

*Financial Statements*

**Alliance For World Class Education  
(A Not-For-Profit Corporation)**

**Years Ended December 31, 2008 and 2007**

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CERTIFIED PUBLIC ACCOUNTANTS  
AND BUSINESS CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

Board of Directors  
Alliance for World Class Education  
Jacksonville, Florida

We have audited the accompanying statements of financial position of the Alliance for World Class Education (a not-for-profit corporation) as of December 31, 2008 and 2007 and the related statements of activities, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 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 audits provide 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 the Alliance for World Class Education as of December 31, 2008 and 2007 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.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The statements of operating expenses on pages 9 and 10 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Masters, Smith & Wisby, P.A.*

Certified Public Accountants

February 06, 2009

ALLIANCE FOR WORLD CLASS EDUCATION  
(A NOT-FOR-PROFIT CORPORATION)

STATEMENTS OF FINANCIAL POSITION

<u>ASSETS</u>	December 31	
	2008	2007
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 750,218	\$ 519,841
Accounts receivable	7,324	11,288
Promises to give	-	8,900
Total Current Assets	757,542	540,029
<b>Property and Equipment:</b>		
Office furniture and equipment	2,683	2,683
Computer equipment	4,830	3,826
Leasehold improvements	10,000	10,000
	17,513	16,509
Less, accumulated depreciation	6,501	5,549
Total Property and Equipment	11,012	10,960
Total Assets	\$ 768,554	\$ 550,989
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Liabilities:</b>		
Accounts payable	\$ 32,269	\$ 36,418
Total Liabilities, all current	32,269	36,418
<b>Net Assets:</b>		
Unrestricted	14,807	25,150
Temporarily restricted	721,478	489,421
Total Net Assets	736,285	514,571
Total Liabilities and Net Assets	\$ 768,554	\$ 550,989

See notes to financial statements

ALLIANCE FOR WORLD CLASS EDUCATION  
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STATEMENTS OF ACTIVITIES

	Years Ended December 31	
	2008	2007
<b>Changes in Unrestricted Net Assets:</b>		
Support and Revenue:		
Contributions	\$ 372,602	\$ 697,145
License plate revenue	20,717	22,352
Interest income	14,745	16,209
	408,064	735,706
<b>Net Assets Released from Restrictions:</b>		
Restrictions satisfied by payments	466,831	176,542
	874,895	912,248
<b>Operating Expenses:</b>		
Program Services:		
District	217,926	480,960
Programs	433,703	461,970
Scholarships	8,428	3,713
School accounts	60,735	12,162
Supporting Services:		
General operations	164,446	56,357
	885,238	1,015,162
<b>Total Operating Expenses</b>	<b>885,238</b>	<b>1,015,162</b>
<b>Change in Unrestricted Net Assets</b>	<b>(10,343)</b>	<b>(102,914)</b>
<b>Changes in Temporarily Restricted Net Assets:</b>		
Contributions:		
Career Academies	105,072	-
Districts	144,376	349,817
Educators of Change	50,000	-
Grants	315,869	-
PASS	67,000	15,000
Schools	15,588	17,694
Scholarship donations	983	36,150
Net assets released from restrictions	(466,831)	(176,542)
	232,057	242,119
<b>Change in Temporarily Restricted Net Assets</b>	<b>232,057</b>	<b>242,119</b>
<b>Change in Net Assets</b>	<b>221,714</b>	<b>139,205</b>
<b>Net Assets, Beginning of Period</b>	<b>514,571</b>	<b>375,366</b>
<b>Net Assets, End of Period</b>	<b>\$ 736,285</b>	<b>\$ 514,571</b>

See notes to financial statements

ALLIANCE FOR WORLD CLASS EDUCATION  
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STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2008	2007
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 221,714	\$ 139,205
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation and amortization	2,750	1,121
Change in assets and liabilities:		
Accounts receivable and promises to give	12,864	2,462
Accounts payable	(4,149)	5,171
	233,179	147,959
Net Cash Flows from Operating Activities		
<b>Cash Flows from Investing Activities:</b>		
Purchase of property and equipment	(2,802)	(1,000)
Net Cash Flows from Investing Activities	(2,802)	(1,000)
Net Change in Cash and Cash Equivalents	230,377	146,959
Cash and Cash Equivalents, Beginning of Period	519,841	372,882
Cash and Cash Equivalents, End of Period	\$ 750,218	\$ 519,841

See notes to financial statements

ALLIANCE FOR WORLD CLASS EDUCATION  
(A NOT-FOR-PROFIT CORPORATION)

NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2008 and 2007

A. Summary of Significant Accounting Policies:

Organization and Purpose:

The Alliance for World Class Education is a not-for-profit corporation established in 1985, which provides direct support to the Duval County School Board through a variety of programs that benefit students and school district employees and promotes public education in Duval County. The Foundation is supported primarily through corporate and individual contributions and is located in Jacksonville, Florida.

On January 1, 2009, the Organization changed its name to Jacksonville Public Education Fund.

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 Financial Accounting Standards Board in its statement of Financial Accounting Standards (SFAS) No. 117, Financial Statement of Not-For-Profit Organizations. Under SFAS No. 117, 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 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 Company has not experienced any losses in such accounts. Cash in excess of insured limits was \$447,753 at December 31, 2008.

