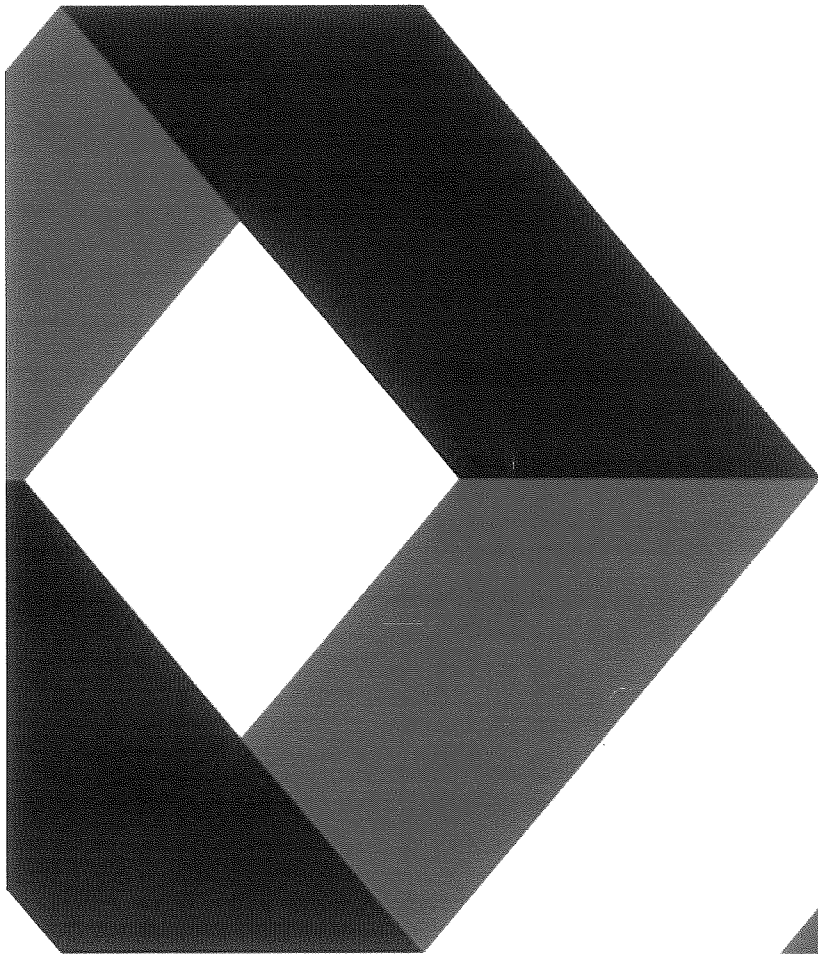


Clay County Education Foundation, Inc.

Financial Statements

For the Year Ended
June 30, 2020

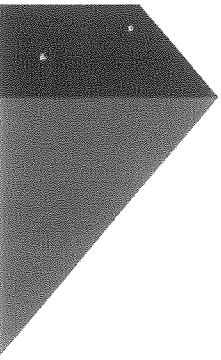
With Summarized Comparative Financial
Information for the Year Ended June 30, 2019



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Independent Auditors' Report

To the Management and Board of Directors
Clay County Education Foundation, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Clay County Education Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

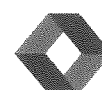
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Clay County Education Foundation, Inc. as of June 30, 2020, 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.



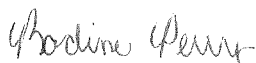
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Report on Summarized Comparative Information

We have previously audited the financial statements of Clay County Education Foundation, Inc. as of June 30, 2019, and we expressed an unmodified opinion on those audited financial statements in our report dated February 21, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it was derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2021, on our consideration of Clay County Education Foundation, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Clay County Education Foundation, Inc.'s internal control over financial reporting and compliance



Orange Park, Florida
January 19, 2021

Clay County Educational Foundation, Inc.

Statement of Financial Position

June 30, 2020

With Summarized Comparative Financial Information for June 30, 2019

	2020	For Comparative Purposes Only 2019
Assets		
Current Assets		
Cash and cash equivalents	\$ 98,834	\$ 41,195
Funds held by others	1,563	1,563
Total Assets	\$ 100,397	\$ 42,758
Liabilities and Net Assets		
Current Liabilities		
Scholarships payable	\$ 1,563	\$ 1,563
Net Assets		
Without donor restrictions	98,834	41,195
Total Liabilities and Net Assets	\$ 100,397	\$ 42,758

See independent auditors' report and notes to financial statements

Clay County Educational Foundation, Inc.

Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2020
With Summarized Comparative Financial Information for June 30, 2019

	2020			For Comparative Purposes Only 2019
	Without Donor Restrictions	With Donor Restrictions	Total	
Support and Revenue				
Support				
Government and similar grants	\$ 54,892	\$ -	\$ 54,892	\$ 79,544
Private donations and grants	225,031	131,674	356,705	44,376
Total Support	279,923	131,674	411,597	123,920
Other Revenues				
Interest income	108	-	108	121
Other revenue	2,991	-	2,991	-
Total Other Revenues	3,099	-	3,099	121
Revenue released from restriction	131,674	(131,674)	-	-
Total Support and Revenue	414,696	-	414,696	124,041
Expenses				
Program services	287,681	-	287,681	121,896
Management and general	69,376	-	69,376	8,927
Fundraising	-	-	-	1,345
Total Expenses	357,057	-	357,057	132,168
Change in Net Assets				
	57,639	-	57,639	(8,127)
Net Assets, beginning of year	41,195	-	41,195	49,322
Net Assets, end of year	\$ 98,834	\$ -	\$ 98,834	\$ 41,195

See independent auditors' report and notes to financial statements

Clay County Education Foundation, Inc.

Statement of Functional Expenses
For the Year Ended June 30, 2020
With Summarized Comparative Financial Information for June 30, 2019

	2020						For Comparative Purposes Only	
	Program			Supporting				Totals
	Grants and Support	Awards and Recognition		Total Program	Administrative & Support			
		\$			\$			
Grants and support to shools and teachers	\$ 205,922	\$	-	\$ 205,922	\$	-	\$ 205,922	\$ 107,628
Teacher of Year/Night with Stars	-	81,759		81,759		-	81,759	11,324
Project Reach	-	-	-	-	-	-	-	2,944
Donated Salaries	-	-	-	-	50,000	-	50,000	-
Advertising and Website	-	-	-	-	1,326	-	1,326	-
Conferences and Meetings	-	-	-	-	1,710	-	1,710	760
Dues and subscriptions	-	-	-	-	1,231	-	1,231	1,884
Insurance	-	-	-	-	302	-	302	-
Miscellaneous	-	-	-	-	1,079	-	1,079	2,828
Printing and Publications	-	-	-	-	3,580	-	3,580	-
Professional fees	-	-	-	-	6,450	-	6,450	4,800
Supplies	-	-	-	-	426	-	426	-
Website	-	-	-	-	3,272	-	3,272	-
Total Expenses	\$ 205,922	\$ 81,759	\$ 287,681	\$ 69,376	\$ 357,057	\$ 132,168		

See independent auditors' report and notes to financial statements

Clay County Education Foundation, Inc.

Statement of Cash Flows For the Year Ended June 30, 2020 With Summarized Comparative Financial Information for June 30, 2019

	<u>2020</u>	<u>For Comparative Purposes Only 2019</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 57,639	\$ (8,127)
Cash Provided by (Used for) Operating Activities	<u>57,639</u>	<u>(8,127)</u>
 Net Increase (Decrease) in Cash	 57,639	 (8,127)
Cash at Beginning of Year	<u>41,195</u>	<u>49,322</u>
Cash at End of Year	<u><u>\$ 98,834</u></u>	<u><u>\$ 41,195</u></u>
 Supplementary Information		
Noncash donations of materials, supplies, and services	<u><u>\$ 141,568</u></u>	<u><u>\$ -</u></u>

See independent auditors' report and notes to financial statements

Clay County Education Foundation, Inc.

