

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

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020



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**EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.
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YEARS ENDED JUNE 30, 2021 AND 2020**

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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, 2021 and 2020, 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.

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

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
May 11, 2022

EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020
(SEE ACCOUNTANTS' REVIEW REPORT)

	2021	2020
ASSETS		
ASSETS		
Cash and Cash Equivalents	\$ 152,306	\$ 267,778
Prepaid Expenses	14,379	18,806
Total Assets	\$ 166,685	\$ 286,584
LIABILITIES AND NET ASSETS		
LIABILITIES		
	\$ -	\$ -
NET ASSETS		
Without Donor Restrictions	166,685	268,116
With Donor Restrictions:		
Purpose Restrictions	-	18,468
Total Net Assets	166,685	286,584
Total Liabilities and Net Assets	\$ 166,685	\$ 286,584

See accompanying Notes to Financial Statements.

EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2021 AND 2020
(SEE ACCOUNTANTS' REVIEW REPORT)

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND PUBLIC SUPPORT						
Contributions	\$ 288,160	\$ -	\$ 288,160	\$ 445,191	\$ 9,968	\$ 455,159
In-Kind Contributions	181,812	-	181,812	190,682	-	190,682
Special Events and Sponsorships	154,455	-	154,455	176,686	-	176,686
Other Income	4,694	-	4,694	7,137	-	7,137
Interest Income	58	-	58	868	-	868
Net Assets Released from Restrictions	18,468	(18,468)	-	-	-	-
Total Revenues, Gains, and Public Support	<u>647,647</u>	<u>(18,468)</u>	<u>629,179</u>	<u>820,564</u>	<u>9,968</u>	<u>830,532</u>
EXPENSES						
Program Services						
Awards, Grants and Scholarships	482,708	-	482,708	442,055	-	442,055
Total Program Services	<u>482,708</u>	<u>-</u>	<u>482,708</u>	<u>442,055</u>	<u>-</u>	<u>442,055</u>
Supporting Services						
Management and General	60,296	-	60,296	74,004	-	74,004
Fundraising	206,074	-	206,074	271,320	-	271,320
Total Supporting Services	<u>266,370</u>	<u>-</u>	<u>266,370</u>	<u>345,324</u>	<u>-</u>	<u>345,324</u>
Total Expenses	<u>749,078</u>	<u>-</u>	<u>749,078</u>	<u>787,379</u>	<u>-</u>	<u>787,379</u>
CHANGES IN NET ASSETS	(101,431)	(18,468)	(119,899)	33,185	9,968	43,153
Net Assets - Beginning 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>
NET ASSETS - END OF YEAR	<u>\$ 166,685</u>	<u>\$ -</u>	<u>\$ 166,685</u>	<u>\$ 268,116</u>	<u>\$ 18,468</u>	<u>\$ 286,584</u>

See accompanying Notes to Financial Statements.

EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2021 AND 2020
(SEE ACCOUNTANTS' REVIEW REPORT)

2021

	Program Services		Supporting Services		Total
	Awards and Scholarships	Management and General	Fundraising	Supporting Services	
Awards, Grants and Scholarships	\$ 482,708	\$ -	\$ -	\$ -	\$ 482,708
Salaries and Wages	-	50,061	131,751	181,812	181,812
Professional Services	-	-	68,348	68,348	68,348
Accounting Fees	-	5,250	-	5,250	5,250
Office Expenses	-	4,985	5,975	10,960	10,960
Bad Debt	-	-	-	-	-
Total Expenses	\$ 482,708	\$ 60,296	\$ 206,074	\$ 266,370	\$ 749,078

2020

	Program Services		Supporting Services		Total
	Awards and Scholarships	Management and General	Fundraising	Supporting Services	
Awards, Grants and Scholarships	\$ 442,055	\$ -	\$ -	\$ -	\$ 442,055
Salaries and Wages	-	58,931	131,751	190,682	190,682
Professional Services	-	-	137,402	137,402	137,402
Accounting Fees	-	5,093	-	5,093	5,093
Office Expenses	-	4,980	2,167	7,147	7,147
Bad Debt	-	5,000	-	5,000	5,000
Total Expenses	\$ 442,055	\$ 74,004	\$ 271,320	\$ 345,324	\$ 787,379

See accompanying Notes to Financial Statements.

EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020
(SEE ACCOUNTANTS' REVIEW REPORT)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (119,899)	\$ 43,153
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	4,427	(16,028)
Net Cash Provided (Used) by Operating Activities	(115,472)	44,125
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(115,472)	44,125
Cash and Cash Equivalents - Beginning of Year	267,778	223,653
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 152,306	\$ 267,778

See accompanying Notes to Financial Statements.

EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020
(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.

As of June 30, 2020, the \$18,468 net assets with donor restrictions was restricted for scholarships.

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, 2021 AND 2020
(SEE ACCOUNTANTS' REVIEW REPORT)

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. There was no allowance recorded as of June 30, 2021 and 2020.

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. 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, 2021 and 2020 was \$181,812 and \$190,682 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, 2021 AND 2020
(SEE ACCOUNTANTS' REVIEW REPORT)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassification of Prior Year Presentation

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on net assets or changes therein.

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:

	2021	2020
Cash and Cash Equivalents, at Year-End	\$ 152,306	\$ 267,778
Less: Those Unavailable for General Expenditures		
Within One Year, Due to Purpose Restrictions	-	(18,468)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 152,306	\$ 249,310

NOTE 3 RELATED PARTY TRANSACTIONS

Prince George's County, Maryland donated \$150,000 during the year ended June 30, 2021 and 2020 for community local impact grants.

NOTE 4 SIGNIFICANT CONCENTRATIONS

During the years ended June 30, 2021 and 2020, the Foundation had three major donors, which accounted for 86% and 79% of total contributions, respectively.

NOTE 5 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through May 11, 2022, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2021, but prior to May 11, 2022, that provided additional evidence about conditions that existed at June 30, 2021 have been recognized in the financial statements for the year ended June 30, 2021. Events or transactions that provided evidence about conditions that did not exist at June 30, 2021 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, 2021.

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