

**Jacksonville Public
Education Fund, Inc.**
(A Not-for-Profit Organization)

Financial Statements
June 30, 2013
and
June 30, 2012

Jacksonville Public Education Fund, Inc.
(A Not-for-Profit Organization)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Jacksonville Public Education Fund, Inc.

We have audited the accompanying financial statements of Jacksonville Public Education Fund, Inc. (a not-for-profit organization), which comprise the statements of financial position as of June 30, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

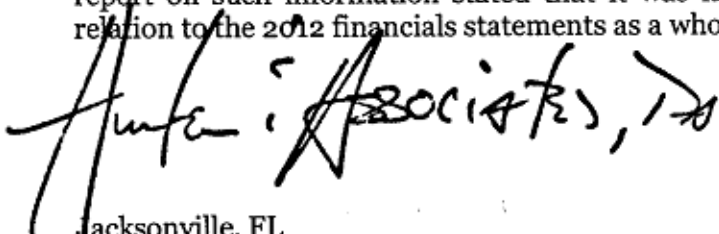
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jacksonville Public Education Fund, Inc. as of June 30, 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The financial statements of Jacksonville Public Education Fund, Inc. as of June 30, 2012, were audited by other auditors whose report dated September 24, 2012, expressed an unmodified opinion on those statements.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of operating expenses on page 9 is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole. The statement of operating expenses on page 10 was subjected to the auditing procedures applied in the 2012 audit of the basic financial statements by other auditors, whose report on such information stated that it was fairly stated in all material respects in relation to the 2012 financial statements as a whole.



Jacksonville, FL
September 29, 2013

Jacksonville Public Education Fund, Inc.
Statements of Financial Position
As of June 30, 2013 and 2012

Assets		
	<u>2013</u>	<u>2012</u>
Current Assets		
Cash and cash equivalents	\$ 1,705,705	\$ 1,450,707
Total Current Assets	<u>1,705,705</u>	<u>1,450,707</u>
Furniture and Equipment		
Office furniture and equipment	87,350	73,845
Less, accumulated depreciation	<u>(38,390)</u>	<u>(25,859)</u>
Total Property and Equipment	<u>48,960</u>	<u>47,986</u>
Total Assets	<u>\$ 1,754,666</u>	<u>\$ 1,498,693</u>
Liabilities and Net Assets		
	<u>2013</u>	<u>2012</u>
Liabilities		
Accounts payable and accrued expenses	\$ 13,292	\$ 10,128
Total Liabilities	<u>13,292</u>	<u>10,128</u>
Net Assets		
Unrestricted	1,412,278	899,478
Temporarily restricted	<u>329,096</u>	<u>589,087</u>
Total Net Assets	<u>1,741,374</u>	<u>1,488,565</u>
Total Liabilities and Net Assets	<u>\$ 1,754,666</u>	<u>\$ 1,498,693</u>

Jacksonville Public Education Fund, Inc.
Statements of Activities
For the Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Changes in Unrestricted Net Assets		
Support and Revenues:		
Contributions and grants	\$ 1,153,324	\$ 1,038,062
Interest income	<u>10,256</u>	<u>8,042</u>
Total unrestricted support and revenues	1,163,580	1,046,104
Net assets released from restrictions	<u>1,395,864</u>	<u>265,821</u>
Total Unrestricted Net Assets	<u>2,559,444</u>	<u>1,311,925</u>
 Operating Expenses		
JPEF	1,202,497	1,222,731
Fiscal Agency	<u>844,148</u>	<u>333,208</u>
Total Expenses	<u>2,046,645</u>	<u>1,555,939</u>
 Increase (Decrease) in Unrestricted Net Assets	 <u>512,799</u>	 <u>(244,014)</u>
 Changes in Temporarily Restricted Net Assets		
Support and Revenues:		
Contributions and grants	1,135,873	582,633
Net assets released from restrictions	<u>(1,395,864)</u>	<u>(265,821)</u>
 Increase (Decrease) in Temporarily Restricted Net Assets	 <u>(259,991)</u>	 <u>316,812</u>
 Increase (Decrease) in Net Assets	 <u>252,808</u>	 <u>72,798</u>
 Net Assets, Beginning of Year	 <u>1,488,565</u>	 <u>1,415,767</u>
Net Assets, End of Year	<u>\$ 1,741,373</u>	<u>\$ 1,488,565</u>

