



# Richmond Academy of Medicine Trust

## Financial Statements (Compiled)

October 31, 2018

# ***Richmond Academy of Medicine Trust***

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## ***Independent Accountant's Compilation Report***

Board of Directors  
Richmond Academy of Medicine Trust  
Richmond, Virginia

Management is responsible for the accompanying financial statements of Richmond Academy of Medicine Trust, which comprise the statement of financial position as of October 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

### ***Other Matter-Supplementary Information***

The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

*Mitchell Wiggins*

Richmond, Virginia  
February 5, 2019

***Richmond Academy of Medicine Trust***

***Statement of Financial Position***

***October 31, 2018***

**Assets**

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**Current Assets**

Cash	<b>\$ 294,917</b>
Grants and contributions receivable	<b>25,000</b>
Prepaid expenses	<b>1,293</b>
<b>Total current assets</b>	<b><u>321,210</u></b>

Property and equipment, net	<b>2,667</b>
<b>Total assets</b>	<b><u>\$ 323,877</u></b>

**Liabilities and Net Assets**

**Current Liabilities**

Accounts payable and accrued expenses	<b>\$ 91,882</b>
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**Net Assets**

Unrestricted	<b><u>231,995</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 323,877</u></b>

*See Notes to Financial Statements and Independent Accountant's Compilation Report*

## ***Richmond Academy of Medicine Trust***

### ***Statement of Activities***

***Year Ended October 31, 2018***

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#### **Changes in Unrestricted Net Assets**

Revenues and support	
Contributions	
Related party	\$ 50,000
Corporate and foundation	242,115
Individual	6,545
	<u>298,660</u>
Registration fees	2,075
<b>Total revenues and support</b>	<u><b>300,735</b></u>
Expenses	
Program	171,728
Fundraising	17,394
Administrative and general	34,957
<b>Total expenses</b>	<u><b>224,079</b></u>
<b>Change in net assets</b>	<b>76,656</b>
Net assets, beginning	<u>155,339</u>
Net assets, ending	<u><b>\$ 231,995</b></u>

*See Notes to Financial Statements and Independent Accountant's Compilation Report*

***Richmond Academy of Medicine Trust***

***Statement of Functional Expenses  
Year Ended October 31, 2018***

	<b><u>Program Services</u></b>		<b>Administrative</b>	
	<b>Honoring</b>	<b>Fundraising</b>	<b>and General</b>	<b>Total</b>
	<b>Choices</b>			
Contract services	\$ 115,357	\$ 16,738	\$ 24,570	\$156,665
Consulting	2,000	-	-	2,000
Training	28,710	-	-	28,710
Meetings	18,502	-	1,653	20,155
Professional fees	-	-	5,312	5,312
Equipment & technology expenses	6,638	656	1,261	8,555
Printing and copying	-	-	30	30
Office supplies	336	-	258	594
Travel	99	-	-	99
Other	5	-	1,150	1,155
Depreciation	-	-	495	495
Postage	-	-	63	63
Dues & subscriptions	81	-	-	81
Insurance	-	-	165	165
	<b>\$ 171,728</b>	<b>\$ 17,394</b>	<b>\$ 34,957</b>	<b>\$224,079</b>

*See Notes to Financial Statements and Independent Accountant's Compilation Report*

## ***Richmond Academy of Medicine Trust***

### ***Statement of Cash Flows Year Ended October 31, 2018***

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<b>Cash Flows from Operating Activities</b>	
Change in net assets	\$ 76,656
 <i>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities</i>	
Depreciation	495
<i>Changes in operating assets</i>	
Contributions receivable	(25,000)
Prepaid expenses	1,768
<i>Changes in operating liabilities</i>	
Accounts payable and accrued expenses	22,917
Deferred revenue	(225)
<b>Net cash provided by operating activities</b>	<u>76,611</u>
 <b>Cash Flows from Investing Activities</b>	
Purchase of property and equipment	<u>(2,476)</u>
<b>Net cash (used in) investing activities</b>	<u>(2,476)</u>
 <b>Net change in cash</b>	<b>74,135</b>
 Cash, beginning	<u>220,782</u>
 Cash, ending	<u><b>\$ 294,917</b></u>

*See Notes to Financial Statements and Independent Accountant's Compilation Report*

# ***Richmond Academy of Medicine Trust***

## ***Notes to Financial Statements***

***October 31, 2018***

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### ***Note 1. Nature of Organization and Summary of Significant Accounting Policies***

#### ***Nature of organization***

Richmond Academy of Medicine Trust (the Organization) is a nonprofit trust established under the laws of Virginia with a sole member, Richmond Academy of Medicine, Inc. The Organization inspires philanthropy and mobilizes resources to enrich lives in the Greater Richmond Metropolitan region.

Current initiatives of the Organization include Honoring Choices Virginia, a regional collaborative of the Richmond area health systems and Richmond Academy of Medicine, Inc., to promote community-wide awareness of advance care planning, and Richmond Academy of Medicine Endowed Scholarship at Virginia Commonwealth University School of Medicine.

