

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

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2017 AND 2016**

**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 financial statements of the Excellence in Education Foundation for PGCPs, Inc. (the Foundation), which comprise the statements of financial position as of June 30, 2017 and 2016, 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**

Baltimore, Maryland  
November 18, 2017

**EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2017 AND 2016**

	2017	2016
<b>ASSETS</b>		
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 375,811	\$ 405,173
Accounts Receivable	-	32,277
Prepaid Expenses	1,366	1,382
	<u>377,177</u>	<u>438,832</u>
Total Assets	<u>\$ 377,177</u>	<u>\$ 438,832</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 1,750	\$ -
<b>NET ASSETS</b>		
Unrestricted	364,927	438,832
Temporarily Restricted	10,500	-
Total Net Assets	<u>375,427</u>	<u>438,832</u>
Total Liabilities and Net Assets	<u>\$ 377,177</u>	<u>\$ 438,832</u>

See Independent Accountants' Review Report and Accompanying Notes.

**EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2017 AND 2016**

	2017			2016		
	Unrestricted	Temporarily		Unrestricted	Temporarily	
		Restricted	Total		Restricted	Total
<b>REVENUES, GAINS, AND PUBLIC SUPPORT</b>						
Contributions	\$ 80,587	\$ 10,500	\$ 91,087	\$ 25,130	\$ -	\$ 25,130
In-Kind Contributions	59,817	-	59,817	70,061	-	70,061
Special Events	-	-	-	103,067	-	103,067
Other Income	3,639	-	3,639	10,273	-	10,273
Interest Income	2,064	-	2,064	2,333	-	2,333
Net Assets Released from Restrictions	-	-	-	1,500	(1,500)	-
Total Revenues, Gains, and Public Support	<u>146,107</u>	<u>10,500</u>	<u>156,607</u>	<u>212,364</u>	<u>(1,500)</u>	<u>210,864</u>
<b>EXPENSES</b>						
Awards and Scholarships	151,050	-	151,050	170,011	-	170,011
Special Events	6,382	-	6,382	26,588	-	26,588
Management and General	62,580	-	62,580	71,869	-	71,869
Total Expenses	<u>220,012</u>	<u>-</u>	<u>220,012</u>	<u>268,468</u>	<u>-</u>	<u>268,468</u>
<b>CHANGES IN NET ASSETS</b>	(73,905)	10,500	(63,405)	(56,104)	(1,500)	(57,604)
Net Assets - Beginning of Year	<u>438,832</u>	<u>-</u>	<u>438,832</u>	<u>494,936</u>	<u>1,500</u>	<u>496,436</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 364,927</u>	<u>\$ 10,500</u>	<u>\$ 375,427</u>	<u>\$ 438,832</u>	<u>\$ -</u>	<u>\$ 438,832</u>

See Independent Accountants' Review Report and Accompanying Notes.

**EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPs, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2017 AND 2016**

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (63,405)	\$ (57,604)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Effects of Changes in Operating Assets and Liabilities:		
Accounts Receivable	32,277	13,680
Prepaid Expenses	16	(6)
Accounts Payable	1,750	(16,000)
Net Cash Used by Operating Activities	(29,362)	(59,930)
 <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	 (29,362)	 (59,930)
 Cash and Cash Equivalents - Beginning of Year	 405,173	 465,103
 <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	 \$ 375,811	 \$ 405,173

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

**EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017 AND 2016**

**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 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:

*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, 2017 and 2016.

**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, 2017 AND 2016**

**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, 2017 or 2016.

*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.

As of June 30, 2017, the \$10,500 reported as temporarily restricted net assets were restricted for scholarships.

*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, 2017 and 2016 was \$59,817 and \$70,061, 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 PGCPs, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017 AND 2016**

**NOTE 2 RELATED PARTY TRANSACTIONS**

Contributions for the years ended June 30, 2017 and 2016, include \$4,830 and \$19,339, respectively, 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. As of June 30, 2017 there was no balance outstanding; there was a receivable balance due from the School System of \$1,027 as of June 30, 2016.

**NOTE 3 SIGNIFICANT CONCENTRATIONS**

During the year ended June 30, 2017 the Foundation has one major donor, which accounted for 48% of total contributions. There was no single donor that accounted for more than 10% of total contributions for the year ended June 30, 2016.

**NOTE 4 SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events through November 18, 2017, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2017, but prior to November 18, 2017, that provided additional evidence about conditions that existed at June 30, 2017 have been recognized in the financial statements for the year ended June 30, 2017. Events or transactions that provided evidence about conditions that did not exist at June 30, 2017 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, 2017.