FLAGLER COUNTY EDUCATION DIRECT-SUPPORT ORGANIZATION, INC.

FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

FLAGLER COUNTY EDUCATION DIRECT-SUPPORT ORGANIZATION, INC.
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JAMESMOORE

INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Flagler County Education Direct-Support Organization, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Flagler County Education Direct-Support Organization, Inc. (the Foundation), a component unit of Flagler County District School Board, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2025 and 2024, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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's ability to continue as a going concern for twelve months beyond the financial statement issuance date, including any currently known information that may raise substantial doubt shortly thereafter.

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 auditors' 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 GAAS and GAS 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 GAAS and GAS, 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'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'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, as listed in the table of contents, 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 August 27, 2025, on our consideration of the Foundation'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 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.

James Moore & Co., P.L.

Daytona Beach, Florida
August 27, 2025

FLAGLER COUNTY EDUCATION DIRECT-SUPPORT ORGANIZATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024

As financial management of the Flagler County Education Direct-Support Organization, 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, 2025 and 2024. 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 $4,965,113 at the close of 2025, compared to $4,882,210 and $3,906,456 at the close of 2024 and 2023, respectively. Total assets exceeded liabilities by $4,849,235 *(combined net position)* compared with $4,429,228 and $3,814,951 at the close of 2024 and 2023, respectively.

The Foundation's combined net position increased by $420,007 in 2025, compared to an increase of $614,277 in 2024 and an increase of $247,959 in 2023, respectively. The increase experienced in this year was primarily due to strong investment income and increased contributions and grants in the current year. The portions of net position restricted by donors totaled $5,005,692, $4,670,890 and $4,032,141 at the end of 2025, 2024 and 2023, respectively. The unrestricted portion of net position was a deficit of $156,457 in 2025, a deficit of $241,662 in 2024, and a deficit of $217,190 in 2023. These amounts represent unrestricted amounts that may be used to meet the Foundation's ongoing obligations for its program activities.

The Foundation's operating revenues from contributions, donations, and public support totaled $671,000 in 2025, compared to $664,207 and $616,190 reported for fiscal 2024 and 2023, respectively. The increase in the current year was primarily the results of a goal of improving ongoing direct support efforts.

Revenues collected from various state grant funding and other state assistance have continued to increase and totaled $795,737, compared to $531,597 and $264,616 in 2024 and 2023, respectively. In 2025, Grant funding increased by approximately $255,000 as compared to 2024 due to the increase in revenue recognized from the Resiliency Grant.

Net proceeds from the Foundation's fundraising activities decreased approximately $27,000 from 2024, and totaled $125,760 in 2025, compared to $153,057 in 2024, and $17,181 in 2023.

Operating expenses for the Foundation's various program services totaled $1,199,698 in 2025, compared to $788,423 in 2024 and $571,901 in 2023. The fluctuations between years are the result of varying amounts of contributions of district grants and scholarships paid by the Foundation with increased program spending in the current year. The Foundation's expenses for administrative support services decreased in the current year and totaled $325,631, compared to $369,770 in 2024 and $420,302 in 2023. In 2025, the decrease was due to additional salaries being allocated directly to program activities.

The Foundation reconciled its funding of prepaid college tuition scholarships and had an opportunity to reallocate previously purchased prepaid tuition to current students and new purchases from the Florida Prepaid College Foundation were made for fifteen new contracts in 2025, compared to no new contracts in 2024, and twenty-nine new contracts in 2023.

Entity-Wide Financial Analysis

The Foundation presents its financial statements for the fiscal year ended June 30, 2025, which include for comparative purposes the fiscal year ended June 30, 2024, certain accounts of which have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements. The Foundation is a direct support organization and a component unit of the Flagler County District School Board (a governmental agency). It also possesses the necessary characteristics of a governmental organization since the potential for unilateral dissolution with the reversion of its net position to the School District exists pursuant to Section 1001.453(1)(a)(1), Florida Statutes. 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 GASB Codification.

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

Management's Discussion and Analysis (MD&A) serves as an introduction to the basic financial statements. The MD&A represents management's examination and analysis of the Foundation's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the strategic plan, budget, and other management tools were used for this analysis.

The basic financial statements consist of entity-wide financial statements that provide both the short- and long-term financial information about the Foundation's financial activities, which are operated like commercial enterprises. These statements report information about the Foundation using full accrual accounting methods and economic resources 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 are included. Likewise, all revenues and expenses received during the year, regardless of when cash is received or paid are reported.

The basic financial statements of the Foundation include a statement of net position; a statement of revenues, expenses, and changes in net position; a statement of cash flows; and notes to the financial statements, which are described as follows:

- The statement of net position presents the financial position of the Foundation on a full accrual, historical cost basis. This statement provides information about the nature and amount of resources and obligations at year-end.