Notes to Financial Statements
For the year ended June 30, 2020
With Summarized Financial Information for the Year Ended June 30, 2019

Note A - Foundation History and Profile

Clay County Education Foundation, Inc. (the Foundation) is a nonprofit corporation organized under the laws of the State of Florida in 1987. The purpose of the Clay Education Foundation is to support the Clay County, Florida public school system by empowering students and educators, building community partnerships, and providing the necessary tools and resources to help all students succeed. The Foundation applies for state, federal, and private grants, solicits donations from business and individuals, and conducts fundraising activities. The Foundation is governed by the Board of Directors. Day to day operations are entrusted to the Executive Director. The Foundation is a member of the Consortium of Florida Education Foundations. The Foundation has several programs designed to achieve its stated purpose:

- The Clay Education Foundation provides grants to teachers and schools in order to support innovative STEM education and literacy projects geared towards increasing student achievement. Teachers submit project ideas along with funding needs for the school year. The Foundation Board approves the overall program budget and the Grants committee uses a rubric to score all grants and funds are dispersed based on merit and need.
- The Foundation annually recognizes a Teacher of the Year and a School Related Employee of the Year.
- The Foundation provides funding for early literacy projects (preK-3rd grade), including the building of classroom libraries and provided additional learning supports for targeted reading intervention.
- The Foundation supports STEM programs. STEM is an acronym for the fields of science, technology, engineering and math. STEM related programs are ensuring every student will have the skills needed to be successful in the 21st century workforce, where computer and data science are vital. Within the STEM programs, the Foundation supports career pathway explorations, an ending the digital divide campaign where students in need are given personal computers, the international Chief Science Officer program, robotics, and sponsors MOSH (The Museum of Science and History Jacksonville) field trips and interactive lessons.
- The Foundation annually hosts a cohort of teachers of the year for year-round professional learning opportunities not available elsewhere.

Note B - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accrual basis accounting allows for revenue to be recognized when earned and expenses to be recognized when goods or services are received, without regard to the receipt or payment of cash.

Clay County Education Foundation, Inc.

Notes to Financial Statements
For the year ended June 30, 2020
With Summarized Financial Information for the Year Ended June 30, 2019

Note B - Summary of Significant Accounting Policies - continued

Basis of Presentation

The financial statements are presented in accordance with FASB ASC Topic 958, Not for Profit Entities, which requires the Foundation to report information regarding its financial position and activities according to two classes of net assets.

The net assets of the Foundation are reported as follows:

Net assets without restrictions represents operating net assets which are available for the general operation of the Foundation and not subject to donor restrictions.

Net assets with restrictions represent gifts of cash or other restricted support if they are received with donor stipulations that limit the use of the donation. When a donor restriction expires, net assets with restrictions are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions.

Use of Accounting Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Foundation considers all short-term securities with a maturity date of 3 months or less to be cash equivalents for cash flow purposes.

Revenue Recognition

Clay County Education Foundation, Inc. reports gifts and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purposed restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions reported in the statements of activities and changes in net assets as net assets released from restriction.

Gifts of land, buildings, and equipment are reported at their estimated value as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, Clay County Education Foundation, Inc. reports donated or acquired long lived assets as net assets without donor restrictions when placed in service.

Income Taxes

The Foundation has elected to be treated under the provisions of the Internal Revenue Code as a 501(c)(3) corporation, whereby the Foundation is exempt from Federal taxation. The Foundation has elected to be treated under the provisions of the Florida Revenue and Taxation Code sections 17.22 (a). As such, the Foundation normally does not have an income tax liability. However, under Internal Revenue Code 501(a), exempt organizations that derive income from unrelated business source are subject to tax on their net unrelated business taxable income. For the year ended June 30, 2020, the Foundation expects to have no taxable income from unrelated business income. Consequently, the Foundation has not made an accrual for any unrelated business income tax provision. The Foundation also had no liability for taxes from unrelated business taxable income for June 30, 2019.

Clay County Education Foundation, Inc.

Notes to Financial Statements
For the year ended June 30, 2020
With Summarized Financial Information for the Year Ended June 30, 2019

Note B - Summary of Significant Accounting Policies - continued

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform to the current financial statement presentation.

Cost Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include: compensation and benefits, which are allocated on the basis of estimates of time and effort; depreciation and occupancy, which are allocated based upon an identified property or percent of shared space, depending on the circumstance. Other cost such as insurance, utilities, communications, etc. are likewise allocated based on the circumstance.

Note C - Election to Delay Adoption of New Accounting Standard

The Financial Accounting Standards Board (FASB) has issued accounting standards topic ASC 606 *Revenue from Contracts with Customers* effective for accounting periods beginning on or after December 15, 2018. The FASB issued accounting standards update ASU 2020-05 *Delay in Accounting Standards* delaying the effective date of ASC 606 and other new standard until accounting periods beginning on or after December 15, 2019. The Foundation has elected to delay the implementation of ASC 606 *Revenue from Contracts with Customers* under the provisions of ASU 2020-05 *Delay in Accounting Standards*.

