as follows:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 107,255	\$ 175,367
Realized gain (loss) on investments	(97,668)	20,794
Change in unrealized gain (loss)	<u>310,012</u>	<u>(752,282)</u>
	<u>\$ 319,599</u>	<u>\$ (556,121)</u>

NOTE G – NET ASSETS WITHOUT DONOR RESTRICTIONS

The Foundation's net assets without donor restrictions is comprised of undesignated and Board designated amounts for the following purposes at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Undesignated	\$ 583,184	\$ 557,939
Board designated	<u>105,428</u>	<u>105,995</u>
Total net assets without donor restrictions	<u>\$ 688,612</u>	<u>\$ 663,934</u>

Undesignated

Net assets without donor restrictions are considered undesignated and used at the discretion of the Board and/or management for general operating purposes. Expenditures from the years ended June 30, 2023 and 2022 are included in the statements of functional expenses.

The Foundation for Seminole County Public Schools, Inc.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE G – NET ASSETS WITHOUT DONOR RESTRICTIONS (continued)

Board Designated

The Board of the Foundation has designated certain excess earnings for specific initiatives or programs, referred to as board designated funds. It is the intent that the board designated funds be used primarily as a resource, at the discretion of the Board, for meeting the strategic objectives of the Foundation that fall outside of the scope of the permanent endowment and to fund operating reserves. In addition, while the primary intent is to support the strategic objectives of the Foundation, annually, the Finance Committee will evaluate and make recommendations to the Board as to the possibility of supplementing the permanent endowment. Any earnings or income derived from the principal balance of the board designated funds will remain within the board designated funds absent any recommendation from the Board for movement to the permanent endowment or expenditures meeting the current strategic plan.

During the year ended June 30, 2023, the Board approved the designation of \$105,428 in eligible funds be set aside for use in various programs. The amount was determined in accordance with the Fiscal Management Policy adopted September 15, 2015. If the entire \$105,428 is not used by March 31, 2024, the remaining amount is then transferred to the Restricted Non-Expendable fund account.

The Foundation for Seminole County Public Schools, Inc.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE H – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods as of June 30, 2023 and 2022:

	2023	2022
Subject to expenditure for specified purpose:		
Florida prepaid	\$ 1,376,567	\$ 1,176,612
Senior scholarships	792,587	761,604
Fiscal agent partners	748,813	1,134,533
Other	130,952	133,411
Take Stock in Children	55,000	37,669
Inspired by the Arts	45,850	-
Community Foundation	18,615	17,993
Arts Alive	-	37,850
	<u>3,168,384</u>	<u>3,299,672</u>
Endowments subject to the Foundation's spending policy and appropriation:		
Excellence in Education Endowment	1,769,976	1,768,686
Scholarships - Endowed	237,607	167,648
Arts Alive Endowment	-	5,500
	<u>2,007,583</u>	<u>1,941,834</u>
Total endowments subject to the Foundation's spending policy and appropriation	<u>2,007,583</u>	<u>1,941,834</u>
Total net assets with donor restrictions	<u>\$ 5,175,967</u>	<u>\$ 5,241,506</u>

The Foundation for Seminole County Public Schools, Inc.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE I – NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors. The net assets released from restrictions for the years ended June 30, 2023 and 2022 are as follows:

	2023	2022
Fiscal agent partners	\$ 1,373,467	\$ 782,464
Other	446,716	333,663
Grants and awards	436,163	1,281,906
Foundation supported events	133,233	136,391
Senior scholarships	123,717	65,392
Board designated	105,428	105,995
Tools 4 Seminole Schools	98,367	62,338
Arts Alive	-	41,907
	\$2,717,091	\$2,810,056
Net assets released from restrictions		

NOTE J – RESTRICTED EXPENDABLE FUNDS

Restricted expendable revenue received during the years ended June 30, 2023 and 2022 are summarized as follows:

	2023	2022
Tools 4 Seminole Schools	2,132,972	1,745,582
Fiscal agent partners	997,044	778,824
Grants for Great Ideas	78,360	15,000
Take Stock in Children	55,000	12,000
Senior scholarships	49,500	73,000
Night of Impact	37,850	-
Grants and awards	16,391	61,241
Arts Alive	-	38,057
	\$3,367,117	\$2,723,704

Net position released from donor/program restrictions when expenses are incurred to satisfy the restricted purposes or by the occurrence of other events as specified by the donors.

