

JACKSONVILLE PUBLIC EDUCATION FUND, INC.  
FINANCIAL REPORT

Years Ended June 30, 2021 and 2020

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# ABARE, KRESGE & ASSOCIATES CPAS, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Jacksonville Public Education Fund, Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of Jacksonville Public Education Fund, Inc., a Florida not-for-profit organization, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, 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 the 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jacksonville Public Education Fund, Inc. as of June 30, 2021, 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.

*Abare, Kresge & Associates CPAs, LLC*

St. Augustine, FL  
November 8, 2021

JACKSONVILLE PUBLIC EDUCATION FUND, INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2021 AND 2020

	2021	2020
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,250,895	\$ 2,666,363
Accounts receivable	117,155	277,331
Prepaid expenses	1,547	7,161
Investments	2,377,328	2,034,021
Beneficial interest in assets held in endowment	72,375	-
Property and equipment, net	43,142	59,680
<b>TOTAL ASSETS</b>	<b>\$ 3,862,442</b>	<b>\$ 5,044,556</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 30,517	\$ 74,403
Refundable advances	158,456	158,456
Deferred revenues	-	-
Funds held for others	61,752	127,124
<b>TOTAL LIABILITIES</b>	<b>250,725</b>	<b>359,983</b>
 <b>NET ASSETS</b>		
Without donor restrictions	3,274,298	2,691,363
With donor restrictions	337,419	1,993,210
<b>TOTAL NET ASSETS</b>	<b>3,611,717</b>	<b>4,684,573</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,862,442</b>	<b>\$ 5,044,556</b>

See accompanying notes

JACKSONVILLE PUBLIC EDUCATION FUND, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Contributions and grants	\$ 1,212,286	\$ 715,794	\$ 1,928,080
Program fees	\$ 26,058	-	26,058
Interest and dividend income	\$ 46,917	1,077	47,994
Realized gain (loss) from investments	\$ 8,084	237	8,321
Unrealized gain (loss) from investments	\$ 302,439	4,964	307,403
Other revenue	<u>\$ 1,500</u>	<u>-</u>	<u>1,500</u>
Total revenue and support	<u>1,597,284</u>	<u>722,072</u>	<u>2,319,356</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>2,377,863</u>	<u>(2,377,863)</u>	<u>-</u>
EXPENSES			
Programs	1,338,089	-	1,338,089
Fiscal agency	1,559,106	-	1,559,106
Management and general	360,908	-	360,908
Fundraising	<u>134,109</u>	<u>-</u>	<u>134,109</u>
Total expenses	<u>3,392,212</u>	<u>-</u>	<u>3,392,212</u>
CHANGE IN NET ASSETS	<u>582,935</u>	<u>(1,655,791)</u>	<u>(1,072,856)</u>
NET ASSETS, BEGINNING	<u>2,691,363</u>	<u>1,993,210</u>	<u>4,684,573</u>
NET ASSETS, ENDING	<u>\$ 3,274,298</u>	<u>\$ 337,419</u>	<u>\$ 3,611,717</u>

See accompanying notes

JACKSONVILLE PUBLIC EDUCATION FUND, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Contributions and grants	\$ 1,097,341	\$ 3,213,091	\$ 4,310,432
Program fees	29,760	-	29,760
Interest and dividend income	87,399	7,611	95,010
Realized gain (loss) from investments	(5,391)	-	(5,391)
Unrealized gain (loss) from investments	3,819	-	3,819
Other revenue	<u>6</u>	<u>12,132</u>	<u>12,138</u>
Total revenue and support	<u>1,212,934</u>	<u>3,232,834</u>	<u>4,445,768</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>2,011,846</u>	<u>(2,011,846)</u>	<u>-</u>
EXPENSES			
Programs	1,033,837	-	1,033,837
Fiscal agency	1,602,941	-	1,602,941
Management and general	453,006	-	453,006
Fundraising	<u>187,404</u>	<u>-</u>	<u>187,404</u>
Total expenses	<u>3,277,188</u>	<u>-</u>	<u>3,277,188</u>
CHANGE IN NET ASSETS	<u>(52,408)</u>	<u>1,220,988</u>	<u>1,168,580</u>
NET ASSETS, BEGINNING	<u>2,743,771</u>	<u>772,222</u>	<u>3,515,993</u>
NET ASSETS, ENDING	<u>\$ 2,691,363</u>	<u>\$ 1,993,210</u>	<u>\$ 4,684,573</u>

