

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

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2022 AND 2021**



CPAs | CONSULTANTS | WEALTH ADVISORS

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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, 2022 and 2021, 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.

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 related to our reviews.

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  
January 21, 2023

**EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2022 AND 2021**  
(SEE ACCOUNTANTS' REVIEW REPORT)

	2022	2021
<b>ASSETS</b>		
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 30,381	\$ 152,306
Prepaid Expenses	14,379	14,379
Total Assets	\$ 44,760	\$ 166,685
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>	\$ -	\$ -
<b>NET ASSETS</b>		
Without Donor Restrictions	44,760	166,685
With Donor Restrictions:		
Purpose Restrictions	-	-
Total Net Assets	44,760	166,685
Total Liabilities and Net Assets	\$ 44,760	\$ 166,685

See accompanying Notes to Financial Statements.

**EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2022 AND 2021**  
**(SEE ACCOUNTANTS' REVIEW REPORT)**

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS, AND PUBLIC SUPPORT</b>						
Contributions	\$ 200,225	\$ -	\$ 200,225	\$ 288,160	\$ -	\$ 288,160
Special Events and Sponsorships	38,413	-	38,413	154,455	-	154,455
Other Income	667	-	667	4,694	-	4,694
Interest Income	4	-	4	58	-	58
Net Assets Released from Restrictions	-	-	-	18,468	(18,468)	-
Total Revenues, Gains, and Public Support	<u>239,309</u>	<u>-</u>	<u>239,309</u>	<u>465,835</u>	<u>(18,468)</u>	<u>447,367</u>
<b>EXPENSES</b>						
Program Services						
Awards, Grants and Scholarships	350,000	-	350,000	482,708	-	482,708
Total Program Services	<u>350,000</u>	<u>-</u>	<u>350,000</u>	<u>482,708</u>	<u>-</u>	<u>482,708</u>
Supporting Services						
Management and General	45,129	-	45,129	60,296	-	60,296
Fundraising	156,217	-	156,217	206,074	-	206,074
Total Supporting Services	<u>201,346</u>	<u>-</u>	<u>201,346</u>	<u>266,370</u>	<u>-</u>	<u>266,370</u>
Total Expenses	<u>551,346</u>	<u>-</u>	<u>551,346</u>	<u>749,078</u>	<u>-</u>	<u>749,078</u>
<b>CHANGE IN NET ASSETS BEFORE EQUITY TRANSFER</b>						
	(312,037)	-	(312,037)	(283,243)	(18,468)	(301,711)
Equity Transfer - Donated Services	<u>190,112</u>	<u>-</u>	<u>190,112</u>	<u>181,812</u>	<u>-</u>	<u>181,812</u>
<b>CHANGES IN NET ASSETS</b>						
	(121,925)	-	(121,925)	(101,431)	(18,468)	(119,899)
Net Assets - Beginning of Year	<u>166,685</u>	<u>-</u>	<u>166,685</u>	<u>268,116</u>	<u>18,468</u>	<u>286,584</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 44,760</u>	<u>\$ -</u>	<u>\$ 44,760</u>	<u>\$ 166,685</u>	<u>\$ -</u>	<u>\$ 166,685</u>

See accompanying Notes to Financial Statements.

**EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEARS ENDED JUNE 30, 2022 AND 2021**  
**(SEE ACCOUNTANTS' REVIEW REPORT)**

	2022				Total
	Program Services	Supporting Services			
	Awards and Scholarships	Management and General	Fundraising	Total 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
<b>Total Expenses</b>	<b>\$ 350,000</b>	<b>\$ 45,129</b>	<b>\$ 156,217</b>	<b>\$ 201,346</b>	<b>\$ 551,346</b>

	2021				Total
	Program Services	Supporting Services			
	Awards and Scholarships	Management and General	Fundraising	Total 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
<b>Total Expenses</b>	<b>\$ 482,708</b>	<b>\$ 60,296</b>	<b>\$ 206,074</b>	<b>\$ 266,370</b>	<b>\$ 749,078</b>

See accompanying Notes to Financial Statements.

**EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPs, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**  
(SEE ACCOUNTANTS' REVIEW REPORT)

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (121,925)	\$ (119,899)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Effects of Changes in Operating Assets and Liabilities:		
Prepaid Expenses	-	4,427
Net Cash Used by Operating Activities	(121,925)	(115,472)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(121,925)	(115,472)
Cash and Cash Equivalents - Beginning of Year	152,306	267,778
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 30,381	\$ 152,306

See accompanying Notes to Financial Statements.



**EXCELLENCE IN EDUCATION FOUNDATION FOR PGCPS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**  
**(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.

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, 2022 AND 2021**  
**(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.

**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, 2022 and 2021 was \$190,112 and \$181,812, 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, 2022 AND 2021**  
**(SEE ACCOUNTANTS' REVIEW REPORT)**

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

**Adoption of Accounting Pronouncement**

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This standard requires that contributed nonfinancial assets are reported on a separate line item in the statements of activities, apart from contributions of cash and other financial assets. It also requires disclosure of disaggregated amounts of contributed nonfinancial assets by category that depicts the type of contributed nonfinancial assets along with additional qualitative information about the monetization of such assets, donor restrictions and valuation techniques. The adoption of this standard did not have any significant impact on the accompanying financial statements or disclosures.

**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 \$30,381 and \$152,306 as of June 30, 2022 and 2021, respectively.

**NOTE 3 RELATED PARTY TRANSACTIONS**

Prince George's County, Maryland donated \$200,000 and \$150,000 during the years ended June 30, 2022 and 2021, respectively, for community local impact grants.

**NOTE 4 SIGNIFICANT CONCENTRATIONS**

During the years ended June 30, 2022 and 2021, the Foundation had two major donors, which accounted for 99% and 86% of total contributions, respectively.

**NOTE 5 SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events through January 21, 2023, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2022, but prior to January 21, 2023, that provided additional evidence about conditions that existed at June 30, 2022, have been recognized in the financial statements for the year ended June 30, 2022. Events or transactions that provided evidence about conditions that did not exist at June 30, 2022, 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, 2022.