

JACKSONVILLE PUBLIC EDUCATION FUND, INC.
FINANCIAL REPORT

Years Ended June 30, 2023 and 2022

CONTENTS

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	6
Statements of Cash Flows	8
Notes to Financial Statements	9

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of Jacksonville Public Education Fund, Inc. (the "Organization"), a Florida not-for-profit corporation, which comprise the statement of financial position as of June 30, 2023 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jacksonville Public Education Fund, Inc. as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Jacksonville Public Education Fund, Inc. 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 Jacksonville Public Education Fund, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Jacksonville Public Education Fund, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Jacksonville Public Education Fund, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Abare, Kresge & Associates CPAs, LLC

Abare, Kresge & Associates CPAs, LLC
St. Augustine, FL
January 29, 2024

JACKSONVILLE PUBLIC EDUCATION FUND, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 1,233,264	\$ 1,735,737
Accounts receivable	372,258	118,056
Prepaid expenses	8,588	5,551
Investments	2,208,827	2,029,357
Beneficial interest in assets held in endowment	104,374	71,142
Property and equipment, net	18,615	31,377
TOTAL ASSETS	\$ 3,945,926	\$ 3,991,220
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 37,677	\$ 53,784
Deferred revenue	107,499	231,666
TOTAL LIABILITIES	145,176	285,450
 NET ASSETS		
Without donor restrictions	3,127,929	2,825,520
With donor restrictions	672,821	880,250
TOTAL NET ASSETS	3,800,750	3,705,770
TOTAL LIABILITIES AND NET ASSETS	\$ 3,945,926	\$ 3,991,220

See accompanying notes

JACKSONVILLE PUBLIC EDUCATION FUND, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Contributions and grants	\$ 1,220,567	\$ 825,794	\$ 2,046,361
Program fees and contracts	21,972	296,257	318,229
Interest and dividend income	63,208	1,628	64,836
Realized gain (loss) from investments	(61,117)	(5,132)	(66,249)
Unrealized gain (loss) from investments	204,869	12,150	217,019
Other revenue	<u>1</u>	<u>-</u>	<u>1</u>
Total revenue and support	<u>1,449,500</u>	<u>1,130,697</u>	<u>2,580,197</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>1,338,126</u>	<u>(1,338,126)</u>	<u>-</u>
EXPENSES			
Programs	1,560,804	-	1,560,804
Fiscal agency	137,535	-	137,535
Management and general	512,632	-	512,632
Fundraising	<u>274,246</u>	<u>-</u>	<u>274,246</u>
Total expenses	<u>2,485,217</u>	<u>-</u>	<u>2,485,217</u>
CHANGE IN NET ASSETS	<u>302,409</u>	<u>(207,429)</u>	<u>94,980</u>
NET ASSETS, BEGINNING	<u>2,825,520</u>	<u>880,250</u>	<u>3,705,770</u>
NET ASSETS, ENDING	<u>\$ 3,127,929</u>	<u>\$ 672,821</u>	<u>\$ 3,800,750</u>

See accompanying notes

JACKSONVILLE PUBLIC EDUCATION FUND, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2022

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Contributions and grants	\$ 1,005,505	\$ 1,369,797	\$ 2,375,302
Program fees	18,739	-	18,739
Interest and dividend income	51,278	1,628	52,906
Realized gain (loss) from investments	21,848	198	22,046
Unrealized gain (loss) from investments	(407,236)	(14,700)	(421,936)
Other revenue	158,456	-	158,456
Total revenue and support	<u>848,590</u>	<u>1,356,923</u>	<u>2,205,513</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>814,092</u>	<u>(814,092)</u>	<u>-</u>
EXPENSES			
Programs	1,324,347	-	1,324,347
Fiscal agency	170,261	-	170,261
Management and general	383,598	-	383,598
Fundraising	233,254	-	233,254
Total expenses	<u>2,111,460</u>	<u>-</u>	<u>2,111,460</u>
CHANGE IN NET ASSETS	<u>(448,778)</u>	<u>542,831</u>	<u>94,053</u>
NET ASSETS, BEGINNING	<u>3,274,298</u>	<u>337,419</u>	<u>3,611,717</u>
NET ASSETS, ENDING	<u>\$ 2,825,520</u>	<u>\$ 880,250</u>	<u>\$ 3,705,770</u>