- The statement of revenues, expenses, and changes in net position presents the results of the business activities over the course of the fiscal year and information as to how the net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement also provides certain information about the Foundation's various programs, cost centers and administrative activities.

- The statement of cash flows presents changes in cash and cash equivalents, resulting from operating, capital and related financing, and investing activities. This statement presents cash receipts and cash disbursement information, without consideration of the earnings event, when an obligation arises, or depreciation of capital assets, when applicable.

- The notes to the financial statements 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.

The Foundation's entity-wide financial statements report its net position and how they have changed over the reporting period. Net position (the difference between assets and liabilities) may serve as a useful indicator of the Foundation's financial position. Over time, increases or decreases in net position are a useful indicator of whether the Foundation's financial health is improving or deteriorating, respectively. However, other non-financial factors such as changes in economic conditions, population growth, and new or changed governmental legislation must be considered to adequately assess its overall health.

The material portion of the Foundation's net position (around 89%) reflects its investment in surplus cash funds and investments, the material portion of which represents endowment funds that are permanently restricted by the donors. The Foundation's investment in prepaid student scholarship awards represents approximately 11% of its net position at year end. The Foundation's assets do not include any physical real or personal property, all of which is owned exclusively by the School District.

Net position is the sum of assets (both financial and tangible) minus all current liabilities and short and long-term debt obligations. Net position is a valuable measure of creditworthiness and financial health since the calculation includes both financial obligations and the capacity to service those obligations. This year, the Foundation's combined total assets exceeded liabilities (net position) by $4,849,235, compared to $4,429,228 at the end of 2024.

The net position of the Foundation at June 30, 2025, 2024 and 2023, is summarized as follows:

Net Position

	June 30,		
	2025	**2024**	**2023**
Assets:			
Current and other assets	$ 263,129	$ 668,764	$ 130,800
Restricted assets	175,122	178,449	191,343
Noncurrent assets	4,526,862	4,014,997	3,584,313
Total assets	4,965,113	4,882,210	3,906,456
Liabilities:			
Current liabilities	115,878	452,982	91,505
Total liabilities	115,878	452,982	91,505
Net Position:			
Restricted-nonexpendable	1,519,559	1,519,559	1,519,559
Restricted-expendable	3,486,133	3,151,331	2,512,582
Unrestricted	(156,457)	(241,662)	(217,190)
Total net position	$ 4,849,235	$ 4,429,228	$ 3,814,951

The Foundation's total assets increased by $82,903, or 1.7% in 2025, compared to an increase of $975,754, or 25.0% at the end of 2024 and an decrease of $299,310, or 6.2% at the end of 2023. At the end of June 2025, the Foundation's total assets consisted primarily of cash and cash equivalents ($400,010), municipal bonds ($891,863), mutual fund and other endowment investments ($3,060,750), which make up approximately 88% of total assets (87% and 85% at the end of June 2024 and 2023, respectively). Amounts invested in prepaid tuition scholarships held by the Florida College Prepaid Scholarship Foundation increased by $2,326 due to current year purchases in 2025 and totaled $541,826, or 11% of total assets (11% and 14% at the end of June 2024 and 2023, respectively). These amounts reflect the two primary activities of the Foundation in the areas of scholarships and program enhancement.

The Foundation's total liabilities consist of commissions payable and amounts due to Flagler County District School Board of $115,878 at the end of 2025, compared to trade accounts payable of $452,982 and $91,505 at the end of 2024 and 2023, respectively.

Amounts temporarily restricted for donor designated uses increased by $334,802 during the year and totaled $3,486,133 at June 30, 2025, compared to $3,151,331 and $2,512,582 at the end of 2024 and 2023, respectively. A significant portion (14%) of these restricted funds are represented by the Foundation's program funds which are held for, or currently invested in, prepaid tuition scholarships held by the Florida College Prepaid Scholarship Foundation ($486,384 at the end of 2025). Temporarily restricted endowment funds ($2,072,502), and Stuff Bus project funds ($114,294) represented 63% of the remaining restricted funds at the end of 2025.

Amounts permanently restricted at the end of the year totaling $1,519,559 are composed of nonexpendable endowment contributions, all of which may only be expended for donor pre-designated uses. These amounts totaled $1,519,559 and $1,519,559 at the end of 2024 and 2023, respectively.

Unrestricted net position was a deficit of $156,457 at the end of 2025, compared to a deficit of $241,662 and a deficit of $217,190 at the end of 2024 and 2023, respectively. The decreased deficit is primarily due to investment income in the current year and increased allocation of expenses to specific programs.