Note D - Funds Held by Others

The Foundation has money that is held on its behalf by St. Johns River State College. The balance has accumulated over the past several years as a result of money being submitted to the institution. These funds are held by St. Johns River State College to facilitate the granting of scholarships by the Foundation to eligible students of St. Johns River State College and are presented on the statement of financial position as a current asset along with the related current liability of scholarships payable.

Note E - Commitments and Contingencies

Concentrations

Financial instruments, which potentially subject the Foundation to concentration of credit risk, consist of cash and receivables. The Foundation maintains cash accounts with an institution insured by the National Credit Union Administration (NCUA). This NCUA insurance is limited to \$250,000 per depositor. The Foundation's policy is that its insured accounts should never exceed the insurance level. The Foundation has not experienced any losses from such accounts, and management believes the Foundation is not exposed to significant credit risk related to deposit accounts.

Major Donors

For the year ended June 30, 2020, two donors represented 10.1% and 10.7% of total revenues. The two largest donors are grants from another non-profit organization and from a local business.

For the year ended June 30, 2019, three donors represented 44%, 14% and 12% for a total of 70% of total revenue. The two largest donors are grants from other non-profit organizations and the third is a donation from a local business.

Clay County Education Foundation, Inc.

Notes to Financial Statements
For the year ended June 30, 2020
With Summarized Financial Information for the Year Ended June 30, 2019

Note F - Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors:

	<u>2020</u>	<u>2019</u>
Purpose restrictions accomplished		
Expenses for:		
4 Great ideas	\$ 54,330	\$ -
Teacher of the Year	22,467	-
STEM	23,000	-
Tools 4 School	21,079	-
Misc. others	<u>10,798</u>	<u>-</u>
Total restrictions released	<u>\$ 131,674</u>	<u>\$ -</u>

Note G - Liquidity and Availability of Financial Assets

The Foundation's policy is to invest surplus funds into the money market accounts until such time as they are needed for operations.

The following reflects the Foundation's financial assets for the years ended June 30, 2020 and 2019 reduced by amounts not available for general use because of contractual or donor-imposed limits within one year of the respective year ends.

	<u>2020</u>	<u>2019</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 98,834	\$ 41,195
Funds held by others	1,563	1,563
Less those unavailable for general expenditures within one year due to:		
Held for scholarships payable	<u>(1,563)</u>	<u>(1,563)</u>
Financial assets available to meet cash needs for general expenditures within one year:	<u>\$ 98,834</u>	<u>\$ 41,195</u>

Clay County Education Foundation, Inc.

Notes to Financial Statements
For the year ended June 30, 2020
With Summarized Financial Information for the Year Ended June 30, 2019

Note H - Contributed Materials and Services

The Foundation records various types of in-kind contributions. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment.

The Foundation received contributed material and supplies during the year ended June 30, 2020, with a fair value on the dates of donation of \$ 91,568.

The Foundation received contributed professional services during the year ended June 30, 2020, with a fair value on the dates of donation of \$ 50,000.

Note I - Related Party Transactions

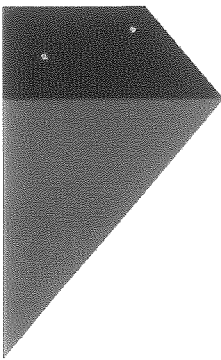
The Clay County (Florida) School District donated the professional services disclosed in Note H.

Note J - Subsequent Events

The Foundation has evaluated subsequent events through January 19, 2021, the date of the independent auditors' report, which is also considered the date the financial statements are available to be issued.

In 2020, the continued spread of the COVID-19 pandemic is affecting the United States and may affect the Foundation's operations and those of third parties on which the Foundation relies. While the Foundation does not expect to see a material COVID-19 impact on the results of operations, given the uncertainties surrounding the duration of the outbreak it is not currently possible to ascertain the overall impact of COVID-19. Management and the Board of Directors are monitoring the situation in order to mitigate any potential impact on the Foundation's operations and financial performance.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*



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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 Management and Board of Directors
Clay County Education Foundation, 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 Clay County Education Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 19, 2021.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

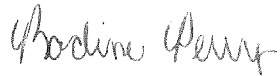
As part of obtaining reasonable assurance about whether Clay County Education Foundation, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



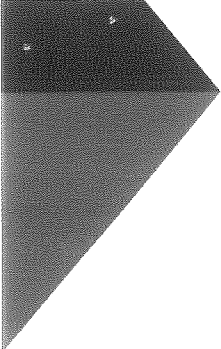
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Purpose of this Report

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 Clay County Education Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script, appearing to read "Rodine Perry".

