

CLAY COUNTY EDUCATION FOUNDATION, INC.

FINANCIAL STATEMENTS

**FISCAL YEARS ENDING
JUNE 30, 2010 AND 2009**

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HARRINGTON
& ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Clay County Education Foundation, Inc.
Green Cove Springs, FL

We have audited the accompanying statements of financial position of Clay County Education Foundation, Inc., (a nonprofit organization) as of June 30, 2010 and 2009, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Clay County Education Foundation, Inc. as of June 30, 2010 and 2009 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2010, on our consideration of Clay County Education Foundation, Inc.'s internal controls over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Harrington & Associates, CPA
Orange Park, FL
November 23, 2010

STATEMENT OF FINANCIAL POSITION
CLAY COUNTY EDUCATION FOUNDATION, INC.
JUNE 30, 2010 and 2009

	June 30, 2010	June 30, 2009
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 51,624	\$ 33,798
Accounts Receivable	5,000	4,000
Investments - Restricted for Scholarships	-	5,224
Funds Held by Others	2,681	2,465
TOTAL CURRENT ASSETS	59,305	45,487
Property and Equipment	1,840	1,840
Less: Accumulated Depreciation	(1,840)	(1,840)
Property and Equipment, Net	-	-
TOTAL ASSETS	\$ 59,305	\$ 45,487
LIABILITIES AND NET ASSETS		
LIABILITIES		
Scholarships Payable	\$ 7,681	\$ 2,465
NET ASSETS		
Unrestricted	47,649	37,798
Restricted	3,975	5,224
TOTAL NET ASSETS	51,624	43,022
TOTAL LIABILITIES AND NET ASSETS	\$ 59,305	\$ 45,487

STATEMENT OF ACTIVITIES
CLAY COUNTY EDUCATION FOUNDATION, INC.
FOR THE YEAR ENDED JUNE 30, 2010

	UNRESTRICTED	RESTRICTED	TOTAL
PUBLIC SUPPORT AND REVENUE			
Contributions and Support	\$ 40,960	\$ -	\$ 40,960
Grants	23,350	-	23,350
Fundraising	25,704	-	25,704
Interest and Dividends	369	62	431
TOTAL PUBLIC SUPPORT AND REVENUE	90,383	62	90,444
NET ASSETS RELEASED FROM RESTRICTIONS			
Restrictions satisfied by offering scholarships	1,311	(1,311)	(0)
TOTAL SUPPORT AND RECLASSIFICATIONS EXPENSES	91,693	(1,249)	90,444
Program Services			
Education Grants and Funding	74,055	-	74,055
Total Program Services	74,055	-	74,055
Supporting Services			
General and Administrative	5,699	-	5,699
Fundraising	2,088	-	2,088
Total Supporting Services	7,787	0	7,787
TOTAL EXPENSES	81,842	0	81,842
CHANGE (DECREASE) IN NET ASSETS	9,851	(1,249)	8,602
NET ASSETS - JULY 1, 2009	37,798	5,224	43,022
NET ASSETS - JUNE 30, 2010	\$ 47,649	\$ 3,975	\$ 51,624