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.

During fiscal 2025, the Foundation's operating revenues totaled $1,687,885, compared to $1,448,550 in 2024. Revenues received from private, public, corporate and government support, contributions and grants increased by $270,933 (or 23%) during 2025, primarily due to increased grant revenue from new grant agreements.

Revenues collected from fundraising activities increased during 2025 and totaled $221,148, compared to $252,746 and $109,624 at the end of 2024 and 2023, respectively. Fundraising activities (receipts) in 2025 (compared to 2024) included primarily the Annual Golf Tournament ($41,576), Mardi Gras Event ($31,047), and Technology Sales ($119,557).

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

Revenues, Expenses and Changes in Net Position

	For the Years Ended June 30,		
	2025	**2024**	**2023**
Operating Revenues:			
Contributions, donations and corporate support	$ 671,000	$ 664,207	$ 616,190
State grants	795,737	531,597	264,616
Fundraising	221,148	252,746	109,624
Total operating revenues	1,687,885	1,448,550	990,430
Operating Expenses:			
Program services	1,199,698	788,423	571,901
Support services	421,019	469,459	512,745
Total operating expenses	1,620,717	1,257,882	1,084,646
Operating income (loss)	67,168	190,668	(94,216)
Nonoperating Revenues:			
Investment income and other income (loss)	352,839	423,609	342,175
Increase in net position	420,007	614,277	247,959
Net Position, beginning of year	4,429,228	3,814,951	3,566,992
Net Position, end of year	$ 4,849,235	$ 4,429,228	$ 3,814,951

The Foundation's primary program service expenses were varied in 2025 and 2024. Overall program service expenses increased from $788,423 in 2024 to a total of $1,199,698 in 2025. Quarterly reimbursements to the School District for salaries, benefits, and other items increased by 37.4% and totaled $590,167 in 2025, compared to $429,571 incurred in 2024. These expenses were related to the administration of the Foundation's program services, the costs of which were allocated to the respective programs responsible for the personnel expenses allocated. The increase was due to additional counselor salary reimbursements in the current year related to the Resiliency Grant.

The cost of the Foundation's fundraising activities decreased by $4,301 during 2025 and totaled $95,388, compared to $99,689 one year earlier.

Overall, the Foundation's operating expenses totaled $1,620,717 in 2025, which is an increase compared to the $1,257,882 in 2024, and the $1,084,646 incurred in 2023.

The Foundation's spending on program services for each of the past three years is summarized as follows:

Operating Expenses

	For the Years Ended June 30,		
	2025	**2024**	**2023**
Program Services:			
Innovation Mini Grants	$ 98,784	$ 103,508	$ 72,397
Take Stock in Children	91,378	97,460	91,557
Resiliency Grant	347,998	90,347	-
School/Community	81,195	58,907	22,000
Flagship Schools	48,990	42,061	22,696
United Way	50,623	43,476	-
FTC Truist Grant	9,660	19,846	-
New Worlds Reading	8,861	13,894	-
Make It Happen	28,598	13,357	37,751
Stuff Bus	10,843	6,938	5,175
HS High Tech	9,912	5,741	7,854
Josh Crews Writing	4,813	3,295	4,836
Stem Learning	9,664	5,385	13,430
Program Services Salaries	93,522	91,954	-
CFEF CCR Rural Grant	955	-	-
	895,796	596,169	277,696
Scholarship and Tuition Reimbursements:			
Summer School Incentive	-	-	811
Literacy Program	578	3,288	1,760
Senior Scholarships	213,071	167,800	222,100
Tommy Tant Memorial Scholarship	-	500	12,677
Senior Scholarship Expense	10,695	7,263	26,412
Employee Assistance	725	250	2,035
Take Stock in Children	23,474	1,500	-
Chiumento Cares	2,243	5,079	-
Florida Prepaid	53,116	6,574	28,410
	303,902	192,254	294,205
Total program services	1,199,698	788,423	571,901
Support Services:			
General and administrative	325,631	369,770	420,302
Fundraising:			
Golf tournament	39,715	43,023	52,218
Mardi Gras	15,660	17,602	16,279
Josh Crews Gala	14,122	16,370	12,403
Special Events	19,754	12,057	4,908
Teacher of the Year Events	6,137	10,709	5,938
Catering/ Waitstaff	-	(72)	697
Total support services	421,019	469,459	512,745
Total operating expenses	$ 1,620,717	$ 1,257,882	$ 1,084,646

Amounts expensed on acquiring prepaid student tuition scholarships, totaled $53,116 in 2025, $55,442 of which was actual dollars spent, compared to $6,574 in 2024, $0 of which was actual dollars spent.

