

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

Financial Statements
June 30, 2015
and
June 30, 2014

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

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Independent Auditor's 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, 2015, and 2014, and the related statements of activities and cash flows for the years 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 our 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.

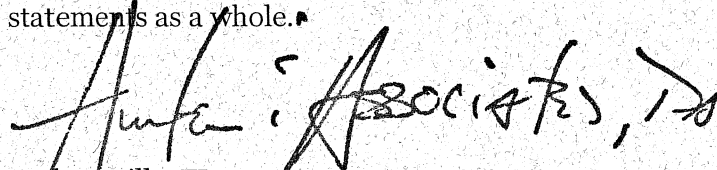
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Opinion

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, 2015, and 2014 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statements of operating expenses on pages 9 and 10 are presented for the purposes of additional analysis and are 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.


Jacksonville, FL
October 2, 2015

Jacksonville Public Education Fund, Inc.
Statements of Financial Position
As of June 30, 2015 and 2014

	Assets	
	<u>2015</u>	<u>2014</u>
Current Assets		
Cash and cash equivalents	\$ 1,895,027	\$ 2,577,409
Accounts receivable	8,006	-
Pledges receivable	165,000	-
Funds held in trust by others	<u>2,743</u>	<u>-</u>
Total Current Assets	<u>2,070,776</u>	<u>2,577,409</u>
Fixed Assets		
Furniture, equipment and leasehold improvements	208,663	103,472
Less, accumulated depreciation	<u>(52,455)</u>	<u>(54,873)</u>
Total Furniture and Equipment	<u>156,208</u>	<u>48,599</u>
Total Assets	<u><u>\$ 2,226,984</u></u>	<u><u>\$ 2,626,008</u></u>
Liabilities and Net Assets		
	<u>2015</u>	<u>2014</u>
Liabilities		
Accounts payable and accrued expenses	\$ 210,270	\$ 33,243
Funds held for others	<u>176,096</u>	<u>484,746</u>
Total Liabilities	<u>386,366</u>	<u>517,989</u>
Net Assets		
Unrestricted	1,480,567	1,504,813
Temporarily restricted	<u>360,051</u>	<u>603,206</u>
Total Net Assets	<u>1,840,618</u>	<u>2,108,019</u>
Total Liabilities and Net Assets	<u><u>\$ 2,226,984</u></u>	<u><u>\$ 2,626,008</u></u>

See Independent Auditor's Report and Notes to Financial Statements

Jacksonville Public Education Fund, Inc.
Statements of Activities
For the Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Changes in Unrestricted Net Assets		
Support and Revenues:		
Contributions and grants	\$ 1,208,353	\$ 1,187,301
Interest income	13,095	12,647
Total unrestricted support and revenues	1,221,448	1,199,948
Net assets released from restrictions	811,192	1,181,914
Total Unrestricted Net Assets	<u>2,032,640</u>	<u>2,381,862</u>
 Operating Expenses:		
JPEF	1,881,242	1,870,337
Fiscal Agency	175,643	418,990
Total Expenses	<u>2,056,885</u>	<u>2,289,327</u>
 Increase (Decrease) in Unrestricted Net Assets	<u>(24,245)</u>	<u>92,535</u>
 Changes in Temporarily Restricted Net Assets		
Support and Revenues:		
Contributions and grants	568,037	1,543,951
Prior period adjustment to net assets	-	(87,928)
Net assets released from restrictions	<u>(811,192)</u>	<u>(1,181,914)</u>
 Increase (Decrease) in Temporarily Restricted Net Assets	<u>(243,155)</u>	<u>274,109</u>
 Increase (Decrease) in Net Assets	<u>(267,400)</u>	<u>366,644</u>
 Net Assets, Beginning of Year	<u>2,108,018</u>	<u>1,741,374</u>
Net Assets, End of Year	<u><u>\$ 1,840,618</u></u>	<u><u>\$ 2,108,018</u></u>

See Independent Auditor's Report and Notes to Financial Statements

Jacksonville Public Education Fund, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Increase(decrease) in net assets	\$ (267,400)	\$ 366,645
Adjustments:		
Depreciation	18,819	16,484
Decrease(increase) in assets and liabilities:		
Accounts receivable	(8,006)	-
Pledges receivable	(165,000)	-
Funds held in trust by others	(2,743)	-
Accounts payable and accrued expenses	177,027	19,951
Funds held for others	<u>(308,650)</u>	<u>484,746</u>
Net Cash Provided by (Used in) Operating Activities	<u>(555,953)</u>	<u>887,826</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of property and equipment	<u>(126,429)</u>	<u>(16,122)</u>
Net Cash (Used in) Investing Activities	<u>(126,429)</u>	<u>(16,122)</u>
NET INCREASE (DECREASE) IN CASH	(682,382)	871,704
CASH AND CASH EQUIVALENTS:		
Beginning of year	<u>2,577,409</u>	<u>1,705,705</u>
End of year	<u><u>\$ 1,895,027</u></u>	<u><u>\$ 2,577,409</u></u>

Jacksonville Public Education Fund, Inc.
Notes to Financial Statements
Years Ended June 30, 2015 and 2014

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 generally accepted in the United States of America. Accordingly, the financials 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.

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.

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 current Federal Deposit Insurance Corporation (FDIC) insured limit is \$250,000 per depositor at each financial institution. The Organization has not experienced any losses in such accounts and believes it is not exposed to significant credit risk on its cash and cash equivalents.