STATEMENT OF ACTIVITIES
CLAY COUNTY EDUCATION FOUNDATION, INC.
FOR THE YEAR ENDED JUNE 30, 2009

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
PUBLIC SUPPORT AND REVENUE			
Contributions and Support Grants	\$ 42,934	-	\$ 42,934
Fundraising	31,241	-	31,241
Miscellaneous	26,206	-	26,206
Interest and Dividends	322	-	322
	618	254	872
TOTAL PUBLIC SUPPORT AND REVENUE	<u>101,321</u>	<u>254</u>	<u>101,575</u>
NET ASSETS RELEASED FROM RESTRICTIONS			
Restrictions satisfied by offering scholarships	600	(600)	-
TOTAL SUPPORT AND RECLASSIFICATIONS EXPENSES	<u>101,921</u>	<u>(346)</u>	<u>101,575</u>
Program Services			
Education Grants and Funding	98,172	-	98,172
Total Program Services	<u>98,172</u>	<u>-</u>	<u>98,172</u>
Supporting Services			
General and Administrative	8,942	-	8,942
Fundraising	2,686	-	2,686
Total Supporting Services	<u>11,628</u>	<u>0</u>	<u>11,628</u>
TOTAL EXPENSES	<u>109,800</u>	<u>0</u>	<u>109,800</u>
CHANGE (DECREASE) IN NET ASSETS	<u>(7,879)</u>	<u>(346)</u>	<u>(8,225)</u>
NET ASSETS - JULY 1, 2008	45,677	5,570	51,247
NET ASSETS - JUNE 30, 2009	<u>\$ 37,798</u>	<u>\$ 5,224</u>	<u>\$ 43,022</u>

STATEMENT OF CASH FLOWS
CLAY COUNTY EDUCATION FOUNDATION, INC.
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	June 30, 2010	June 30, 2009
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:		
Change in Net Assets	\$ 8,602	\$ (8,225)
Depreciation	-	-
Changes in Asset and Liability Accounts:		
Pledges Receivable (Increase) Decrease	-	1,000
Accounts Receivable (Increase) Decrease	(1,000)	(4,000)
Funds held by Others (Increase) Decrease	(217)	7,331
Accounts Payable Increase (Decrease)	5,216	(7,331)
NET CASH USED BY OPERATING ACTIVITIES	12,601	(11,225)
CASH FLOWS FROM INVESTMENT ACTIVITIES:		
Purchase of Investments	\$ -	(5,759)
Proceeds from Sale of Investments	5,224	5,707
CASH FLOWS PROVIDED (USED) BY INVESTMENT ACTIVITIES	5,224	(52)
NET INCREASE IN CASH AND CASH EQUIVALENTS	17,826	(11,277)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	33,798	45,075
CASH AND CASH EQUIVALENTS - END OF PERIOD	\$ 51,624	\$ 33,798

CLAY COUNTY EDUCATIONAL FOUNDATION, INC.
FOR THE YEAR ENDED JUNE 30, 2010

	<u>EDUCATION GRANTS/FUNDING</u>	<u>GENERAL AND ADMINISTRATIVE</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
OPERATING EXPENSES				
Mini-Grants to School Teachers	\$ 24,147	\$ -	-	\$ 24,147
Scholarships to Students	24,000	-	-	24,000
Black Stallion Literacy Project	-	-	-	-
Enrichment Programs	18,525	-	-	18,525
Teacher of the Year	3,900	-	-	3,900
Project Reach	2,785	-	-	2,785
Student Medical Assistance	698	-	-	698
Professional Fees	-	4,310	-	4,310
Miscellaneous Expense	-	618	-	618
Printing & Postage	-	44	-	44
Fundraising	-	-	2,088	2,088
Supplies	-	634	-	634
Dues	-	92	-	92
TOTAL EXPENSES	\$ 74,055	\$ 5,699	\$ 2,088	\$ 81,842

**STATEMENT OF FUNCTIONAL EXPENSES
CLAY COUNTY EDUCATIONAL FOUNDATION, INC.
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>EDUCATION GRANTS/FUNDING</u>	<u>GENERAL AND ADMINISTRATIVE</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
OPERATING EXPENSES				
Mini-Grants to School Teachers	\$ 32,455	-	-	\$ 32,455
Scholarships to Students	24,500	-	-	24,500
Black Stallion Literacy Project	17,192	-	-	17,192
Enrichment Programs	16,979	-	-	16,979
Teacher of the Year	2,000	-	-	2,000
Project Reach	4,576	-	-	4,576
Student Medical Assistance	470	-	-	470
Professional Fees	-	4,090	-	4,090
Miscellaneous Expense	-	2,446	-	2,446
Printing & Postage	-	47	-	47
Fundraising	-	-	2,686	2,686
Supplies	-	209	-	209
Dues	-	2,150	-	2,150
	\$ 98,172	\$ 8,942	\$ 2,686	\$ 109,800
TOTAL EXPENSES				
	\$ 98,172	\$ 8,942	\$ 2,686	\$ 109,800

CLAY COUNTY EDUCATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 and 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The purpose of Clay County Education Foundation, Inc., (the Foundation) is to recognize student achievement, reward teacher development and promote the Clay County Public School System.