See accompanying notes

JACKSONVILLE PUBLIC EDUCATION FUND, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2021

	Programs	Fiscal Agency	Total Programs	Management and General	Fundraising	Total
Advertising	\$ 13,041	\$ -	\$ 13,041	\$ -	\$ 65	\$ 13,106
Books and subscriptions	3,877	-	3,877	522	-	4,399
Computer software	9,055	5,341	14,396	14,398	6,698	35,492
Contracted services	377,477	399,900	777,377	44,073	12,800	834,250
Contracts and grants	222,708	1,106,278	1,328,986	750	-	1,329,736
Depreciation	-	-	-	19,721	-	19,721
Dues and fees	-	-	-	8,756	-	8,756
Insurance	-	-	-	8,094	-	8,094
Medical and benefits	96,237	-	96,237	33,024	16,863	146,124
Meeting expense	32,508	12,004	44,512	6,679	182	51,373
Other expenses	10,522	17,506	28,028	14,120	1,000	43,148
Postage	929	16	945	10	247	1,202
Printing and copying	4,203	-	4,203	394	671	5,268
Professional services	-	-	-	12,318	-	12,318
Rent	34,251	-	34,251	15,789	6,001	56,041
Salaries and wages	471,774	-	471,774	161,890	82,664	716,328
Supplies	19,499	18,061	37,560	6,000	25	43,585
Taxes	34,533	-	34,533	12,270	6,051	52,854
Telephone	4,808	-	4,808	1,650	842	7,300
Travel	2,667	-	2,667	450	-	3,117
Total expenses	<u>\$ 1,338,089</u>	<u>\$ 1,559,106</u>	<u>\$ 2,897,195</u>	<u>\$ 360,908</u>	<u>\$ 134,109</u>	<u>\$ 3,392,212</u>

See accompanying notes

JACKSONVILLE PUBLIC EDUCATION FUND, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2020

	Programs	Fiscal Agency	Total Programs	Management and General	Fundraising	Total
Advertising	\$ 163	\$ 200	\$ 363	\$ -	\$ -	\$ 363
Books and subscriptions	1,222	-	1,222	501	-	1,723
Computer Software	4,060	6,342	10,402	17,729	8,804	36,935
Contracted Services	295,252	1,427,272	1,722,524	47,449	12,227	1,782,200
Contracts and Grants	169,066	14,800	183,866	850	-	184,716
Depreciaton	-	-	-	19,832	-	19,832
Dues and Fees	2	-	2	8,356	-	8,358
Insurance	-	-	-	7,781	-	7,781
Medical and Benefits	61,808	-	61,808	38,875	16,800	117,483
Meeting Expenses	34,184	102,122	136,306	8,584	29,082	173,972
Other Expenses	2,500	3,722	6,222	13,478	42	19,742
Postage	84	124	208	429	272	909
Printing and Copying	14,370	1,979	16,349	948	3,275	20,572
Professional services	-	-	-	10,974	-	10,974
Rent	27,498	-	27,498	22,435	7,474	57,407
Salaries and Wages	355,827	-	355,827	223,804	96,718	676,349
Supplies	30,959	22,604	53,563	4,389	3,121	61,073
Taxes	28,411	-	28,411	18,290	7,722	54,423
Telephone	3,517	-	3,517	2,212	956	6,685
Travel	4,914	23,776	28,690	6,090	911	35,691
<b>Total Expenses</b>	<b><u>\$ 1,033,837</u></b>	<b><u>\$ 1,602,941</u></b>	<b><u>\$ 2,636,778</u></b>	<b><u>\$ 453,006</u></b>	<b><u>\$ 187,404</u></b>	<b><u>\$ 3,277,188</u></b>

See accompanying notes

JACKSONVILLE PUBLIC EDUCATION FUND, INC.  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2021 AND 2020

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (1,072,856)	\$ 1,168,580
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	19,721	19,832
Gain on disposition of property and equipment	(1,340)	(301)
Realized gain on sale of investments	(8,321)	5,391
Unrealized gain on investments	(307,403)	(3,819)
Net changes in:		
Accounts receivable	160,176	246,626
Prepaid expenses	5,614	(1,052)
Accounts payable and accrued expenses	(43,886)	62,021
Refundable advances	-	158,456
Deferred revenue	-	(4,030)
Funds held for others	(65,372)	(104,824)
Net cash provided (used) by operating activities	(1,313,667)	1,546,880
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposition of property and equipment	1,340	980
Purchases of property and equipment	(3,183)	(6,273)
Purchases of investments, net of proceeds	(99,958)	(62,137)
Net cash used by investing activities	(101,801)	(67,430)
<b>NET CHANGE IN CASH</b>	(1,415,468)	1,479,450
<b>CASH, BEGINNING</b>	2,666,363	1,186,913
<b>CASH, ENDING</b>	\$ 1,250,895	\$ 2,666,363