See accompanying notes

JACKSONVILLE PUBLIC EDUCATION FUND, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	Programs	Fiscal Agency	Total Programs	Management and General	Fundraising	Total
Advertising	\$ 9,301	\$ -	\$ 9,301	\$ -	\$ -	\$ 9,301
Books and subscriptions	6,716	-	6,716	879	113	7,708
Computer software	10,553	-	10,553	23,796	8,864	43,213
Contracted services	381,417	43,790	425,207	101,178	-	526,385
Contracts and grants	202,165	30,452	232,617	-	-	232,617
Depreciation	-	-	-	12,762	-	12,762
Dues and fees	410	-	410	9,345	100	9,855
Insurance	-	-	-	9,550	-	9,550
Medical and benefits	101,076	-	101,076	41,956	35,201	178,233
Meeting expense	180,488	28,844	209,332	9,431	6,679	225,442
Other expenses	522	567	1,089	17,941	206	19,236
Postage	169	-	169	99	347	615
Printing and copying	8,547	-	8,547	475	6,263	15,285
Professional services	13,386	-	13,386	5,556	4,662	23,604
Rent	22,711	-	22,711	13,698	7,909	44,318
Salaries and wages	537,835	-	537,835	223,252	187,308	948,395
Supplies	17,135	18,282	35,417	4,071	57	39,545
Taxes	43,126	-	43,126	18,592	15,019	76,737
Telephone	4,334	-	4,334	1,799	1,509	7,642
Travel	20,913	15,600	36,513	18,252	9	54,774
Total expenses	<u>\$ 1,560,804</u>	<u>\$ 137,535</u>	<u>\$ 1,698,339</u>	<u>\$ 512,632</u>	<u>\$ 274,246</u>	<u>\$ 2,485,217</u>

See accompanying notes

JACKSONVILLE PUBLIC EDUCATION FUND, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

	Programs	Fiscal Agency	Total Programs	Management and General	Fundraising	Total
Advertising	\$ 10,988	\$ -	\$ 10,988	\$ -	\$ 863	\$ 11,851
Books and subscriptions	2,013	-	2,013	465	-	2,478
Computer Software	6,764	-	6,764	16,448	26,724	49,936
Contracted Services	360,479	30,115	390,594	34,085	4,180	428,859
Contracts and Grants	102,593	47,059	149,652	-	-	149,652
Depreciaton	-	-	-	18,642	-	18,642
Dues and Fees	-	-	-	8,845	670	9,515
Insurance	-	-	-	8,917	-	8,917
Medical and Benefits	106,239	-	106,239	39,927	27,655	173,821
Meeting Expenses	137,486	38,773	176,259	11,430	17,938	205,627
Other Expenses	836	2,963	3,799	18,729	199	22,727
Postage	-	-	-	292	-	292
Printing and Copying	10,068	-	10,068	351	1,311	11,730
Professional services	9,425	-	9,425	3,542	2,453	15,420
Rent	18,608	-	18,608	11,264	4,844	34,716
Salaries and Wages	489,807	-	489,807	184,078	127,500	801,385
Supplies	18,639	46,851	65,490	3,613	5,581	74,684
Taxes	40,802	-	40,802	15,754	10,621	67,177
Telephone	3,433	-	3,433	1,290	894	5,617
Travel	6,167	4,500	10,667	5,926	1,821	18,414
Total Expenses	<u>\$ 1,324,347</u>	<u>\$ 170,261</u>	<u>\$ 1,494,608</u>	<u>\$ 383,598</u>	<u>\$ 233,254</u>	<u>\$ 2,111,460</u>

See accompanying notes

JACKSONVILLE PUBLIC EDUCATION FUND, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 94,980	\$ 94,053
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	12,762	18,642
Gain on disposition of property and equipment	-	-
Realized gain on sale of investments	66,249	(22,046)
Unrealized gain on investments	(217,019)	421,936
Net changes in:		
Accounts receivable	(254,202)	(901)
Prepaid expenses	(3,037)	(4,004)
Accounts payable and accrued expenses	(16,107)	23,267
Deferred revenue	(124,167)	231,666
Refundable advances	-	(158,456)
Funds held for others	-	(61,752)
Net cash provided (used) by operating activities	(440,541)	542,405
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	(6,877)
Purchases of investments, net of proceeds	(61,932)	(50,686)
Net cash used by investing activities	(61,932)	(57,563)
NET CHANGE IN CASH	(502,473)	484,842
CASH, BEGINNING	1,735,737	1,250,895
CASH, ENDING	\$ 1,233,264	\$ 1,735,737

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.