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.

Contributions:

The Organization has also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made." 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.

ALLIANCE FOR WORLD CLASS EDUCATION  
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NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2008 and 2007  
(Continued)

A. Summary of Significant Accounting Policies (continued):

Property and Equipment:

It is the Foundation'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 regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method. Depreciation expense for the years ended December 31, 2008 and 2007 was \$2,750 and \$1,121, 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.

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.

B. Endowment Fund:

The Organization established funds with the Jacksonville Community Foundation (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 Jacksonville Community Foundation, 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 at December 31, 2008 and 2007 was \$11,865 and \$16,348, respectively. The income (loss) from the Endowment fund was (\$4,232) and \$1,551 at December 31, 2008 and 2007, respectively. The income balance is available to the Organization for board-designated expenditures.

C. Restrictions on Net Assets:

Temporarily restricted net assets are available for student scholarships and for the promotion of public education in Duval County.



ALLIANCE FOR WORLD CLASS EDUCATION  
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NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2008 and 2007  
(Continued)

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.

**ADDITIONAL INFORMATION**

**ALLIANCE FOR WORLD CLASS EDUCATION  
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**STATEMENT OF OPERATING EXPENSES  
Year Ended December 31, 2008**

	Program Services				Supporting Services	Total
	District	Programs	Scholarships	School Accounts		
Books	\$ 1,359	\$ 483	\$ -	\$ -	\$ 16	\$ 1,858
Communications	861	861	-	-	191	1,913
Computer software	-	4,494	-	-	185	4,679
Contracted services	-	106,139	-	830	1,762	108,731
Curriculum enhancement	-	1,347	-	-	-	1,347
Dues and fees	50	183	-	95	6,770	7,098
Equipment	-	1,825	2,060	-	57	3,942
Insurance	-	100	-	-	2,764	2,864
Meeting expense	11,093	88,125	-	6,325	5,605	111,148
Postage	80	817	-	-	754	1,651
Professional services	126,349	71,084	-	22,872	117,438	337,743
Recognition	6,485	21,599	900	75	5,525	34,584
Salaries	43,619	43,619	-	-	9,692	96,930
Medical and benefits	10,395	10,395	-	-	2,309	23,099
Miscellaneous	2,702	1,472	-	28,438	530	33,142
Scholarships	5,000	-	5,468	100	-	10,568
Supplies	2,361	75,354	-	2,000	8,061	87,776
Training	-	-	-	-	580	580
Travel and entertainment	6,334	4,568	-	-	1,933	12,835
<b>Total Before Depreciation Expense</b>	<b>216,688</b>	<b>432,465</b>	<b>8,428</b>	<b>60,735</b>	<b>164,172</b>	<b>882,488</b>
Depreciation expense	1,238	1,238	-	-	274	2,750
<b>Total Operating Expenses</b>	<b>\$ 217,926</b>	<b>\$ 433,703</b>	<b>\$ 8,428</b>	<b>\$ 60,735</b>	<b>\$ 164,446</b>	<b>\$ 885,238</b>

See Independent Auditors' Report

**ALLIANCE FOR WORLD CLASS EDUCATION  
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**STATEMENT OF OPERATING EXPENSES  
Year Ended December 31, 2007**

	Program Services				Supporting Services	Total	
	District	Programs	Scholarships	School Accounts			General Operations
Books	\$ -	\$ 27,500	\$ -	\$ 752	\$ 280	\$ 28,532	
Communications	644	644	-	-	143	1,431	
Computer software	-	66	-	-	2,135	2,201	
Contracted services	-	174,555	-	1,355	1,575	177,485	
Curriculum enhancement	415,294	2,914	-	500	-	418,708	
Dues and fees	-	509	-	-	8,997	9,506	
Equipment	-	171	-	-	12,364	12,535	
Insurance	-	-	-	-	2,658	2,658	
Meeting expense	292	106,018	-	75	1,066	107,451	
Postage	23	939	-	-	874	1,836	
Professional technology	500	64,666	-	-	4,113	69,279	
Recognition	58	14,814	-	5,125	5,694	25,691	
Salaries	33,077	33,077	-	-	7,351	73,505	
Medical and benefits	8,983	8,983	-	-	1,996	19,962	
Miscellaneous	-	-	-	2,305	-	2,305	
Scholarships	5,000	-	3,500	192	-	8,692	
Supplies	13,185	13,185	-	-	2,931	29,301	
Training	-	605	-	-	325	930	
Travel and entertainment	3,400	12,820	213	1,858	3,742	22,033	
<b>Total Before Depreciation Expense</b>	<b>480,456</b>	<b>461,466</b>	<b>3,713</b>	<b>12,162</b>	<b>56,244</b>	<b>1,014,041</b>	
Depreciation expense	504	504	-	-	113	1,121	
<b>Total Operating Expenses</b>	<b>\$ 480,960</b>	<b>\$ 461,970</b>	<b>\$ 3,713</b>	<b>\$ 12,162</b>	<b>\$ 56,357</b>	<b>\$ 1,015,162</b>	

See Independent Auditors' Report