See accompanying notes

JACKSONVILLE PUBLIC EDUCATION FUND, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 ORGANIZATION

The Jacksonville Public Education Fund, Inc. (the "Organization"), a Florida not-for-profit corporation, was established in 1985. The Organization is supported primarily through individual, foundation and corporate contributions and is located in Jacksonville, Florida. The Organization's mission is to "spark innovation, relationships and resources to power the potential within and around the public schools to achieve excellent outcomes for all students".

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

New Accounting Pronouncement

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, Revenue from Contracts with Customers, in the Accounting Standards Codification (ASC). The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The Organization adopted the new standard effective July 1, 2019 and has adjusted the presentation of these statements accordingly.

Classification of Net Assets

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organization's" (the "Guide"). (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

- a) Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.
- b) Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. After the donor-imposed time or purpose restriction is satisfied, donor restricted net assets are reclassified to donor unrestricted net assets and reported within the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with an original maturity of 90 days or less. Certificates of deposit are readily convertible to cash and are stated at cost plus accrued earnings, which approximate fair value.

JACKSONVILLE PUBLIC EDUCATION FUND, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Land, buildings and equipment that are purchased are carried at cost, or, if donated, at the approximate fair value at the date of donation. Donated property and equipment are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies donor restricted net assets to unrestricted net assets at that time. Expenditures for renewals or improvements that either materially add value or prolong the useful lives of assets are capitalized. Expenditures that are less than \$500 are expensed as incurred.

Building and improvements are depreciated using the straight-line method over their estimated useful lives, which range from 7 to 39 years. Furniture, fixtures and equipment are depreciated using the straight-line method over their estimated useful lives, which range from 3 to 7 years. Land is not depreciated. Depreciation expense was \$19,721 for the year ended June 30, 2021 (\$19,832 for the fiscal year ended June 30, 2020).

Contributions

In accordance with FASB ASC 958, *Financial Statements of Not-for-Profit Entities*, contributions received are recorded as donor unrestricted or donor restricted support depending on the existence and/or nature of donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in donor restricted net assets. Under FASB ASC 958, contributions that are required to be reported as donor restricted support are then reclassified to donor unrestricted net assets upon expiration of time restrictions or satisfaction of donor restrictions.

Contributions, including unconditional promises to give, are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Unconditional promises to give ("pledges") receivable are recorded when unconditional promises to pay are recorded. Unconditional promises to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Management uses the allowance method to determine uncollectable promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Donated Materials and Services

The Organization records the value of donated goods or services when there is an objective basis available to measure their value. Donated materials and equipment are reflected in the accompanying financial statements at their estimated value at date of receipt.

JACKSONVILLE PUBLIC EDUCATION FUND, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Materials and Services (Continued)

A substantial number of volunteers donate significant amounts of time to the Organization's program services. Only those amounts pertaining to the need assessment of clients have been reflected in the financial statements since the contributions of those services required specialized skills. The remaining volunteer hours are not reflected in the financial statements since the contribution of services did not create or enhance non-financial assets or require specialized skills.

Income Taxes

The Organization is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code and Chapter 220.13 of the Florida Statutes, respectively.

Accounting for Income Taxes

The Organization has adopted FASB ASC 740-10, *Accounting for Income Taxes*, which clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. The interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Based on analyses of various federal and state filing positions of the Organization, management believes that its income tax filing positions and deductions are well documented and supported.

As of June 30, 2021, the Organization had no temporary differences relating to the recognition of income and expenses for financial and tax reporting purposes. Accordingly, no deferred tax assets or liabilities are recorded. Additionally, as of June 30, 2021, the Organization had no uncertain tax positions that would qualify for either recognition or disclosure in the financial statements. Therefore, no reserves for uncertain income tax positions have been recorded pursuant to FASB ASC 740-10. In addition, no cumulative effect adjustment related to the adoption of FASB ASC 740-10 was recorded.

There have been no increases or decreases in unrecognized tax benefits for current or prior years since the date of adoption. Furthermore, no interest or penalties have been included since no reserves were recorded and no significant increases or decreases are expected to occur within the next 12 months. When applicable, such interest and penalties will be reported as income tax expense.

Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge. At June 30, 2021, the periods that remain open to examination under federal statute are for the fiscal years ended June 30, 2018 through 2020.

Fair Value of Financial Instruments

All financial instruments are carried at amounts that approximate estimated fair value.

Financial Accounting Standards Board ASC 820, *Fair Value Measurement* ("ASC 820"), establishes a 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 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy under ASC 820 are described below:

JACKSONVILLE PUBLIC EDUCATION FUND, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments (Continued)

Level 1

Inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets or liabilities that the Organization can access at the measurement date.

Level 2

Inputs to the valuation methodology are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly such as publicly available information about actual events or transactions, and that reflect the assumptions that market participants would use when pricing the asset or liability.

Level 3

Inputs to the valuation methodology are unobservable for the asset or liability. Unobservable inputs are defined as inputs for which market data are not available and that are developed using the best information available about the assumptions that market participants would use when pricing the asset or liability.

All financial instruments are considered to be Level 1 inputs in the fair value hierarchy.

Advertising Costs

The Organization does not capitalize advertising costs, but rather expenses advertising production costs as they are incurred, and advertising communication costs the first time the advertising takes place. Advertising expense was \$13,106 for the year ended June 30, 2021 (\$363 for the fiscal year ended June 30, 2019).

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, actual results could differ from those estimated. The nature of these estimates, however, is such that variances from actual results are held to be immaterial.

Functional Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among programs and other supporting services benefited.

Directly identifiable expenses are charged to programs and supporting services. General operations expense includes those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Board of Directors.

Rent, telecommunications, printing, and employee salaries and benefits are allocated using a calculation of time and effort. All other expenses are allocated directly.

The following are the descriptions of the operating expense categories in the financial statements:

JACKSONVILLE PUBLIC EDUCATION FUND, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expense Allocation (Continued)

JPEF (program, management and general, and fundraising) - general operating expenses related to the Organization.

Fiscal Agency – the Organization routinely accepts grant monies and other donations on behalf of a recipient. As such, the Organization takes responsibility for receiving and safeguarding the funds of recipients and providing other services that facilitate the disbursement of funds between donor and recipient. The Jacksonville Public Education Fund only acts as a fiscal agent for funds that align with the mission and vision of the Organization.

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2021:

Buildings and improvements	\$ 85,185
Furniture, fixtures and equipment	<u>124,507</u>
Total property and equipment	209,692
Less, accumulated depreciation	<u>(166,550)</u>
Property and equipment, net	<u>\$ 43,142</u>

NOTE 4 FUNDS HELD FOR OTHERS

The Organization administers certain other funds for others, which are reflected as a liability, funds held for others, on the accompanying statement of financial position.

NOTE 5 DONOR RESTRICTED NET ASSETS

At June 30, 2021, the Organization’s donor restricted net assets were as follows:

Fiscal Agency	\$ 144,241
STEM Study	30,000
Edelman Excellence in Teaching Fellowship	2,732
Wolfburg Endowment for Social Justice in Education	72,405
License for Learning Reserves	<u>88,041</u>
Total donor restricted net assets	<u>\$ 337,419</u>

NOTE 6 LICENSE PLATE REVENUES

The expenditures of the funds received from the State of Florida Department of Highway Safety and Motor Vehicles were made in accordance with Section 320.08056 and 320.08058, Florida Statutes. These statutes require the funds to be used for enhancement of educational programs, and specifically exclude commercial or for-profit activities, or general or administrative expenses, except to pay the cost of the independent audit required by law. The funds received in the fiscal year ended June 30, 2021, totaled \$15,546.

JACKSONVILLE PUBLIC EDUCATION FUND, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE 7 INVESTMENTS

The following table sets forth, by level, within the fair value hierarchy, investments recorded in the Organization's financial statements at fair value as of June 30:

	<u>2021</u>			
<u>Investments</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market funds	\$ 10,354	\$ 10,354	\$ -	\$ -
Mutual funds - equity	1,125,335	1,125,335	-	-
Mutual funds - fixed income	<u>1,314,014</u>	<u>1,314,014</u>	-	-
Total investments	<u>\$ 2,449,703</u>	<u>\$ 2,449,703</u>	<u>\$ -</u>	<u>\$ -</u>

	<u>2020</u>			
<u>Investments</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market funds	\$ 20,304	\$ 20,304	\$ -	\$ -
Mutual funds - equity	815,373	815,373	-	-
Mutual funds - fixed income	<u>1,198,344</u>	<u>1,198,344</u>	-	-
Total investments	<u>\$ 2,034,021</u>	<u>\$ 2,034,021</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 8 JACKSONVILLE PUBLIC EDUCATION FUND ENDOWMENTS

The Organization entered into an agreement with the Community Foundation of Northeast Florida, Inc. (the "Foundation") to establish and maintain a permanent endowment fund (the "Fund"). The purpose of the Fund is to improve the quality of public education in Duval County. The Fund is the property of the Foundation which shall have the ultimate authority and control over all property in the Fund.