The Foundation for Seminole County Public Schools, Inc.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE K – RESTRICTED NON-EXPENDABLE FUNDS

The Foundation’s restricted non-expendable funds (permanently restricted endowments) consists of board and donor-restricted funds held in investments. At June 30 permanently restricted endowments consisted of the following:

	<u>2023</u>	<u>2022</u>
Excellence in Education Endowment	\$ 1,769,976	\$ 1,768,686
Scholarships - Endowed	237,607	167,648
Arts Alive Endowment	<u>-</u>	<u>5,500</u>
	<u>\$ 2,007,583</u>	<u>\$ 1,941,834</u>

The Foundation has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (MIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the board and donor-restricted endowment funds. As a result of this interpretation, the Foundation classifies as restricted non-expendable funds (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by MIFA. In accordance with MIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation’s investment policies. Specifically, the Foundation has adopted a policy of calculating the lesser of 5% of the prior three years average investment portfolio balance, net of any new assets added within the prior twelve months, or the dollar amount in excess of the permanent endowment at the end of each calendar year, will be determined as eligible for distribution from the permanent endowment for program support as needed. These funds will be segregated as restricted expendable funds for the upcoming fiscal year. Any amounts that were not distributed for program support during the respective fiscal year shall be returned to the permanent endowed assets and will increase the principal amount of the permanent endowment.

The Foundation has adopted investment and spending policies, approved by the Board, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk.

The Foundation for Seminole County Public Schools, Inc.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE K – RESTRICTED NON-EXPENDABLE FUNDS (continued)

The Foundation's restricted non-expendable funds are held as cash and a permanent endowment fund in investment accounts. At June 30, 2023 and 2022, respectively, amounts available for restricted non-expendable funds consisted of the following:

	<u>2023</u>	<u>2022</u>
Cash held by Charles Schwab	\$ 133,984	\$ 136,418
Investments held by Charles Schwab	<u>3,566,982</u>	<u>3,429,118</u>
	<u>\$ 3,700,966</u>	<u>\$ 3,565,536</u>

NOTE L – RECONCILIATION OF CHANGE IN NET POSITION (Non-GAAP)

The following table presents a reconciliation of the change in net position to the Foundation's internal operating income (loss) for the years ending June 30:

	<u>2023</u>	<u>2022</u>
Change in net position	\$ (40,861)	\$ (545,754)
Decrease (increase) in restricted expendable funds	131,288	(110,080)
Unrealized (gain) loss on investments	(310,012)	752,282
Realized (gain) loss on investments	<u>97,668</u>	<u>(20,794)</u>
Net income (loss) (non-GAAP)	<u>\$ (121,917)</u>	<u>\$ 75,654</u>

NOTE M – FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include rent, which is allocated on a square footage basis, as well as personnel and benefits, legal and professional services, insurance, and others, which are allocated on the basis of estimates of time and effort.

The Foundation for Seminole County Public Schools, Inc.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE N – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation's financial assets available within one year of the statements of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$ 835,218
Investments	3,566,982
Due from related party - SCPS	130,311
Accounts receivable and pledges, net	<u>112,503</u>
Total financial assets available within one year	<u>4,645,014</u>
Less:	
Amounts unavailable for general expenditures within one year due to:	
Accounts payable	(135,961)
Deferred revenue	(49,100)
Restricted by donors for purpose and time	<u>(3,168,384)</u>
Total amounts unavailable for general expenditures within one year	<u>(3,353,445)</u>
Amounts unavailable to management without Board's approval:	
Board designated funds	<u>(105,428)</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 1,186,141</u>

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Foundation has board designated net assets without donor restrictions that, while the Foundation does not intend to spend for these purposes other than those identified, the amounts could be made available for current operations, if necessary.



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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
The Foundation for Seminole County Public Schools, Inc.
Sanford, 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 Foundation for Seminole County Public Schools, Inc. (the "Foundation") (a nonprofit organization), a component unit of the Seminole County District School Board, which comprise the statement of net position, as of June 30, 2023, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 29, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 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*.

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.

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 29, 2023