Cash Flows

Net cash provided by (used in) operating activities decreased in 2025 and totaled a deficit of ($319,023), compared to $528,263 in 2024 and a deficit of ($71,326) in 2023. The decrease in 2025 was primarily related to a decrease in grant funding cash received and an increase in cash paid for scholarship awards and grants. The increase in 2024 was primarily related to the increase in grant funding.

Net cash from investing activities decreased due to increased purchases of investments during 2025. The balance was a deficit of $212,142 in 2025, compared to investing activities in 2024 and 2023 totaling a deficit of $13,649 and a deficit of $28,563. The Foundation's uses typically include amounts paid to the Florida Prepaid College Foundation for prepaid student tuition contracts (actual dollars spent in 2025 of $55,442, compared to $0 in 2024). Amounts also include the net costs of investment trades experienced from the reinvestment of permanent endowment funds received in prior years. Virtually all of the Foundation's investment earnings collected are reinvested in the endowment accounts.

Future Economic Factors

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 organization. Toward this latter factor, the Foundation has historically enjoyed a very positive reputation in the communities it serves. While economic factors do ultimately affect charitable giving in general, the Foundation has a developed a history of steady growth regardless of changes in these factors.

Some of the major factors considered by the Foundation in the process of predicting future economic factors are the local economy, civilian labor force, unemployment rates, and inflation rates.

The most recent estimates available for unemployment data in Flagler County, Florida are compiled by the Florida Agency for Workforce Innovation on the Florida Research and Economic Information Database Application (FREIDA). This agency estimates an unemployment rate of 4.8% in Flagler County in June 2025 as compared to 3.6% in 2024.

Inflationary trends for Flagler County compare favorably with those trends experienced at the state and national levels.

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 Assistant Director of Finance and Operations, Flagler County Education Direct- Support Organization, Inc., P. O. Box 354117, Palm Coast, Florida 32135.

FLAGLER COUNTY EDUCATION DIRECT-SUPPORT ORGANIZATION, INC.
STATEMENTS OF NET POSITION
JUNE 30, 2025 AND 2024

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	$ 192,779	$ 609,733
Accounts, contracts, and grants receivable, net	70,350	59,031
Restricted assets:		
Cash and cash equivalents	175,122	178,449
Total current assets	438,251	847,213
Non-current assets		
Accounts, contracts, and grants receivable, net	-	20,000
Restricted assets:		
Florida prepaid scholarships	541,826	539,500
Investments	3,985,036	3,475,497
Total non-current assets	4,526,862	4,034,997
Total Assets	$ 4,965,113	$ 4,882,210
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$ 18,944	$ 17,684
Unearned revenue	-	289,934
Due to Flagler County District School Board	96,934	145,364
Total Liabilities	$ 115,878	$ 452,982
NET POSITION		
Net position		
Restricted:		
Nonexpendable	$ 1,519,559	$ 1,519,559
Expendable	3,486,133	3,151,331
Unrestricted	(156,457)	(241,662)
Total Net Position	$ 4,849,235	$ 4,429,228

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

FLAGLER COUNTY EDUCATION DIRECT-SUPPORT ORGANIZATION, INC.
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Operating revenues		
Contributions, donations and support	$ 671,000	$ 664,207
State grants	795,737	531,597
Fundraising	221,148	252,746
Total operating revenues	1,687,885	1,448,550
Operating expenses		
Program services:		
District grants	676,825	421,718
Scholarships and tuition reimbursements	303,902	192,254
Other program services	218,971	174,451
Total program services	1,199,698	788,423
Support services:		
General and administrative	325,631	369,770
Fundraising	95,388	99,689
Total support services	421,019	469,459
Total operating expenses	1,620,717	1,257,882
Operating income (loss)	67,168	190,668
Nonoperating revenues (expenses)		
Investment income (loss)	352,839	423,609
Total nonoperating revenues (expenses)	352,839	423,609
Change in net position	420,007	614,277
Net position, beginning of year	4,429,228	3,814,951
Net position, end of year	$ 4,849,235	$ 4,429,228