The Foundation receives donations and conducts fund-raising activities in order to provide mini-grants to teachers and scholarships to students at the discretion of the Foundation Board. Teachers submit to the Foundation project ideas along with funding needs for the school year. The Foundation then approves projects based on their merits and funding limitations.

Method of Accounting

The financial statements of the Foundation are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements for Not-for-Profit Organizations*. Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Support & Revenue

Contributions are generally available for unrestricted use unless specifically restricted by the donor. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Contributions of donated non-cash assets are recorded at fair market value in the period received.

CLAY COUNTY EDUCATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 and 2009
(Continued)

Support & Revenue, Continued

The major sources of revenue for the Foundation are the State of Florida Consortium Grant, License 4 Learning Program, O2B Kids Fundraising event and a large single donation from a local individual.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Expense Allocation

The cost of providing the various programs and other activities are summarized on a functional basis in the statement of functional expenses. The Foundation assigns most expenses directly to benefited function.

Income Taxes

The Company is exempt from federal and state income taxes under Section 501(a) of the Internal Revenue Service as an organization described in section 501(c)(3).

Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, the Foundation considers cash on hand, deposits in banks, savings accounts, certificates of deposit and highly liquid investments with maturities of three months or less to be cash equivalents.

Concentration of Fund-Raising Activities

The Foundation receives funds from the sale of entertainment coupon books. Additionally, the Foundation hosted a fundraising event through O2B Kids where sponsorships from local businesses were secured and monetary donations were made through the O2B Kids event. The fundraising events accounted for 29% and 26% of total revenues for 2010 and 2009 fiscal years, respectively.

CLAY COUNTY EDUCATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 and 2009
(Concluded)

Property and Equipment

Property and equipment are stated at cost. Depreciation is recorded on the straight-line basis over the estimated useful lives of the assets. The Foundation's Fixed Assets have been fully depreciated and the current depreciation is zero.

NOTE 2 FUNDS HELD BY OTHERS

The Foundation has money in separate Foundation accounts at St. Johns River Community College (SJRCC), Florida Community College Jacksonville (FCCJ) and University of West Florida. Money has accumulated over the past several years in each account as a result of money being submitted and accumulating over time at each institution. The account balances for 2010 and 2009, respectively, for SJRCC was \$63 and \$631 and FCCJ was \$618 and \$1,833. The University of West Florida has an account balance of \$2,000 and \$0 as of June 30, 2010 and 2009, respectively.

NOTE 3 INVESTMENTS

The Foundation invests excess cash in certificates of deposits or money market accounts based upon the greater return available at the time of maturity. These are insured up to \$250,000 by the Federal Depository Insurance Corporation.

NOTE 4 DONOR RESTRICTED NET ASSETS

The Foundation received funds for college scholarships in previous years that are restricted as to certain majors as defined by the donor. The scholarship awards are made at the discretion of the Foundation's board and reflected as restricted funds in the financial statements.



HARRINGTON
& ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

To the Board of Directors of
Clay County Education Foundations, Inc.
Green Cove Springs, Florida

We have audited the financial statements of Clay County Education Foundation, Inc. (a nonprofit organization) as of and for the years ended June 30, 2010 and 2009, and have issued our report thereon dated November 23, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Clay County Education Foundation, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Clay County Education Foundation, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clay County Education Foundation, Inc.'s, financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do

not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management, and others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

Mera Hamilton, CPA

Orange Park, Florida
November 23, 2010