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*. 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, 2015 and 2014, donated goods and services of \$37,091 and \$44,169, respectively, were received and are also included in operating expenses.

Jacksonville Public Education Fund, Inc.
Notes to Financial Statements
Years Ended June 30, 2015 and 2014

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 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, 2015 and 2014 was \$18,819 and \$16,484 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 2014, 2013, 2012 and 2011.

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.

The following are the descriptions of the operating expense categories in the financial statements:

JPEF – General operating expenses related to the Organization.

Fiscal Agency – The Organization routinely accepts grant monies and other donations on behalf of a recipient. As such, the Organization takes responsibly for receiving and safeguarding the funds of recipients and providing other services that facilitate the disbursement of funds between donor and recipient. The Jacksonville Public Education Fund only acts as a fiscal agent for funds that align with the mission and vision of the organization.

Jacksonville Public Education Fund, Inc.
Notes to Financial Statements
Years Ended June 30, 2015 and 2014

Note A - Summary Significant Accounting Policies (continued)

Pledges Receivable

Pledges receivable consist of amounts that were promised to the Organization and will be paid within one year of promise. Pledges receivable are carried at original amount less an estimate made for doubtful receivables based on a review of all outstanding amounts. Management believes that all pledges receivable are collectible and that no reserve is necessary for fiscal year 2015.

Funds Held for Others

The Organization administers certain other funds for others, which are reflected as a liability, funds held for others, on the accompanying statements of financial position.

Reclassifications

Certain amounts in the 2014 financial statements have been adjusted to conform to with presentation in the 2015 financial statements.

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, 2015 and 2014 was \$18,393 and \$18,183 respectively; the gain/(loss) from the Endowment Fund was \$(230) and \$1,019 for the periods then ended. Any income balances are available to the Organization for board-designated expenditures.

Note C – 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 D – Leases

The Organization leases office space and certain equipment under operating leases expiring in various years through 2025.

Jacksonville Public Education Fund, Inc.
Notes to Financial Statements
Years Ended June 30, 2015 and 2014

Note D – Leases (continued)

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of June 30, 2015, for each of the next five years and in the aggregate are:

Year Ended June 30	Amount
2016	\$ 46,317
2017	47,707
2018	49,138
2019	50,612
2020	52,130
Thereafter	<u>285,071</u>
Total	\$ <u>530,975</u>

Rental expense for these leases totaled \$49,684 and \$45,001 for the years ended June 30, 2015 and 2014 respectively. These amounts are included in operating expenses.

Note E – Subsequent Events

The organization has evaluated subsequent events through October 2, 2015, the date the financial statements were available to be issued. There were no events that require adjustments to or disclosure in the Organization's financial statements for the year ended June 30, 2015.

Jacksonville Public Education Fund, Inc.
Statement of Operating Expenses
For the Year Ended June 30, 2015

	<u>JPEF</u>	<u>Fiscal Agency*</u>	<u>Total</u>
Advertising expense	\$ 29,645	\$ -	\$ 29,645
Books and subscriptions	228	-	228
Computer software	13,257	2,600	15,857
Contract and grants	162,639	42,116	204,755
Contracted services	325,648	45,250	370,898
Depreciation expense	18,819	-	18,819
Dues and fees	17,477	-	17,477
Equipment	-	-	-
Insurance expense	6,791	-	6,791
Medical and benefits	115,121	-	115,121
Meeting expense	45,068	21,533	66,601
Other expenses	10,352	2,798	13,150
Parking and other occupancy	9,245	-	9,245
Postage expense	10,897	1,378	12,275
Printing and copying	20,784	178	20,962
Professional services	21,634	-	21,634
Rent expense	49,684	-	49,684
Salaries	807,408	-	807,408
Supplies expense	60,160	47,769	107,929
Taxes	65,958	-	65,958
Telephone expense	8,792	-	8,792
Training	60,968	750	61,718
Travel	20,667	11,271	31,938
Total Expenses	\$ 1,881,242	\$ 175,643	\$ 2,056,885

*For description see Note A in Notes to Financial Statements

Jacksonville Public Education Fund, Inc.
Statement of Operating Expenses
For the Year Ended June 30, 2014

	<u>JPEF</u>	<u>Fiscal Agency*</u>	<u>Total</u>
Advertising expense	\$ 27,918	\$ -	\$ 27,918
Books, subscriptions, other	630	-	630
Computer software	13,818	-	13,818
Contracts, grants	430,125	222,063	652,188
Contracted services	258,359	83,820	342,179
Depreciation expense	16,484	-	16,484
Dues and fees	22,042	42	22,084
Equipment	649	1,835	2,484
In-kind expense	44,169	-	44,169
Insurance expense	5,710	-	5,710
Medical and benefits	90,702	-	90,702
Meeting expense	32,392	34,049	66,441
Other expenses	1,213	22,610	23,823
Parking and other occupancy	8,550	-	8,550
Postage expense	3,317	400	3,717
Printing and copying	18,577	-	18,577
Professional services	17,698	-	17,698
Rent expense	45,001	-	45,001
Salaries	654,774	-	654,774
Supplies expense	35,028	50,322	85,350
Taxes	55,826	-	55,826
Telephone expense	6,540	-	6,540
Training	61,121	-	61,121
Travel	19,694	3,849	23,543
Total Expenses	\$ 1,870,337	\$ 418,990	\$ 2,289,327

*For description see Note A in Notes to Financial Statements