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

FLAGLER COUNTY EDUCATION DIRECT-SUPPORT ORGANIZATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Cash flows from operating activities		
Cash received from contributions and donations	$ 671,000	$ 664,207
Cash received from fundraising	221,148	252,746
Cash received from grants	514,484	791,075
Cash paid for Flagler School District reimbursements	(638,597)	(368,423)
Cash paid for scholarship awards and grants	(556,415)	(352,278)
Cash paid for fundraising	(95,388)	(99,689)
Cash paid for administrative costs	(324,371)	(359,375)
Net cash provided by (used in) operating activities	(208,139)	528,263
Cash flows from investing activities		
Purchase of prepaid scholarships	(55,442)	-
Sales (purchases) of investments	(156,874)	(13,844)
Interest income	174	195
Net cash provided by (used in) investing activities	(212,142)	(13,649)
Net increase (decrease) in cash and cash equivalents	(420,281)	514,614
Cash and cash equivalents, beginning of year	788,182	273,568
Cash and cash equivalents, end of year	$ 367,901	$ 788,182
Cash and cash equivalents reported as:		
Unrestricted	$ 192,779	$ 609,733
Restricted	175,122	178,449
	$ 367,901	$ 788,182
Reconciliation of operating income to net cash provided by (used in) operating activities		
Cash flows from operating activities		
Operating income (loss)	$ 67,168	$ 190,668
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Amortization of prepaid tuition contracts	53,116	6,574
Changes in assets and liabilities		
Decrease (Increase) in accounts receivable	8,681	(30,456)
Increase (Decrease) in accounts payable and accrued expenses	1,260	10,395
Increae (Decrease in unearned revenue	(289,934)	289,934
Increase (Decrease) in due to Flagler County District School Board	(48,430)	61,148
Total adjustments	(275,307)	337,595
Net cash provided by (used in) operating activities	$ (208,139)	$ 528,263

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

(1) **Summary of Significant Accounting Policies:**

(a) **Reporting entity**—The Flagler County Education Direct-Support Organization, Inc. (the Foundation) is a direct support organization (as defined in Section 1001.453, Florida Statutes), and is considered a component unit of the Flagler County District School Board (the "School District") for financial reporting purposes. The Foundation was formed as an I.R.C. Section 501(c)(3) nonprofit corporation on February 26, 1990, whose objective is to develop a partnership between the community and its schools for the enhancement and support of public education in Flagler County, Florida. It also possesses the necessary characteristics of a governmental organization since the potential for unilateral dissolution with the reversion of its net position to the School District exists pursuant to Section 1001.453(1)(a)(1), Florida Statutes.

(b) **Basis of presentation**—As a component unit of the School District, 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 utilizes the accrual basis of accounting in accordance with the GASB Codification.

(c) **Basis of accounting and financial reporting**—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, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met.

(d) **Financial statement classification**—The basic financial statements required for proprietary funds are as follows: a statement of net position or a balance sheet; a statement of revenues, expenses, and changes in net position; and a statement of cash flows. The Statement of Net Position is presented in a classified format to distinguish between current and noncurrent assets and liabilities. When both restricted and unrestricted resources are available to fund certain programs, it is the Foundation's policy to first apply the restricted resources to such programs followed by the use of the unrestricted resources.

(e) **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 support of operations and funds available for use in accordance with specific restrictions, respectively.

(1) **Summary of Significant Accounting Policies:** (Continued)

(f) **Revenue recognition**—An exchange or exchange-like transaction is one in which each party receives and sacrifices something of approximate equal value. Amounts received from exchange transactions are recognized as revenue when the exchange transaction takes place.

A non-exchange transaction is one in which one party receives something of value without directly giving value in exchange. Non-exchange transactions may include, but are not limited to:

- Gifts/donations - Assets are recognized when all eligibility requirements are met or funds are received; whichever is first. Revenue is recognized when all eligibility requirements have been met. If a gift is received prior to meeting eligibility requirements, it is recorded as unearned revenue.

  Eligibility requirements are conditions specified by a donor that must be met, such as time requirements or matching requirements. Purpose restrictions are not eligibility requirements and do not affect revenue recognition. Gifts received with purpose restrictions are reported as restricted until used for designated purpose or until restriction expires.

  Some gifts are received with the stipulation that the resources cannot be sold, disbursed, or consumed until a specified number of years have passed or a specific event has occurred, such as endowments, term endowments, works of art and historical treasures. For these gifts, revenues are recognized when the resources are received, provided that all eligibility requirements are met. Resulting net position is reported as restricted for as long as the restrictions or time requirements remain in effect.

- Certain grants, entitlements - Assets are recognized when all eligibility requirements are met or funds are received; whichever is first. Revenue is recognized when all eligibility requirements have been met. If grant funds are received prior to meeting eligibility requirements, they are recorded as unearned revenue. Eligibility requirements are conditions specified by the grantor that must be met, such as an eligible recipient, time requirements, matching requirements, etc. Purpose restrictions are not eligibility requirements and do not affect revenue recognition. Grants received with purpose restrictions are reported as restricted.

- Promises to give (pledges) – Amounts must be promised by a non-governmental entity – individual, business, or organization. An asset (receivable) and revenue are recognized when all eligibility requirements are met and amount is verifiable, measurable, and collection is probable (likely to occur). Endowment pledges are generally not recognized until received since the promise to not sell, disburse, or consume the asset cannot be honored until the asset has been received.