Distributions the Foundation makes from the Fund to the Organization are limited each year to a distributable amount determined pursuant to the Community Foundation's Spending Policy, as set and amended from time to time by the Community Foundation's Board of Trustees. The Spending Policy is designed to protect the economic value of the principal of the Endowment, help the principal grow over time, give the Organization the benefit of a reasonably stable, consistent and predictable flow of funds, and smooth the effect of market volatility in earnings on the investment of Endowment fund assets over a period of years. During the fiscal year ended June 30, 2021, the Organization did not receive any distributions from the Fund.

All amounts relating to these funds are excluded from the accompanying financial statements. At June 30, 2021, the balance in the Endowment was \$29,516 (\$21,753 at June 30, 2020).

The Organization also held an endowment via a TIAA Managed Portfolio; the Wolfburg Fund for Social Justice in Education (the "Fund") beginning in the fiscal year ended June 30, 2021. The Fund is the property of the Organization which shall have the ultimate authority and control over all property in the Fund.

All amounts relating to these funds are included on the accompanying financial statements under investments. At June 30, 2021, the balance in the Endowment was \$72,405 (\$0 at June 30, 2020).

JACKSONVILLE PUBLIC EDUCATION FUND, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE 9 NET ASSETS RELEASED FROM RESTRICTIONS

Donor restricted net assets are released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors. Donor restricted net assets released during the fiscal years ending June 30, 2021 and 2020, totaled \$2,377,863 and \$2,011,846, respectively, and were utilized for program services.

NOTE 10 LEASE AGREEMENTS

The Organization leases office space and certain equipment under operating lease agreements, which expire in various years through 2025. The leases provide for total minimum monthly rental fees of \$4,613. Rent expense under these operating leases, including additional charges, was \$56,041 for the year ended June 30, 2021 and included in the statement of functional expenses. Future amounts due under the lease commitments at June 30 are as follows:

2022	\$43,338
2023	44,355
2024	45,562
2025	<u>58,587</u>
Total	<u>\$191,842</u>

NOTE 11 CONCENTRATIONS OF RISK

The Organization maintains its cash balance with a high-quality financial institution. The account at this institution currently is insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At times, such balance may be in excess of the FDIC insurance limits. At June 30, 2021, the Organization's uninsured cash balances totaled approximately \$1,017,675.

NOTE 12 LIQUIDITY OF FINANCIAL ASSETS

The Organization is substantially supported by unrestricted and restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Another part of this policy is the board's approval of the annual balanced budget.

The Organization has \$3,481,101 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of unrestricted cash of \$913,476 accounts receivable of \$117,155, and unrestricted investments of \$2,377,328. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 13 PAYCHECK PROTECTION PROGRAM

In April 2020, the Organization received \$158,456 from the Paycheck Protection Programs, as provided under the Coronavirus Aid Relief and Economic Security Act (CARES). The funds received are subject to forgiveness provided the Organization meets certain criteria within a specified timeframe. While formal forgiveness has not yet been received from the Small Business Administration (SBA), management expects the advance to be forgiven in full and has recognized refundable advances on the statement of financial position.

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NOTE 14 CORONAVIRUS (COVID-19)

In December 2019, a novel strain of coronavirus (COVID-19) was reported to have surfaced in China. The World Health Organization has characterized COVID-19 as a pandemic. Any impact of COVID-19 to the Organization during the year ended June 30, 2021 is reflected in these financial statements. Subsequent to the statement of financial position date, the extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on future developments, including the duration and spread of the outbreak as well as other factors, all of which are highly uncertain and cannot be predicted at this time.

NOTE 15 SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through November 8, 2021. The impact of Coronavirus (COVID-19) to the Organization is discussed in Note 14. No other events were identified as necessary to be disclosed to keep these financial statements from being misleading or that provide additional evidence about conditions that existed at June 30, 2021, including estimates inherent in the process of preparing these financial statements.