Jacksonville Public Education Fund, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
(Decrease) increase in net assets	\$ 252,809	\$ 72,798
Adjustments:		
Depreciation	12,531	11,928
(Increase) decrease in assets and liabilities:		
Accounts receivable	-	66,659
Accounts payable and accrued expenses	49,164	8,858
	314,504	160,243
Net Cash Provided by (Used in) Operating Activities	314,504	160,243
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of property and equipment	(13,506)	(22,677)
	(13,506)	(22,677)
Net Cash Provided by (Used in) Investing Activities	(13,506)	(22,677)
NET INCREASE (DECREASE) IN CASH	300,998	137,566
CASH AND CASH EQUIVALENTS:		
Beginning of year	<u>1,450,707</u>	<u>1,313,141</u>
End of year	<u>\$ 1,705,705</u>	<u>\$ 1,450,707</u>

Jacksonville Public Education Fund, Inc.
Notes to Financial Statements
Years Ended June 30, 2013 and 2012

Note A - Summary Significant Accounting Policies

Organization and Purpose

The Jacksonville Public Education Fund (the "Organization"), formerly known as The Alliance for World Class Education, is a not-for-profit corporation established in 1985, which provides support to public schools in Duval County through a variety of programs, with particular focus on at-risk students and low-performing schools. The Organization is supported primarily through individual, foundation and corporate contributions and is located in Jacksonville, Florida.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the FASB ASC topic 958 on *Not-for-Profit Entities*. Under this topic, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid short-term investments with an original maturity of three months or less to be cash equivalents. The Organization maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. As of June 30, 2013 and 2012 there were balances of \$607,462 and \$0 respectively, in excess of the Federal Deposit Insurance Corporation (FDIC) limits.

Estimates

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

Contributions

The Organization also follows FASB ASC topic 958 on *Not-for-Profit Entities for Contributions*. Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence or nature of a donor restriction. Material, non-cash contributions are recorded at their estimated fair market value at the date of the donation. During the years ended June 30, 2013 and 2012, donated goods and services of \$32,983 and \$27,362, respectively, were received and are also included in operating expenses.

Jacksonville Public Education Fund, Inc.
Notes to Financial Statements
Years Ended June 30, 2013 and 2012

Note A - Summary Significant Accounting Policies (continued)

Property and Equipment

It is the Organization's policy to capitalize property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose.

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are recorded as restricted contributions. Absent donor stipulations the Organization classifies donated and acquired assets as unrestricted support.

Property and equipment are depreciated using the straight-line method. Depreciation expense for the years ended June 30, 2013 and 2012 was \$12,531 and \$11,928 respectively.

Income Taxes

The Organization has received a tax determination letter dated May 19, 1988 exempting the Organization from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

The Organization takes positions which it believes are adhering to the laws established by the taxing authorities. The Organization doesn't believe it has taken any uncertain tax positions which could subject it to penalties or interest; therefore, none have been accrued in the accompanying financial statements. The taxing authorities have the right to audit the Organization's book for the current and last three open tax years which are 2013, 2012, 2011, and 2010.

Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. General operations expense includes those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Board of Directors.

Subsequent Events

The organization has evaluated subsequent events through September 29, 2013, the date the financial statements were available to be issued.