Contributions received are recorded as unrestricted or restricted support, depending on the existence and/or nature of any donor restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

(1) **Summary of Significant Accounting Policies:** (Continued)

(g) **Income taxes**—The Foundation is generally exempt from Federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Management of the Foundation considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability for or discloses potential significant changes that management believes are more likely than not to occur, including changes to the Foundation's status as a not-for-profit entity. Management believes the Foundation met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax, therefore no provision for income taxes has been provided in these financial statements. The Foundation's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

(h) **Classification of revenues**—The Foundation's principal operating activity is providing education program support, mini-grants, and student scholarships. Operating revenues include private contributions, donations, community support, and operating grants. Non-operating revenues include investment income and earnings and contributions restricted for capital additions or endowments, when applicable. Operating expenses include all fiscal transactions related to education support, Foundation management, and fundraising.

(i) **Donor-restricted accounts**—Restricted net position is cash that has been received through fundraising events, community support and grant funds that are designated for specific program funding and scholarships. Investment income, including unrealized appreciation and depreciation, is allocated to restricted accounts on a pro rata basis based on the nonexpendable account balance, when applicable. In accordance with state law, these funds are then available for expenditure when the specific restrictive donor criteria are met.

(j) **Cash and cash equivalents**—Cash and cash equivalents represent both restricted and unrestricted cash in checking and money market accounts and include all highly liquid investments with initial maturities of three months or less.

(k) **Investments**—Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change 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. Certificates of deposit are held at cost plus accrued interest, which approximates fair value.

(l) **Accounts and grants receivable**—The Foundation's accounts and grants receivable mainly consists of amounts receivable from grant funding for programs administered by the Foundation. The Foundation considers its receivables to be fully collectible.

(m) **Inventories**—Inventories are stated at the lower of cost or market determined by the first-in, first-out method.

(n) **Capital assets**—The Foundation's operations are maintained at facilities owned and operated by the School District at no cost to the Foundation. When applicable, capital asset acquisitions intended for direct contribution to the School District are recorded as expenditures in the Foundation's accounting records.

(1) **Summary of Significant Accounting Policies:** (Continued)

Capital asset acquisitions are recorded at cost, if purchased. Assets are capitalized having a useful life of greater than one year and with an original cost of $5,000 or greater. Depreciation is provided using the straight-line basis over the estimated useful lives of the respective assets, which is generally five years. Expenditures for repairs and maintenance are expensed as incurred.

(o) **Net position**—The Foundation's net position is classified as follows:

- Restricted – Nonexpendable - consists of endowment and similar type funds in which donors or outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income.
- Restricted – Expendable - includes resources the Foundation is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.
- Unrestricted - represents net position that is not restricted for any purpose and available for current operations.

When both restricted and unrestricted resources are available and eligible to be used for a specified expenditure, it is the Foundation's policy to first use restricted resources, and then unrestricted resources.

(p) **Donated property**—Donated marketable securities and other noncash donations used to further the purposes of the Foundation are recorded at estimated acquisition value at the time of donation, when applicable.

(q) **In-kind contributions**—In-kind contributions represent the fair market values for goods and services provided for the Foundation. Contributions of services are recognized only if services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing these skills, and would typically be purchased if not provided by donations. These contributions are included in the Statement of Revenues, Expense, and Changes in Net Position under the caption labeled "in-kind contributions", when applicable.

(r) **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 the reported amount of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

(s) **Employee salaries and benefits**—Generally, all administration and management functions of the Foundation are performed by individuals whose salaries, wages and related employee benefits are paid by the School District. The Foundation does not recognize any pro-rata portion of liabilities for employment related benefits (i.e., employee insurance premiums, pension obligations, and other post-employment benefit obligations) of the School District.

(t) **Prepaid and other assets**—Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in the comparative financial statements.

(u) **Reclassification**—Certain prior year amounts have been reclassified to conform to the current year presentation.

(2) Deposits, Investments, and Fair Value Measurements:

Deposits

The Foundation holds cash on deposit with various financial institutions. Certain cash deposits are classified as restricted assets because their use is restricted by applicable donor covenants.

Investments and Fair Value Measurements

The fair value measurement accounting literature provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Inputs to the valuation methodology include: (1) quoted market prices for similar assets or liabilities in active markets, (2) quoted prices for identical or similar assets or liabilities in inactive markets, (3) inputs other than quoted prices that are observable for the asset or liability, and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's 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 value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025 and 2024.

Mutual funds – valued at quoted market prices which represent the net asset value of shares held by the Foundation at year-end.

