

CLAY COUNTY EDUCATION FOUNDATION, INC.

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

JUNE 30, 2005

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INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying statement of financial position of Clay County Education Foundation, Inc., (a nonprofit organization) as of June 30, 2005, and the related statement of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards required that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my 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, 2005 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Teresa Harrington, CPA

Orange Park, Florida
January 13, 2006

STATEMENT OF FINANCIAL POSITION
CLAY COUNTY EDUCATION FOUNDATION, INC.
JUNE 30, 2005

CURRENT ASSETS

Cash and Cash Equivalents \$63,766

TOTAL CURRENT ASSETS

63,766

Property and Equipment 1,840
Less: Accumulated Depreciation (1,150)

Property and Equipment, Net 690

TOTAL ASSETS

\$64,456

NET ASSETS:

Unrestricted \$51,528

Temporarily Restricted 12,928

TOTAL NET ASSETS

\$64,456

See accompanying notes to financial statements.

**STATEMENT OF ACTIVITIES
CLAY COUNTY EDUCATION FOUNDATION, INC.
FOR THE YEAR ENDED JUNE 30, 2005**

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
PUBLIC SUPPORT AND REVENUE			
Contributions and Support	\$ 41,377	-	\$ 41,377
Grants	14,691	-	14,691
Fundraising	13,178	-	13,178
Interest and Dividends	336	310	646
	<u>69,582</u>	<u>310</u>	<u>69,892</u>
NET ASSETS RELEASED FROM RESTRICTIONS	2,500	(2,500)	-
Restrictions satisfied by offering scholarships	<u>72,082</u>	<u>(2,190)</u>	<u>69,892</u>
TOTAL SUPPORT AND RECLASSIFICATIONS EXPENSES			
Program Services			
Education Grants and Funding	62,501	-	62,501
Special Projects	2,813	-	2,813
Total Program Services	<u>65,314</u>	<u>-</u>	<u>65,314</u>
Supporting Services			
General and Administrative	4,066	-	4,066
Fundraising	3,190	-	3,190
Total Supporting Services	<u>7,256</u>	<u>0</u>	<u>7,256</u>
TOTAL EXPENSES	<u>72,570</u>	<u>0</u>	<u>72,570</u>
CHANGE (DECREASE) IN NET ASSETS	(488)	(2,190)	(2,678)
NET ASSETS - JULY 1, 2004	52,016	15,118	67,134
NET ASSETS - JUNE 30, 2005	<u>\$51,528</u>	<u>\$12,928</u>	<u>\$64,456</u>

See accompanying notes to financial statements.

**STATEMENT OF CASH FLOWS
CLAY COUNTY EDUCATION FOUNDATION, INC.
FOR THE YEAR ENDED JUNE 30, 2005**

CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:	
Change in Net Assets	\$ (2,678)
Depreciation	460
Changes in Asset Accounts:	
Due from School Board Decrease	221
Due from State of Florida Decrease	780
Interest Receivable Decrease	75
NET CASH USED BY OPERATING ACTIVITIES	<u>(1,142)</u>
CASH FLOWS FROM INVESTMENT ACTIVITIES:	
Proceeds from Sale of Investments	<u>33,985</u>
CASH FLOWS PROVIDED BY INVESTMENT ACTIVITIES	<u>33,985</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	32,843
CASH AND CASH EQUIVALENTS - JULY 1, 2004	<u>30,923</u>
CASH AND CASH EQUIVALENTS - JUNE 30, 2005	<u><u>\$ 63,766</u></u>

See accompanying notes to financial statements.

**STATEMENT OF FUNCTIONAL EXPENSES
CLAY COUNTY EDUCATIONAL FOUNDATION, INC.
FOR THE YEAR ENDED JUNE 30, 2005**

	<u>EDUCATION GRANTS/FUNDING</u>	<u>GENERAL AND ADMINISTRATIVE</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
OPERATING EXPENSES				
Mini-Grants to School Teachers	\$ 26,121	-	-	\$ 26,121
Scholarships to Students	11,025	-	-	11,025
Black Stallion Literacy Project	11,618	-	-	11,618
Enrichment Programs	13,737	-	-	13,737
Teacher of the Year	2,000	-	-	2,000
Project Graduation	200	-	-	200
Project Reach	120	-	-	120
Student Medical Assistance	139	-	-	139
Conference Fees	120	-	-	120
Depreciation	-	460	-	460
Professional Fees	-	2,000	-	2,000
Banquet	-	-	3,190	3,190
Miscellaneous Expense	183	-	-	183
Supplies	51	378	-	429
Printing & Postage	-	128	-	128
Dues	-	1,100	-	1,100
	<u>\$ 65,314</u>	<u>\$ 4,066</u>	<u>\$ 3,190</u>	<u>\$ 72,570</u>
TOTAL EXPENSES				

See accompanying notes to financial statements.

CLAY COUNTY EDUCATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005

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 min-grants to teachers. 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.

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.

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).

CLAY COUNTY EDUCATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005
(Concluded)

Recognition of Donor Restricted Contributions

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.

Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, the Foundation considers cash on hand, deposits in banks, savings accounts and 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. The fundraiser accounted for 19% of total revenues for the fiscal year.

Property and Equipment

Property and equipment (other than donated property) are stated at cost. Depreciation is recorded on the straight-line basis over the estimated useful lives of the assets.

Note 2 Donor Restricted Net Assets

The Foundation received funds for college scholarships in previous years. The scholarship awards are made at the discretion of the Foundation's board. As of June 30, 2005, the amount of un-obligated scholarship funds was \$12,928. During the audit, it was noted that the Foundation received restricted scholarship funds that had a remaining balance of \$15,813 as of June 30, 2004. Restricted net assets were increased by \$1,807 as a result of this finding.

CLAY COUNTY EDUCATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005
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