Orange Park, Florida
January 19, 2021



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**Communication with Those Charged with Governance
at the Conclusion of the Audit**

January 19, 2021

To the Management and Board of Directors
Clay County Education Foundation, Inc.
Green Cove Springs, Florida

We have audited the financial statements of Clay County Education Foundation, Inc. for the year ended June 30, 2020, and have issued our report thereon dated January 19, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 10, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Clay County Education Foundation, Inc. are described in Note B to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2020. We noted no transactions entered into by the Foundation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimate affecting the financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of net assets in Note F to the financial statements which include net assets with donor restrictions. We inquired of your staff to establish the existence of net assets with donor restrictions and then compared actual expenditures to confirm the remaining balances at year end.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.



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Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

The complete proposed adjusting journal entry was attached to the Management Representation letter provided earlier.

The following were possible misstatements based upon projections made by us during our audit. They were immaterial amounts and we did not propose adjustments:

- Projected school supply inventory of \$ 4,000. We discussed this with Management and believe it would be more appropriate to perform an inventory count at the end of the June 30, 2021 fiscal year.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 19, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Foundation's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Foundation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

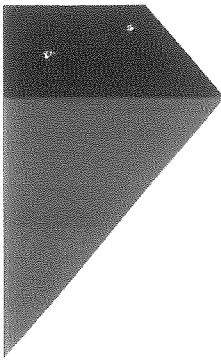
Other Matters

This information within this governance letter is intended solely for the use of the management and board of directors of Clay County Education Foundation, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Bodine Perry
Orange Park, Florida



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Orange Park, FL 32073

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To the Management and Board of Directors
Clay County Education Foundation, Inc.
Green Cove Springs, Florida

In planning and performing our audit of the financial statements of Clay County Education Foundation, Inc. as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered Clay County Education Foundation, Inc.'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.

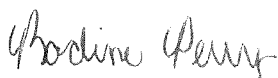
Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. Our comments are summarized in the attached Memorandum of Comments. We also reported on the Foundation's internal control in our report dated January 19, 2021. This letter does not affect that report or our reported dated January 19, 2021 on the audited financial statements of the Clay County Education Foundation, Inc.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of those matters, or to assist you in implementing the recommendations.

We would very much like to take this opportunity to commend the Board of Directors and the Executive Director on the improvements made this year to the accounting records. Many areas of concern, including proper reconciliation of the bank balances, were addressed and corrected. We would also like to commend you on the substantial increase in funding and accomplishment of your mission. Our firm has employees with children that are enrolled in the Clay County school system. We appreciate very much your hard work in supporting our schools and the opportunity to work with the Foundation.

This communication is intended solely for the information and use of Management and Board of Directors, and others within the Foundation, and is not intended to be, and should not be, used by anyone other than these specified parties.



Bodine Perry
Orange Park, Florida
January 19, 2021



BodinePerry
Certified Public Accountants & Advisors

Memorandum of Comments.

To: Clay Education Foundation, Inc.

From: Bodine Perry

Date: January 19, 2021

RE: Year ended June 30, 2020

New Comments

- Accounting standards require all non-profits to track donations received subject to donor restrictions. We would suggest that you clearly post receipts by source and by program. This would facilitate tracking compliance. This should be done in conjunction with the next bullet point.
- Accounting standards now require all non-profits to issue a statement of functional expense. Please be sure to categorize expenses by natural category (e.g., supplies, rent, dues, professional fees, etc.) and by programs (e.g., STEM, Teacher of the Year, etc.).
- We understand that the treasurer is now performing the bank reconciliation function. We believe this is a very prudent step with regards to separation of duties and internal controls. We would suggest that the board consider that an outside bookkeeping firm might be needed in the future. This would be especially true if the substantial growth experience in the 19-20 fiscal year continues.