Municipal bonds – valued at quoted market prices which represent the net asset value of issues held by the Foundation at year-end.

The following table summarizes the assets of the Foundation for which fair values are determined on a recurring basis:

	Fair Value Measurements as of June 30, 2025			
	Level 1	Level 2	Level 3	Total
Money Market Funds	$ 32,423	$ -	$ -	$ 32,423
Mutual Funds	3,060,750	-	-	3,060,750
Fixed Income Bonds	891,863	-	-	891,863
Total assets at fair value	$ 3,985,036	$ -	$ -	$ 3,985,036

(2) **Deposits, Investments, and Fair Value Measurements:** (Continued)

	Fair Value Measurements as of June 30, 2024			
	Level 1	Level 2	Level 3	Total
Money Market Funds	$ 27,115	$ -	$ -	$ 27,115
Mutual Funds	2,580,490	-	-	2,580,490
Fixed Income Bonds	867,892	-	-	867,892
Total assets at fair value	$ 3,475,497	$ -	$ -	$ 3,475,497

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the Foundation will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Foundation maintains an investment account with a brokerage firm which includes a portfolio with a market value of $3,985,036 and $3,475,497 at June 30, 2025 and 2024, respectively, which is insured up to $500,000 by the Securities Investor Protection Corporation in the event of the brokerage firms' liquidation. This coverage does not protect against market fluctuations. At June 30, 2025 and 2024, the carrying amount of the Foundation's cash deposits was $367,901 and $788,182, respectively, and the bank balances were $471,365 and $736,097, respectively. At June 30, 2025 and 2024, $93,096 and $236,097 were not covered by federal depository insurance, respectively.

(3) **Accounts, Contracts, and Grants Receivable:**

At June 30, 2025 and 2024, accounts and grants receivable consisted exclusively of amounts due from state and other grantor agencies totaling $70,350 and $59,031 for current receivables and $0 and $20,000 of noncurrent receivables, respectively.

(4) **Prepaid Tuition Contracts:**

Individual student scholarship contracts have been purchased from the Florida Prepaid College Foundation, Inc. (the FPCF) to be assigned to eligible students within the School District who meet standards specified in the Foundation's scholarship program pursuant to the provisions of Memorandums of Understanding between the Foundation and the FPCF.

Under the Memorandums, the FPCF sells prepaid student tuition scholarships to the Foundation at approximately one-half (50%) their normal cost. The Foundation recognizes all prepaid tuition scholarship contract acquisitions as assets of the Foundation until such time students satisfy the requirements set forth in the scholarships. Scholarship amounts are recorded at cost, which is equivalent to the refund value. However, the total plan value of the scholarships held by the FPCF for the Foundation is approximately double the amount recorded by the Foundation.

Upon purchasing the scholarships, the Foundation records an asset in the form of beneficial interest in assets held by others. As scholarships are awarded, the Foundation maintains an accounting for the credit hours earned by participating students. The Foundation recognizes an expense based on the credit hours earned. For example, if a student is awarded a scholarship worth 120 credit hours and earns 40 credit hours, the Foundation would recognize one-third of the amount paid for the scholarship in the period earned. For the years ended June 30, 2025 and 2024, contributions of $55,442 and $0, respectively, were made by the Foundation to acquire contracts from the FPCF.

(4) **Prepaid Tuition Contracts:** (Continued)

The Foundation's balance of prepaid student tuition contracts as of June 30, 2025 and 2024, consists of the following:

Foundation prepaid scholarships as of June 30, 2023	$ 546,074
Scholarships acquired during the year:	
Contracts purchased	-
Scholarship credits used by students	(6,574)
Foundation prepaid scholarships as of June 30, 2024	539,500
Scholarships acquired during the year:	
Contracts purchased	55,442
Scholarship credits used by students	(53,116)
Foundation prepaid scholarships as of June 30, 2025	$ 541,826

The total plan value of prepaid student tuition contracts held by the FPCF for the Foundation as of June 30, 2025 and 2024, consists of the following:

	2025	2024
FPCF total plan value of prepaid scholarships	$ 1,083,652	$ 1,079,000
Less FPCF portion	(541,826)	(539,500)
Total Foundation prepaid scholarships	$ 541,826	$ 539,500

(5) Net Position Restrictions and Designations:

Restricted - Expendable—A summary of net changes in net position that included restricted, but expendable donor-imposed restrictions consisted of the following at June 30, 2025 and 2024:

