

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

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAcconnect.com

**EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	5
STATEMENTS OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Excellence in Education Foundation for PGCPs, Inc. (the Foundation), 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 the Excellence in Education Foundation for PGCPs, 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Excellence in Education Foundation for PGCPs, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

The 2022 financial statements were reviewed by us and our report thereon, dated January 21, 2023, stated we were not aware of any material modifications that should be made to those statements for them to be in accordance with accounting principles generally accepted in the United States of America. A review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements as a whole.

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 Excellence in Education Foundation for PGCPs, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

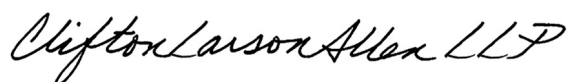
Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, 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 Excellence in Education Foundation for PGCPs, 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 Excellence in Education Foundation for PGCPs, 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.



CliftonLarsonAllen LLP

Baltimore, Maryland
May 18, 2024

EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPs, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

	2023	2022 (Reviewed)
ASSETS		
Cash and Cash Equivalents	\$ 505,084	\$ 30,381
Pledges Receivable	37,100	-
Prepaid Expenses	816	14,379
Total Assets	\$ 543,000	\$ 44,760
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 32,402	\$ -
NET ASSETS		
Without Donor Restrictions	510,598	44,760
Total Net Assets	510,598	44,760
Total Liabilities and Net Assets	\$ 543,000	\$ 44,760

See accompanying Notes to Financial Statements.

EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2023 AND 2022

	2023			2022 (Reviewed)		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND PUBLIC SUPPORT						
Contributions	\$ 798,533	\$ -	\$ 798,533	\$ 200,225	\$ -	\$ 200,225
Special Events and Sponsorships	272,182	-	272,182	38,413	-	38,413
Other Income	1,386	-	1,386	667	-	667
Interest Income	-	-	-	4	-	4
Net Assets Released from Restrictions	-	-	-	-	-	-
Total Revenues, Gains, and Public Support	<u>1,072,101</u>	<u>-</u>	<u>1,072,101</u>	<u>239,309</u>	<u>-</u>	<u>239,309</u>
EXPENSES						
Program Services:						
Awards, Grants and Scholarships	341,700	-	341,700	350,000	-	350,000
Total Program Services	<u>341,700</u>	<u>-</u>	<u>341,700</u>	<u>350,000</u>	<u>-</u>	<u>350,000</u>
Supporting Services:						
Management and General	73,230	-	73,230	45,129	-	45,129
Fundraising	411,200	-	411,200	156,217	-	156,217
Total Supporting Services	<u>484,430</u>	<u>-</u>	<u>484,430</u>	<u>201,346</u>	<u>-</u>	<u>201,346</u>
Total Expenses	<u>826,130</u>	<u>-</u>	<u>826,130</u>	<u>551,346</u>	<u>-</u>	<u>551,346</u>
CHANGE IN NET ASSETS BEFORE EQUITY TRANSFER	245,971	-	245,971	(312,037)	-	(312,037)
Equity Transfer - Donated Services	<u>219,867</u>	<u>-</u>	<u>219,867</u>	<u>190,112</u>	<u>-</u>	<u>190,112</u>
CHANGES IN NET ASSETS	465,838	-	465,838	(121,925)	-	(121,925)
Net Assets - Beginning of Year	<u>44,760</u>	<u>-</u>	<u>44,760</u>	<u>166,685</u>	<u>-</u>	<u>166,685</u>
NET ASSETS - END OF YEAR	<u>\$ 510,598</u>	<u>\$ -</u>	<u>\$ 510,598</u>	<u>\$ 44,760</u>	<u>\$ -</u>	<u>\$ 44,760</u>

See accompanying Notes to Financial Statements.

EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2023 AND 2022

	2023				
	Program Services	Supporting Services			Total
	Awards and Scholarships	Management and General	Fundraising	Supporting Services	
Awards, Grants, and Scholarships	\$ 341,700	\$ -	\$ -	\$ -	\$ 341,700
Salaries and Wages	-	57,361	162,506	219,867	219,867
Professional Services	-	-	239,745	239,745	239,745
Accounting Fees	-	12,145	-	12,145	12,145
Office Expenses	-	3,724	8,949	12,673	12,673
	<u>\$ 341,700</u>	<u>\$ 73,230</u>	<u>\$ 411,200</u>	<u>\$ 484,430</u>	<u>\$ 826,130</u>
Total Expenses by Function	<u>\$ 341,700</u>	<u>\$ 73,230</u>	<u>\$ 411,200</u>	<u>\$ 484,430</u>	<u>\$ 826,130</u>

	2022 (Reviewed)				
	Program Services	Supporting Services			Total
	Awards and Scholarships	Management and General	Fundraising	Supporting Services	
Awards, Grants, and Scholarships	\$ 350,000	\$ -	\$ -	\$ -	\$ 350,000
Salaries and Wages	-	40,248	149,864	190,112	190,112
Professional Services	-	-	2,839	2,839	2,839
Accounting Fees	-	3,780	-	3,780	3,780
Office Expenses	-	1,101	3,514	4,615	4,615
	<u>\$ 350,000</u>	<u>\$ 45,129</u>	<u>\$ 156,217</u>	<u>\$ 201,346</u>	<u>\$ 551,346</u>
Total Expenses by Function	<u>\$ 350,000</u>	<u>\$ 45,129</u>	<u>\$ 156,217</u>	<u>\$ 201,346</u>	<u>\$ 551,346</u>

See accompanying Notes to Financial Statements.

**EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022 (Reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 465,838	\$ (121,925)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Effects of Changes in Operating Assets and Liabilities:		
Accounts Receivable	(37,100)	-
Accounts Payable	32,402	-
Prepaid Expenses	13,563	-
Net Cash Provided (Used) by Operating Activities	474,703	(121,925)
NET CHANGE IN CASH AND CASH EQUIVALENTS	474,703	(121,925)
Cash and Cash Equivalents - Beginning of Year	30,381	152,306
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 505,084	\$ 30,381

See accompanying Notes to Financial Statements.

EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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.

Estimates

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

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses when obligations are incurred.

Net Assets

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.

The Foundation records contributions with donor restrictions whose restrictions are met in the same reporting period to be reported as support without donor restrictions.

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.

EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Revenue and Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of an irrevocable beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. The Foundation records special event and sponsorship revenue equal to the fair value of direct benefits to donors, and contribution revenue for the difference. All goods and services are transferred at a point in time.

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. The wages are valued at the allocable share of actual employment costs for the individuals providing services and are without donor restriction. 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, 2023 and 2022 was \$219,867 and \$190,112, 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.

EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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, are comprised of cash and cash equivalents amounting to \$505,084 and \$30,381 as of June 30, 2023 and 2022, respectively.

NOTE 3 RELATED PARTY TRANSACTIONS

Prince George's County, Maryland donated \$200,000 and \$200,000 during the years ended June 30, 2023 and 2022, respectively, for community local impact grants.

NOTE 4 SIGNIFICANT CONCENTRATIONS

During the years ended June 30, 2023 and 2022, the Foundation had two major donors, which accounted for 56% and 99% of total contributions, respectively.

NOTE 5 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through May 18, 2024, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2023, but prior to May 18, 2024, that provided additional evidence about conditions that existed at June 30, 2023, have been recognized in the financial statements for the year ended June 30, 2023. Events or transactions that provided evidence about conditions that did not exist at June 30, 2023, 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, 2023.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.