Jacksonville Public Education Fund, Inc.
Notes to Financial Statements
Years Ended June 30, 2013 and 2012

Note B – Endowment Fund

The Organization established funds with The Community Foundation of Northeast Florida, Inc. (the Endowment Fund). The purpose of these funds is to improve the quality of public education in Duval County. The funds are the property of The Community Foundation in Jacksonville, which shall have the ultimate authority and control over all property in the funds. All amounts relating to these funds are excluded from the accompanying financial statements. The balance of the Endowment Fund at June 30, 2013 and 2012 was \$16,013 and \$14,989 respectively; the loss from the Endowment Fund was \$78 and \$116 for the periods then ended. Any income balances are available to the Organization for board-designated expenditures.

Note C – Restrictions on Net Assets

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished). All other donor-restricted support is reported as an increase in temporarily restricted net assets.

Note D – License Plate Revenues

The expenditures of the funds received from the State of Florida Department of Highway Safety and Motor Vehicles were made in accordance with Section 320.08056 and 320.08058, Florida Statutes. These statutes require the funds to be used for enhancement of educational programs, and specifically exclude commercial or for-profit activities, or general or administrative expenses, except to pay the cost of the independent audit required by law.

Note E – Leases

The Organization leases office space and certain equipment under operating leases expiring in various years through 2015.

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of June 30, 2013, for each of the next two years and in the aggregate are:

Year Ended June 30,	Amount
2014	\$ 46,470
2015	23,477
Thereafter	-
Total	\$ <u>69,947</u>

Rental expense for these leases totaled \$45,516 and \$44,579 for the years ended June 30, 2013 and 2012 respectively. These amounts are included in operating expenses.

Jacksonville Public Education Fund, Inc.
Statement of Operating Expenses
For the year ended June 30, 2013

	<u>JPEF</u>	<u>Fiscal Agency</u>	<u>Total</u>
Advertising expense	\$ 2,433	\$ -	\$ 2,433
Books and subscriptions	470	-	470
Computer software	9,660	-	9,660
Contract and grants	21,560	622,817	644,377
Contracted services	240,328	78,430	318,758
Depreciation expense	12,531	-	14,834
Dues and fees	10,821	75	10,896
Equipment	1,122	780	1,902
Insurance expense	1,737	-	1,737
Medical and benefits	73,895	-	73,895
Meeting expense	54,907	31,154	86,061
Other expenses	1,268	4,191	5,459
Parking and other occupancy	5,895	-	5,895
Postage expense	6,993	-	6,993
Printing and copying	24,249	-	24,249
Professional services	26,743	720	27,463
Rent expense	45,412	-	45,412
Salaries	520,723	-	520,723
Supplies expense	43,661	91,933	133,291
Taxes	46,603	-	46,603
Telephone expense	7,250	-	7,250
Training	33,779	-	33,779
Travel	10,457	14,048	24,505
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Total Expenses	\$ 1,202,497	\$ 844,148	\$ 2,046,645
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See Independent Auditor's Report and Notes to Financial Statements

Jacksonville Public Education Fund, Inc.
Statement of Operating Expenses
For the year ended June 30, 2012

	<u>JPEF</u>	<u>Fiscal Agency</u>	<u>Total</u>
Books, subscriptions, other	\$ 283	\$ -	\$ 283
Computer software	3,423	-	3,423
Contracts, grants	173,750	112,484	286,234
Contracted services	247,298	65,425	312,723
Depreciation expense	11,928	-	11,928
Dues and fees	6,200	-	6,200
Equipment	5,316	-	5,316
Insurance	2,704	-	2,704
Medical and benefits	66,330	-	66,330
Meeting expense	30,735	22,677	53,412
Other expenses	3,170	17,770	20,940
Parking, other occupancy	5,349	-	5,349
Postage	2,814	22	2,836
Printing and copying	17,389	-	17,389
Professional services	18,103	-	18,103
Rent	44,579	-	44,579
Salaries	474,341	-	474,340
Supplies	41,465	103,301	144,766
Taxes	36,718	-	36,718
Telephone	7,350	63	7,413
Training	15,525	-	15,525
Travel and entertainment	7,961	11,466	19,427
Total Expenses	<u>\$ 1,222,731</u>	<u>\$ 333,208</u>	<u>\$ 1,555,939</u>