	2025	2024
Florida Prepaid College Foundation Scholarships	$ 486,384	$ 539,500
Robert Osner Kiwanis Scholarship Endowment Fund	641,968	560,213
Take Stock in Children	7,158	42,067
Flagship Schools	139,199	140,358
Stuff Bus Project	114,294	108,566
Community Outreach Project	99,193	71,957
Bernard L. Axelrod Endowment Fund	1,430,534	1,159,624
Senior Scholarship	-	63,215
Tommy Tant Memorial Scholarship	19,661	19,661
Connect Bus	23,823	23,823
Employee Assistance Program	2,103	2,565
FCEF Scholarships	1,026	1,026
Josh Crews Writing Project	66,293	34,157
Make It Happen Program	3,105	14,809
New Worlds Reading Grant	107,888	67,479
Chiumento CARES Fund	53,678	44,964
Young Professionals Group	1,149	1,149
Teacher of the Year Program	4,863	-
United Way, Career Coaching	173,012	156,198
AdventHealth	100,000	100,000
Feeding Flagler's Future Program	2,912	-
CFEF CCR Rural Grant	7,890	-
Total net position restricted-expendable	$ 3,486,133	$ 3,151,331

Restricted – Nonexpendable—A summary of net changes in net position that included restricted, nonexpendable donor-imposed or Foundation-imposed restrictions consisted of the following at June 30, 2025 and 2024:

	2025	2024
Bernard L. Axelrod Endowment Fund	$ 200,000	$ 200,000
Robert Osner Kiwanis Scholarship Endowment Fund	1,319,559	1,319,559
Total net position restricted-nonexpendable	$ 1,519,559	$ 1,519,559

(6) Commitments and Contingencies:

The Foundation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural causes for which the Foundation carries commercial insurance. The Foundation has incurred no losses in excess of coverage in the last five years.

(7) Related Party Transactions:

The Foundation is a legally established direct-support organization and component unit of the Flagler County District School Board, whose objective is to develop a partnership between the community and its schools for the enhancement and support of public education in Flagler County, Florida. To meet this objective, the Foundation is permitted to use facilities and personal services of the District, provided the rules of the School Board are followed. As a result, various administrative and internal service functions are provided to the Foundation throughout the year by the District without remuneration. The Foundation has elected to not include the value of these donated materials and services, which are significant to the operations of the Foundation, in the accompanying financial statements.

During the years ended June 30, 2025 and 2024, the Foundation reimbursed the School District for a portion of the salaries and related employee benefits for the Executive Director, Scholarship Specialist, and Organizational and Database Specialist and other miscellaneous expenses in the amount of $590,167 and $429,571, respectively. At June 30, 2025 and 2024, the amount due to Flagler County District School Foundation was $96,934 and $145,364, respectively.

(8) Recent Accounting Pronouncements:

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact current or future financial statements. Listed below are pronouncements with required implementation dates effective for the upcoming years:

> GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The objective of GASB 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an entity's accountability. The provisions in GASB 103 are effective for fiscal years beginning after June 15, 2025.
>
> GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. GASB 104 requires governments to provide detailed information about certain types of capital assets, including lease assets, intangible right-to-use assets, and subscription assets, in the notes to financial statements. The provisions for GASB 104 are effective for fiscal years beginning after June 15, 2025.

JAMESMOORE

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,
Flagler County Education Direct-Support Organization, Inc.:

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 Flagler County Education Direct-Support Organization, Inc. (the Foundation) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated August 27, 2025.

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 Foundation'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described below, that we consider to be a material weakness:

2025-001 – Reconciliation of Account Balances

We noted amounts for scholarship credits used by students were not properly adjusted. Such amounts should have been properly adjusted for the year-ended June 30, 2025. We also noted amounts for the fourth quarter TSIC salaries reimbursement and fourth quarter payroll obligations were not properly adjusted or accrued. Additionally, we noted that a current year credit card payable was not properly accrued and the prior year credit card payable was not properly reversed. We also noted adjustments

needed to accounts receivable to write off an old receivable and record a current year receivable. Additionally, an adjustment was needed to reclass grant revenue out of unearned revenue. Finally, we noted that the investment balances were not adjusted to agree to the June investment statement and to record all current year activity. The Foundation's controls should include periodic reconciliations of significant account balances, including full accrual-based reconciliations at fiscal year-end to ensure all amounts have been recorded at year-end. We recommend the Foundation increase its review of such transactions, including a review for proper cutoff at the fiscal year-end, to help ensure completeness and accuracy of all financial reporting.

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*.

Management's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Foundation's response to the findings identified in our audit and described in the accompanying Management's Response to Findings. The Foundation's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

James Moore & Co., P.L.

Daytona Beach, Florida
August 27, 2025

MANAGEMENT'S RESPONSE TO FINDINGS

2025-001 – Reconciliation of Account Balances

The Foundation will update its accounting policies and procedures to include additional review of year-end accruals and adjustments.