A summary of the Organization's significant accounting policies follows:

#### ***Financial statement presentation***

Under current accounting standards, the Organization 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.

Unrestricted net assets include amounts available to be used currently for the general operations of the Organization. Temporarily and permanently restricted net assets include contributions restricted by donor designation. When a restriction expires either with the passage of time or by actions of the Organization, temporarily restricted net assets are released and reclassified to unrestricted net assets. Currently, the Organization does not have any temporarily or permanently restricted net assets.

Contributions received are considered to be available for unrestricted use, unless specifically restricted by the donor or subject to other legal restrictions.

#### ***Cash and cash equivalents***

The Organization considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents. The Organization, at times, may have cash and investments in excess of insured limits. The Organization's cash is in institutions whose credit ratings are monitored by management to minimize the concentrations of credit risk.



# ***Richmond Academy of Medicine Trust***

## ***Notes to Financial Statements***

***October 31, 2018***

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### ***Note 1. Nature of Organization and Summary of Significant Accounting Policies (continued)***

#### ***Grants and contributions receivable***

Grants and contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Grants and contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the grants and contributions are recognized.

Grants and contributions receivable are periodically evaluated for collectability based on past history and current financial condition. If necessary, an allowance for loss on grants and contributions receivable is provided based on management's evaluation of the collectability of individual amounts.

#### ***Property and equipment***

Acquisitions of property and equipment are recorded at cost. Major repairs and betterments are capitalized, and normal maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets.

At October 31, 2018, property and equipment consisted of computer equipment, net of accumulated depreciation of \$1,230.

#### ***Income tax***

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation. The Organization is subject to tax on any unrelated business income that it may generate.

The Financial Accounting Standards Board issued guidance on accounting for uncertainty in income taxes. Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that required adjustment to the financial statements to comply with the provisions of this guidance. With few exceptions, the Organization is no longer subject to income tax examinations by the taxing authorities for years ending before October 31, 2015.

The Organization includes penalties and interest assessed by income taxing authorities in administrative and general expenses. The Organization did not have penalties and interest relating to income taxes for the year ended October 31, 2018.

#### ***Functional expenses***

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among program and supporting services.

## ***Richmond Academy of Medicine Trust***

### ***Notes to Financial Statements***

***October 31, 2018***

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#### ***Note 1. Nature of Organization and Summary of Significant Accounting Policies (continued)***

##### ***Use of estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### ***Note 2. Related-Party Transactions***

Richmond Academy of Medicine, Inc. provided contributions of \$50,000 for the year ended October 31, 2018. In addition, the Organization included in its expenses \$133,204 in personnel support and \$34,280 in expense reimbursements to Richmond Academy of Medicine, Inc. during the year ended October 31, 2018.

At October 31, 2018, the Organization owed Richmond Academy of Medicine, Inc. \$89,046.

#### ***Note 3. Concentration of Contributions***

For the year ended October 31, 2018, there were five major contributors who accounted for approximately 84% of contributions. Contributions from these contributors for the year ended October 31, 2018 totaled \$250,000.

#### ***Note 4. Subsequent Events***

Richmond Academy of Medicine, Inc., the sole member of the Organization, voted on September 25, 2018, to establish Honoring Choices of Virginia as its own independent 501(c)(3) corporation with the Academy serving as its sole member. An application for exempt status has been filed with the Internal Revenue Service and is expected to be accepted during the calendar year end December 31, 2019.

Management has evaluated subsequent events through February 5, 2019, the date the financial statements were available to be issued.

**Richmond Academy of Medicine Trust**

**Schedule of Program Support**

**Year Ended October 31, 2018**

	Honoring Choices			Non-HCV	Total
	Program	Fundraising	Administrative and General	Administrative and General	
<b>Contributions</b>					
Related party	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
Corporate and foundation	210,000	-	-	-	210,000
Individual	-	6,545	-	-	6,545
	<b>260,000</b>	<b>6,545</b>	<b>-</b>	<b>-</b>	<b>266,545</b>
Registration fees	2,075	-	-	-	2,075
	<b>\$ 262,075</b>	<b>\$ 6,545</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 268,620</b>
<b>Expenses</b>					
Contract services	\$ 115,357	\$ 16,738	\$ 24,570	\$ -	\$ 156,665
Consulting	2,000	-	-	-	2,000
Training	28,710	-	-	-	28,710
Meetings	18,502	-	1,653	-	20,155
Professional fees	-	-	247	5,065	5,312
Equipment & technology expenses	6,638	656	1,261	-	8,555
Printing and copying	-	-	30	-	30
Office supplies	336	-	258	-	594
Travel	99	-	-	-	99
Other	5	-	1,150	-	1,155
Depreciation	-	-	495	-	495
Postage	-	-	63	-	63
Dues & subscriptions	81	-	-	-	81
Insurance	-	-	165	-	165
	<b>\$ 171,728</b>	<b>\$ 17,394</b>	<b>\$ 29,892</b>	<b>\$ 5,065</b>	<b>\$ 224,079</b>

See Independent Accountant's Compilation Report