
CLAY COUNTY EDUCATION FOUNDATION, INC.

FINANCIAL STATEMENTS

FISCAL YEARS ENDING
JUNE 30, 2011 AND 2010

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of financial position of the Clay County Education Foundation, Inc. (a nonprofit organization) as of June 30, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are responsibility of the Foundation's management. My responsibility is to express an opinion on these financial statements based on my audit. The financial statements of the Clay County Education Foundation, Inc. as of June 30, 2010, were audited by other auditors whose report dated November 23, 2010, expressed an unqualified opinion on those statements. I am only disclosing those financials for illustrative purposes.

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 require 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 the 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 our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Clay County Education Foundation, Inc. as of June 30, 2011, 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.

In accordance with *Government Auditing Standards*, I have also issued my report dated September 13, 2011, on my consideration of the Clay County Education Foundation's internal control 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 my 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 is assessing the results of our audit.



William G. Haeberle, CPA, LLC
Jacksonville, FL
September 10, 2011

STATEMENT OF FINANCIAL POSITION
 CLAY COUNTY EDUCATION FOUNDATION, INC.
 JUNE 30, 2011 AND 2010

	June 30, 2011	June 30, 2010
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 56,244	\$ 51,624
Accounts Receivable		5,000
Funds Held by Others	2,181	2,681
	58,425	59,305
TOTAL CURRENT ASSETS		
Property & Equipment	-	1,840
Less: Accumulated Depreciation	-	(1,840)
	-	-
Property & Equipment, Net		
	-	-
TOTAL ASSETS		
	\$ 58,425	\$ 59,305
LIABILITIES AND NET ASSETS		
LIABILITIES		
Scholarships Payable	\$ 2,181	\$ 7,681
NET ASSETS		
Unrestricted	52,459	47,649
Restricted	3,785	3,975
	56,244	51,624
TOTAL NET ASSETS		
	\$ 58,425	\$ 59,305

STATEMENT OF ACTIVITIES
 CLAY COUNTY EDUCATION FOUNDATION, INC.
 FOR THE YEAR ENDED JUNE 30, 2011

	UNRESTRICTED	RESTRICTED	TOTAL
PUBLIC SUPPORT AND REVENUE			
Contributions and Support	\$ 28,798	\$ -	\$ 28,798
Grants	25,739	-	25,739
Fundraising	18,611	-	18,611
Interest and Dividends	263	19	282
TOTAL PUBLIC SUPPORT AND REVENUE	73,412	19	73,431
NET ASSETS RELEASED FROM RESTRICTIONS			
Restrictions satisfied by offering scholarships	559	(209)	350
TOTAL SUPPORT AND RECLASSIFICATIONS	73,971	(190)	73,781
EXPENSES			
Program Services			
Education Grants and Funding	58,860	-	58,860
Total Program Services	58,860	-	58,860
Supporting Services			
General and Administrative	7,328	-	7,328
Fundraising	2,973	-	2,973
Total Supporting Services	10,301	-	10,301
TOTAL EXPENSES	69,161	-	69,161
CHANGE (DECREASE) IN NET ASSETS	4,810	(190)	4,620
NET ASSETS - JULY 1, 2010	47,649	3,975	51,624
NET ASSETS - JUNE 30, 2011	\$ 52,459	\$ 3,785	\$ 56,244

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)	-
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		7,787
TOTAL EXPENSES	81,842		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 CASH FLOWS
 CLAY COUNTY EDUCATION FOUNDATION, INC.
 FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	June 30, 2011	June 30, 2010
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:		
Change in Net Assets	\$ 4,620	\$ 8,602
Depreciation		
Changes in Asset and Liability Accounts:		
Pledges Receivable (Increase) Decrease	5,000	
Accounts Receivable (Increase) Decrease		(1,000)
Funds held by Others (Increase) Decrease	500	(217)
Accounts Payable Increase (Decrease)	(5,500)	5,216
NET CASH USED BY OPERATING ACTIVITIES	4,620	12,601
CASH FLOWS FROM INVESTMENT ACTIVITIES:		
Purchase of Investments	\$ -	\$ -
Proceeds from Sale of Investments	-	5,224
CASH FLOWS PROVIDED (USED) BY INVESTMENT ACTIVITIES	-	5,224
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,620	17,826
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	51,624	33,798
CASH AND CASH EQUIVALENTS - END OF PERIOD	\$ 56,244	\$ 51,624

STATEMENT OF FUNCTIONAL EXPENSES
 CLAY COUNTY EDUCATION FOUNDATION, INC.
 FOR THE YEAR ENDED JUNE 30, 2011

	EDUCATION GRANTS/FUNDING	GENERAL AND ADMINISTRATIVE	FUNDRAISING	TOTAL
OPERATING EXPENSES				
Mini-Grants to School Teachers	\$ 47,465	-	-	\$ 47,465
Scholarships to Students	25	-	-	25
Enrichment Programs	3,970	-	-	3,970
Teacher of the Year	2,000	-	-	2,000
Project Reach	5,050	-	-	5,050
Student Medical Assistance	350	-	-	350
Professional Fees	-	5,500	-	5,500
Miscellaneous Expense	-	678	-	678
Printing & Postage	-	-	-	-
Fundraising	-	-	2,973	2,973
Supplies	-	149	-	149
Dues	-	1,000	-	1,000
TOTAL EXPENSES	\$ 58,860	\$ 7,328	\$ 2,973	\$ 69,161

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

	EDUCATION GRANTS/FUNDING	GENERAL AND ADMINISTRATIVE	FUNDRAISING	TOTAL
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

CLAY COUNTY EDUCATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

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 to serve a complementary role to the Clay County Public School System, 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, 2011 AND 2010

Support & Revenue, Continued

The major sources of revenue for the Foundation are the State of Florida Consortium Grant, License 4 Learning Program, O2BKids 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 O2BKids where sponsorships from local businesses were secured and monetary donations were made through the O2BKids event. The Fundraising events accounted for 25% and 29% of total revenues for 2011 and 2010 fiscal years, respectively.

CLAY COUNTY EDUCATION FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

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) and Florida State College, Jacksonville (FSCJ). 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 2011 and 2010, respectively for SJRCC was \$1,563 and \$631 and FSCJ was \$618 and \$618.

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 Deposit Insurance Corporation.

NOTE 4 DONOR RESTRICTED NET ASSETS

The Foundation received funds for college scholarships in the 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.

NOTE 5 SIGNIFICANT CHANGES IN THE FOUNDATIONS ACTIVITIES

The Foundation, after unanimous Board approval, has discontinued awarding student scholarships after being informed that additional regulatory requirements would be imposed by the State for all entities providing scholarships. This change was implemented during the fiscal year end June 30, 2011. However, upon further changes, the Board has been informed these restrictions are not applicable to the Foundation and the Board will continue further discussion whether they will grant scholarship money to students in the foreseeable future.

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**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 Foundation, Inc.
Green Cove Springs, FL

We have audited the financial statements of the Clay County Education Foundation, Inc. (a non-profit organization) as of and for the year ended June 30, 2011, and have issued our report thereon dated September 10, 2011. 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 the 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 a 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.

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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*.

We noted certain matters that we reported to management of the Clay County Education Foundation, Inc. in a separate letter dated September 14, 2011.

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



William G. Haeberle, CPA, LLC

Jacksonville, FL

September 10, 2011

