

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

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019



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**EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.
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YEARS ENDED JUNE 30, 2020 AND 2019**

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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, 2020 and 2019, and the related statements of activities, functional expenses, 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
February 8, 2021

EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019
(SEE ACCOUNTANTS' REVIEW REPORT)

	2020	2019
ASSETS		
ASSETS		
Cash and Cash Equivalents	\$ 267,778	\$ 223,653
Accounts Receivable	-	17,000
Prepaid Expenses	18,806	2,778
Total Assets	\$ 286,584	\$ 243,431
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ -	\$ -
NET ASSETS		
Without Donor Restrictions	268,116	234,931
With Donor Restrictions:		
Purpose Restrictions	18,468	8,500
Total Net Assets	286,584	243,431
Total Liabilities and Net Assets	\$ 286,584	\$ 243,431

See accompanying Notes to Financial Statements.

EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2020 AND 2019
(SEE ACCOUNTANTS' REVIEW REPORT)

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND PUBLIC SUPPORT						
Contributions	\$ 445,191	\$ 9,968	\$ 455,159	\$ 245,775	\$ 8,500	\$ 254,275
In-Kind Contributions	190,682	-	190,682	86,453	-	86,453
Special Events	176,686	-	176,686	97,626	-	97,626
Other Income	7,137	-	7,137	6,738	-	6,738
Interest Income	868	-	868	1,768	-	1,768
Net Assets Released from Restrictions	-	-	-	-	-	-
Total Revenues, Gains, and Public Support	<u>820,564</u>	<u>9,968</u>	<u>830,532</u>	<u>438,360</u>	<u>8,500</u>	<u>446,860</u>
EXPENSES						
Awards and Scholarships	442,055	-	442,055	331,517	-	331,517
Special Events	147,757	-	147,757	34,718	-	34,718
Management and General	65,816	-	65,816	89,225	-	89,225
Fundraising	131,751	-	131,751	-	-	-
Total Expenses	<u>787,379</u>	<u>-</u>	<u>787,379</u>	<u>455,460</u>	<u>-</u>	<u>455,460</u>
CHANGES IN NET ASSETS	33,185	9,968	43,153	(17,100)	8,500	(8,600)
Net Assets - Beginning of Year	<u>234,931</u>	<u>8,500</u>	<u>243,431</u>	<u>252,031</u>	<u>-</u>	<u>252,031</u>
NET ASSETS - END OF YEAR	<u>\$ 268,116</u>	<u>\$ 18,468</u>	<u>\$ 286,584</u>	<u>\$ 234,931</u>	<u>\$ 8,500</u>	<u>\$ 243,431</u>

See accompanying Notes to Financial Statements.

EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2020 AND 2019
(SEE ACCOUNTANTS' REVIEW REPORT)

	2020					2019			
	Awards and Scholarships	Special Events	Management and General	Fundraising	Total	Awards and Scholarships	Special Events	Management and General	Total
Grants and Other Assistance	\$ 442,055	\$ -	\$ -	\$ -	\$ 442,055	\$ 331,517	\$ -	\$ -	\$ 331,517
Salaries and Wages	-	-	58,931	131,751	190,682	-	-	86,453	86,453
Professional Services	-	137,402	-	-	137,402	-	30,038	1,595	31,633
Accounting Fees	-	-	5,093	-	5,093	-	3,000	-	3,000
Office Expenses	-	2,167	4,980	-	7,147	-	1,680	1,177	2,857
Bad Debt	-	-	5,000	-	5,000	-	-	-	-
Total Expenses	\$ 442,055	\$ 139,569	\$ 74,004	\$ 131,751	\$ 787,379	\$ 331,517	\$ 34,718	\$ 89,225	\$ 455,460

See accompanying Notes to Financial Statements.

EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019
(SEE ACCOUNTANTS' REVIEW REPORT)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 43,153	\$ (8,600)
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	(17,000)
Prepaid Expenses	(16,028)	(712)
Accounts Payable	-	(5,000)
Net Cash Provided (Used) by Operating Activities	44,125	(31,312)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	44,125	(31,312)
Cash and Cash Equivalents - Beginning of Year	223,653	254,965
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 267,778	\$ 223,653

See accompanying Notes to Financial Statements.

EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPs, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019
(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, 2020 and 2019.

EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPs, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019
(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, 2020, the \$18,468 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, 2020 and 2019 was \$190,682 and \$86,453, 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, 2020 AND 2019
(SEE ACCOUNTANTS' REVIEW REPORT)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements

For the year ended June 30, 2020 the Foundation adopted the Financial Accounting Standards Board's (FASB's), Accounting Standards Update (ASU) 2018-08, *Not-for-profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* issued in June of 2018 and applicable for fiscal years beginning after December 15, 2018, the Foundation's fiscal year 2020, applied prospectively. This clarifying ASU distinguishes between contributions and exchange transactions and assists in determining which guidance to apply. Additionally, once a transaction is deemed to be a contribution, this ASU assists in determining whether a contribution is conditional or unconditional, and if unconditional, whether the transaction is donor-restricted for limited purpose or timing. This clarifying ASU also applies to contributions made by the Foundation. There is no significant impact on the Foundation's financial statements as a result of adoption of this standard.

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	\$ 267,778
Less: Those Unavailable for General Expenditures	
Within One Year, Due to Purpose Restrictions	<u>(18,468)</u>
Financial Assets Available to Meet Cash Needs	
for General Expenditures Within One Year	<u>\$ 249,310</u>

NOTE 3 RELATED PARTY TRANSACTIONS

Prince George's County, Maryland donated \$150,000 during the year ended June 30, 2020 for community local impact grants.

NOTE 4 SIGNIFICANT CONCENTRATIONS

During the years ended June 30, 2020 and 2019, the Foundation had three major donors, which accounted for 79% and 79% of total contributions, respectively.

EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPs, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019
(SEE ACCOUNTANTS' REVIEW REPORT)

NOTE 5 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through February 8, 2021, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2020, but prior to February 8, 2021, that provided additional evidence about conditions that existed at June 30, 2020 have been recognized in the financial statements for the year ended June 30, 2020. Events or transactions that provided evidence about conditions that did not exist at June 30, 2020 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, 2020.