Revenue Recognition

The Organization follows Financial Accounting Standards Board (FASB) ASC 606, Revenue from Contracts with Customers, when applicable. Under ASC 606, revenue recognition for customer contract related services is required when promised goods or services are transferred to customers in an amount that reflects the consideration to which an organization expects to be entitled in exchange for those goods and services. The Organization 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 \$12,762 for the year ended June 30, 2023 (\$18,642 for the fiscal year ended June 30, 2022).

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 in 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, 2023, 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, 2023, 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, 2023, the periods that remain open to examination under federal statute are for the fiscal years ended June 30, 2020 through 2022.

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 \$9,301 for the year ended June 30, 2023 (\$11,851 for the fiscal year ended June 30, 2022).

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 expenses include 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, 2023:

Buildings and improvements	\$ 85,185
Furniture, fixtures and equipment	109,043
Total property and equipment	194,228
Less, accumulated depreciation	(175,613)
Property and equipment, net	\$ 18,615

NOTE 4 DONOR RESTRICTED NET ASSETS

At June 30, 2023, the Organization's donor restricted net assets were as follows:

Fiscal Agency	\$ 310,056
AT&T Digital Literacy	19,350
DBW Teacher Diversity	107,499
Edelman Excellence in Teaching Fellowship	36,289
License for Learning Reserves	66,603
Wolfburg Endowment for Social Justice in Education	113,024
Wolfburg Fellowship	10,000
Wolfburg Project	10,000
Total donor restricted net assets	\$ 672,821

NOTE 5 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, 2023, totaled \$17,343 (\$16,971 for the fiscal year ended June 30, 2022).

JACKSONVILLE PUBLIC EDUCATION FUND, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 6 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:

	2023			
<u>Investments</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market funds	\$ 21,913	\$ 21,913	\$ -	\$ -
Mutual funds - equity	1,433,183	1,433,183	-	-
Mutual funds - fixed income	858,105	858,105	-	-
Total investments	<u>\$ 2,313,201</u>	<u>\$ 2,313,201</u>	<u>\$ -</u>	<u>\$ -</u>

	2022			
<u>Investments</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market funds	\$ 28,518	\$ 28,518	\$ -	\$ -
Mutual funds - equity	1,203,030	1,203,030	-	-
Mutual funds - fixed income	868,951	868,951	-	-
Total investments	<u>\$ 2,100,499</u>	<u>\$ 2,100,499</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 7 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, 2023, 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, 2023, the balance in the Endowment was \$27,750 (\$24,940 at June 30, 2022).

The Organization also held an endowment via a TIAA Managed Portfolio, the Wolfburg Fund for Social Justice in Education (the "Fund"). 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 this fund are included on the accompanying financial statements under investments. At June 30, 2023, the balance in the Endowment was \$104,374 (\$71,109 at June 30, 2022).

NOTE 8 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, 2023 and 2022 totaled \$1,338,126 and \$814,092, respectively, and were utilized for program services.

JACKSONVILLE PUBLIC EDUCATION FUND, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 9 LEASE AGREEMENTS

The Organization leases office space and certain equipment under operating lease agreements, which expire in various years through 2025. Because the impact of not implementing ASC 842 to these leases is not material to the financial statements as a whole, the Organization has elected to follow the previous lease accounting guidance under ASC 840. The leases provide for total minimum monthly rental fees of \$2,872. Rent expense under these operating leases, including additional charges, was \$34,044 for the year ended June 30, 2023 and is included in rent on the statement of functional expenses. Future amounts due under the lease commitments at June 30 are as follows:

2024	\$ 34,769
2025	<u>26,996</u>
Total	<u><u>\$ 61,765</u></u>

NOTE 10 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 following reflects the Organization's financial assets as of June 30, 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the financial position date:

Financial Assets	
Cash and cash equivalents	\$ 1,233,264
Accounts receivable, net	372,258
Investments	<u>2,313,201</u>
Financial assets, at year end	<u><u>3,918,723</u></u>
Less, those unavailable for general expenditures within one year, due to:	
Contractual or donor imposed restrictions:	
Restrictions by donor with purpose restrictions	<u>(672,821)</u>
	<u>(672,821)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 3,245,902</u></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 balances may be in excess of the FDIC insurance limits. At June 30, 2023, the Organization's uninsured cash balances totaled approximately \$870,214.

JACKSONVILLE PUBLIC EDUCATION FUND, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 12 SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through January 29, 2024. No 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, 2023, including estimates inherent in the process of preparing these financial statements.