

**EXCELLENCE IN EDUCATION  
FOUNDATION FOR PGCPS, INC.**

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2019 AND 2018**

**EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.  
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CliftonLarsonAllen LLP  
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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors  
Excellence in Education Foundation for PGCPS, Inc.  
Upper Marlboro, Maryland

We have reviewed the accompanying financial statements of the Excellence in Education Foundation for PGCPS, Inc. (the Foundation), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### ***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.

### ***Accountants' Responsibility***

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### ***Accountants' Conclusion***

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Baltimore, Maryland  
December 13, 2019

**EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2019 AND 2018**  
(SEE ACCOUNTANTS' REVIEW REPORT)

	2019	2018
<b>ASSETS</b>		
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 223,653	\$ 254,965
Accounts Receivable	17,000	-
Prepaid Expenses	2,778	2,066
Total Assets	<b>\$ 243,431</b>	<b>\$ 257,031</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ -	\$ 5,000
<b>NET ASSETS</b>		
Without Donor Restrictions	234,931	252,031
With Donor Restrictions:		
Purpose Restrictions	8,500	-
Total Net Assets	243,431	252,031
Total Liabilities and Net Assets	<b>\$ 243,431</b>	<b>\$ 257,031</b>

See accompanying Notes to Financial Statements.

**EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2019 AND 2018**  
**(SEE ACCOUNTANTS' REVIEW REPORT)**

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS, AND PUBLIC SUPPORT</b>						
Contributions	\$ 245,775	\$ 8,500	\$ 254,275	\$ 190,308	\$ -	\$ 190,308
In-Kind Contributions	86,453	-	86,453	31,921	-	31,921
Special Events	97,626	-	97,626	-	-	-
Other Income	6,738	-	6,738	5,062	-	5,062
Interest Income	1,768	-	1,768	1,896	-	1,896
Net Assets Released from Restrictions	-	-	-	10,500	(10,500)	-
Total Revenues, Gains, and Public Support	438,360	8,500	446,860	239,687	(10,500)	229,187
<b>EXPENSES</b>						
Awards and Scholarships	331,517	-	331,517	313,250	-	313,250
Special Events	34,718	-	34,718	6,366	-	6,366
Management and General	89,225	-	89,225	32,967	-	32,967
Total Expenses	455,460	-	455,460	352,583	-	352,583
<b>CHANGES IN NET ASSETS</b>	(17,100)	8,500	(8,600)	(112,896)	(10,500)	(123,396)
Net Assets - Beginning of Year	252,031	-	252,031	364,927	10,500	375,427
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 234,931</u>	<u>\$ 8,500</u>	<u>\$ 243,431</u>	<u>\$ 252,031</u>	<u>\$ -</u>	<u>\$ 252,031</u>

See accompanying Notes to Financial Statements.

**EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEARS ENDED JUNE 30, 2019 AND 2018**  
**(SEE ACCOUNTANTS' REVIEW REPORT)**

	2019				2018			
	Awards and Scholarships	Special Events	Management and General	Total	Awards and Scholarships	Special Events	Management and General	Total
Grants and Other Assistance	\$ 331,517	\$ -	\$ -	\$ 331,517	\$ 313,250	\$ -	\$ -	\$ 313,250
Salaries and Wages	-	-	86,453	86,453	-	-	31,920	31,920
Professional Services	-	1,245	1,595	2,840	-	-	-	-
Accounting Fees	-	3,000	-	3,000	-	5,000	-	5,000
Office Expenses	-	1,680	1,177	2,857	-	1,366	1,047	2,413
Conferences, Conventions, and Meetings	-	28,793	-	28,793	-	-	-	-
<b>Total Expenses</b>	<b>\$ 331,517</b>	<b>\$ 34,718</b>	<b>\$ 89,225</b>	<b>\$ 455,460</b>	<b>\$ 313,250</b>	<b>\$ 6,366</b>	<b>\$ 32,967</b>	<b>\$ 352,583</b>

See accompanying Notes to Financial Statements.

**EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2019 AND 2018**  
**(SEE ACCOUNTANTS' REVIEW REPORT)**

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (8,600)	\$ (123,396)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Effects of Changes in Operating Assets and Liabilities:		
Accounts Receivable	(17,000)	-
Prepaid Expenses	(712)	(700)
Accounts Payable	(5,000)	3,250
Net Cash Used by Operating Activities	(31,312)	(120,846)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(31,312)	(120,846)
Cash and Cash Equivalents - Beginning of Year	254,965	375,811
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 223,653	\$ 254,965

See accompanying Notes to Financial Statements.

**EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**  
**(SEE ACCOUNTANTS' REVIEW REPORT)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Excellence in Education Foundation for PGCPS, Inc. (the Foundation) is a nonprofit organization operated for the benefit of Prince George's County Public Schools (PGCPS). The Foundation was established on December 1, 2011 to provide scholarships to PGCPS graduating seniors and administer funds restricted for education related programs and initiatives. The Foundation's primary funding sources are donor contributions and fundraising events. The Foundation is a component unit of the school system.

**Use of Estimates in Preparing Financial Statements**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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.

**Accrual Basis**

The financial statements of the Foundation have been prepared on the accrual basis of accounting. Net assets and revenues, expenses, gains, and losses are classified on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

**Net Assets Without Donor Restrictions**

Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

**Net Assets With Donor Restrictions**

Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Cash and Cash Equivalents**

Amounts in demand deposits or short-term investments with an original maturity date of three months or less when purchased are considered cash and cash equivalents.

**Pledges Receivable**

Unconditional pledges to give represent promises from donors to contribute monies for the Foundation's programs and activities. Such pledges are recognized as support when the pledge is made. Unconditional pledges to give where payment is due in the next year are recognized at their net realizable amounts. Unconditional pledges to give where payment is due in subsequent years are recognized at the present value of their net realizable amounts, using a discount rate. There was no allowance recorded as of June 30, 2019 and 2018.



**EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPs, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**  
**(SEE ACCOUNTANTS' REVIEW REPORT)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue and Revenue Recognition**

Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

As of June 30, 2019, the \$8,500 reported within restricted net assets was restricted for scholarships.

**In-Kind Contributions**

In-kind contributions represent wages and benefits paid by the school system on behalf of individuals performing services for the Foundation, as well as other expenses paid by the school system for the Foundation. A corresponding amount is included in the management and general expenses of the Foundation. The estimated value for these services for the years ended June 30, 2019 and 2018 was \$86,453 and \$31,921, respectively.

**Functional Allocation of Expenses**

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

**Income Tax**

The Foundation is exempt from taxation under the provisions of Section 501(c)(3) of the Internal Revenue Code. Accordingly, no income tax expense has been provided in the accompanying financial statements.

**Accounting for Uncertain Tax Positions**

The Foundation has adopted the guidance in Accounting for Uncertainty in Income Taxes (ASC 740-10), which prescribes a threshold of more likely than not for recognition and de-recognition of tax positions taken or expected to be taken in a tax return. It also recognizes related guidance on measurement classification, interest and penalties, and disclosure. The Foundation does not believe that there are any unrecognized tax benefits or costs that should be recognized.

**Recent Accounting Pronouncements**

For the year ended June 30, 2019 the Foundation has adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. With the exception of these disclosures, the changes resulting from the adoption of ASU 2016-14 were applied retrospectively to ensure comparability with the prior year presented.

**EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**  
**(SEE ACCOUNTANTS' REVIEW REPORT)**

**NOTE 2 LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and Cash Equivalents, at Year-End	\$ 223,653
Less: Those Unavailable for General Expenditures	
Within One Year, Due to Purpose Restrictions	<u>(8,500)</u>
Financial Assets Available to Meet Cash Needs	
for General Expenditures Within One Year	<u><u>\$ 215,153</u></u>

**NOTE 3 RELATED PARTY TRANSACTIONS**

Contributions for the year ended June 30, 2018, include \$102 received from the school system consisting of revenue from Google AdSense which is generated by the PGCPS website. When a person visits the website, Google pays PGCPS, who transfers the revenue to the Foundation.

**NOTE 4 SIGNIFICANT CONCENTRATIONS**

During the years ended June 30, 2019 and 2018, the Foundation had one major donor, which accounted for 61% and 79% of total contributions, respectively.

**NOTE 5 SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events through December 13, 2019, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2019, but prior to December 13, 2019, that provided additional evidence about conditions that existed at June 30, 2019 have been recognized in the financial statements for the year ended June 30, 2019. Events or transactions that provided evidence about conditions that did not exist at June 30, 2019 but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended June 30, 2019.