

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

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2016 AND 2015**

**EXCELLENCE IN EDUCATION FOUNDATION  
FOR PGCPS, INC.  
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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 statements of financial position of the Excellence in Education Foundation for PGCPs, Inc. (the Foundation) as of June 30, 2016 and 2015, and the related statements of activities and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company 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 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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Baltimore, Maryland  
January 11, 2017

**EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPs, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2016 AND 2015**

	2016	2015
<b>ASSETS</b>		
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 405,173	\$ 465,103
Accounts Receivable	32,277	45,957
Prepaid Expenses	1,382	1,376
 Total Assets	 \$ 438,832	 \$ 512,436
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ -	\$ 16,000
 <b>NET ASSETS</b>		
Unrestricted	438,832	494,936
Temporarily Restricted	-	1,500
Total Net Assets	438,832	496,436
 Total Liabilities and Net Assets	 \$ 438,832	 \$ 512,436

See Independent Accountants' Review Report and Accompanying Notes.

**EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2016 AND 2015**

	2016			2015		
	Unrestricted	Temporarily		Unrestricted	Temporarily	
		Restricted	Total		Restricted	Total
<b>REVENUES, GAINS, AND PUBLIC SUPPORT</b>						
Contributions	\$ 25,130	\$ -	\$ 25,130	\$ 28,799	\$ 1,500	\$ 30,299
In-Kind Contributions	70,061	-	70,061	57,034	-	57,034
Special Events	103,067	-	103,067	102,549	-	102,549
Other Income	10,273	-	10,273	17,902	-	17,902
Interest Income	2,333	-	2,333	991	-	991
Net Assets Released from Restrictions	1,500	(1,500)	-	-	-	-
Total Revenues, Gains, and Public Support	<u>212,364</u>	<u>(1,500)</u>	<u>210,864</u>	<u>207,275</u>	<u>1,500</u>	<u>208,775</u>
<b>EXPENSES</b>						
Awards and Scholarships	170,011	-	170,011	165,500	-	165,500
Special Events	26,588	-	26,588	27,036	-	27,036
Management and General	71,869	-	71,869	73,798	-	73,798
Total Expenses	<u>268,468</u>	<u>-</u>	<u>268,468</u>	<u>266,334</u>	<u>-</u>	<u>266,334</u>
<b>CHANGES IN NET ASSETS</b>	(56,104)	(1,500)	(57,604)	(59,059)	1,500	(57,559)
Net Assets - Beginning of Year	<u>494,936</u>	<u>1,500</u>	<u>496,436</u>	<u>553,995</u>	<u>-</u>	<u>553,995</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 438,832</u>	<u>\$ -</u>	<u>\$ 438,832</u>	<u>\$ 494,936</u>	<u>\$ 1,500</u>	<u>\$ 496,436</u>

See Independent Accountants' Review Report and Accompanying Notes.

**EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPs, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2016 AND 2015**

	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (57,604)	\$ (57,559)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Effects of Changes in Operating Assets and Liabilities:		
Accounts Receivable	13,680	7,260
Prepaid Expenses	(6)	(43)
Accounts Payable	(16,000)	16,000
Net Cash Used by Operating Activities	(59,930)	(34,342)
 <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	 (59,930)	 (34,342)
 Cash and Cash Equivalents - Beginning of Year	 465,103	 499,445
 <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	 \$ 405,173	 \$ 465,103

*See Independent Accountants' Review Report and Accompanying Notes.*

**EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPs, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016 AND 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Excellence in Education Foundation for PGCPs, Inc. (the Foundation) is a not-for-profit 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 generally accepted accounting principles 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:

*Unrestricted Net Assets* – Net assets that are not subject to donor-imposed stipulations.

*Temporarily Restricted Net Assets* – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

*Permanently Restricted Net Assets* – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on any related investments for general or specific purposes. There were no permanently restricted net assets as of June 30, 2016 and 2015.

**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.

**Accounts Receivable**

Amounts due from participants and sponsors of the annual golf tournament are considered accounts receivable.

**EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPs, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016 AND 2015**

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

**Contributions**

Contributions are recognized as revenue in the period an unconditional promise to give is made. Contributions of assets other than cash are reported at their estimated fair value and, depending upon donor-imposed stipulations, reported as unrestricted, temporarily restricted or permanently restricted. Restricted contributions are recorded as temporarily restricted and subsequently reclassified to unrestricted net assets.

*Permanently Restricted Contributions* – Contributions subject to donor-imposed stipulations that must be maintained in perpetuity by the Foundation are included in permanently restricted net assets. Generally, the donors of these assets permit the Foundation to use all or part of the income earned and capital gains on related investments, if any, for general or specific purposes. There were no permanently restricted contributions made during the years ended June 30, 2016 or 2015.

*Temporarily Restricted Contributions* – Contributions subject to donor-imposed stipulations that may or will be met by actions of the Foundation and/or the passage of time are included in temporarily restricted net assets.

*Unrestricted Contributions* – Contributions not subject to donor-imposed stipulations, or whose restrictions have been satisfied, are recorded as unrestricted net assets.

**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, 2016 and 2015 was \$70,061 and \$57,034, respectively.

**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 PGPCS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016 AND 2015**

**NOTE 2 RELATED PARTY TRANSACTIONS**

Contributions for the years ended June 30, 2016 and 2015, include \$19,339 and \$30,299, respectively, received from the School System consisting of revenue from Google AdSense which is generated by the PGPCS website. When a person visits the website, Google pays PGPCS, who transfers the revenue to the Foundation. As of June 30, 2016 there was a receivable balance due from the School System of \$1,027; there was no balance outstanding as of June 30, 2015.

**NOTE 3 SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events through January 11, 2017, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2016, but prior to January 11, 2017, that provided additional evidence about conditions that existed at June 30, 2016 have been recognized in the financial statements for the year ended June 30, 2016. Events or transactions that provided evidence about conditions that did not exist at June 30, 2016 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, 2016.