

**COMMUNITIES IN SCHOOLS  
OF CHESTERFIELD**

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2016 AND 2015**

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COMMUNITIES IN SCHOOLS OF CHESTERFIELD

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Cash	\$ 82,701	\$ 126,110
Investments	<u>121,770</u>	<u>120,638</u>
TOTAL ASSETS	<u>\$ 204,471</u>	<u>\$ 246,748</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	<u>\$ 681</u>	<u>\$ 14,160</u>
<b>NET ASSETS</b>		
Unrestricted	187,878	187,643
Temporarily restricted	<u>15,912</u>	<u>44,945</u>
TOTAL NET ASSETS	<u>203,790</u>	<u>232,588</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 204,471</u>	<u>\$ 246,748</u>

See Independent Auditor's Report and Notes to Financial Statements

COMMUNITIES IN SCHOOLS OF CHESTERFIELD

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2016 AND 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>REVENUES AND OTHER SUPPORT</b>						
Contributions	\$ 118,076	\$ 66,074	\$ 184,150	\$ 53,607	\$ 86,697	\$ 140,304
In-kind donations	1,441,880	-	1,441,880	1,311,272	-	1,311,272
Unrealized gain (loss) on investments	(1,507)	-	(1,507)	3,606	-	3,606
Interest and dividends	2,730	-	2,730	2,174	-	2,174
Realized gain on sale of investments	1,685	-	1,685	519	-	519
Net assets released from restriction	95,107	(95,107)	-	62,326	(62,326)	-
<b>TOTAL REVENUES AND OTHER SUPPORT</b>	<b>1,657,971</b>	<b>(29,033)</b>	<b>1,628,938</b>	<b>1,433,504</b>	<b>24,371</b>	<b>1,457,875</b>
<b>EXPENSES</b>						
Program services	1,628,180	-	1,628,180	1,390,710	-	1,390,710
Management and general	29,556	-	29,556	22,569	-	22,569
<b>TOTAL EXPENSES</b>	<b>1,657,736</b>	<b>-</b>	<b>1,657,736</b>	<b>1,413,279</b>	<b>-</b>	<b>1,413,279</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>235</b>	<b>(29,033)</b>	<b>(28,798)</b>	<b>20,225</b>	<b>24,371</b>	<b>44,596</b>
Net assets, beginning of year	187,643	44,945	232,588	167,418	20,574	187,992
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 187,878</b>	<b>\$ 15,912</b>	<b>\$ 203,790</b>	<b>\$ 187,643</b>	<b>\$ 44,945</b>	<b>\$ 232,588</b>

See Independent Auditor's Report and Notes to Financial Statements

COMMUNITIES IN SCHOOLS OF CHESTERFIELD

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2016 AND 2015

	2016			2015		
	Programs Services	Management and General	Total	Programs Services	Management and General	Total
Assistance to students	\$ 746,034	\$ -	\$ 746,034	\$ 717,100	\$ -	\$ 717,100
Donated salaries and benefits	552,000	-	552,000	471,592	-	471,592
Office space and facility use	104,040	10,500	114,540	76,530	11,375	87,905
Student incentives	82,674	4,351	87,025	61,452	693	62,145
Outside services	88,754	-	88,754	33,804	-	33,804
Instructional materials	35,917	-	35,917	17,861	-	17,861
Training and professional development	10,545	5,092	15,637	7,466	2,380	9,846
Travel	1,689	3,911	5,600	1,275	4,101	5,376
Mentor program	3,289	102	3,391	1,961	61	2,022
Bank service fees	-	1,776	1,776	-	1,653	1,653
Printing, supplies and postage	1,322	1,323	2,645	698	699	1,397
Other	1,916	639	2,555	971	324	1,295
Telephone	-	648	648	-	548	548
Insurance	-	500	500	-	387	387
Website	-	714	714	-	348	348
	<u>\$ 1,628,180</u>	<u>\$ 29,556</u>	<u>\$ 1,657,736</u>	<u>\$ 1,390,710</u>	<u>\$ 22,569</u>	<u>\$ 1,413,279</u>

See Independent Auditor's Report and Notes to Financial Statements

COMMUNITIES IN SCHOOLS OF CHESTERFIELD

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ (28,798)	\$ 44,596
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities		
Unrealized (gain) loss on investments	1,507	(3,606)
Realized (gain) loss on sale of investments	(1,685)	(519)
Net investment income	(954)	-
Increase (decrease) in accounts payable and accrued expenses	(13,479)	8,916
	<u>(43,409)</u>	<u>49,387</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(43,409)</u>	<u>49,387</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	-	(165,570)
Proceeds from sale of investments	-	49,057
	<u>-</u>	<u>(116,513)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>-</u>	<u>(116,513)</u>
NET DECREASE IN CASH	(43,409)	(67,126)
CASH, beginning of year	<u>126,110</u>	<u>193,236</u>
CASH, end of year	<u>\$ 82,701</u>	<u>\$ 126,110</u>
NON-CASH INVESTING ACTIVITY		
Purchase of investments from sale proceeds and net investment income	<u>\$ 49,480</u>	<u>\$ -</u>

See Independent Auditor's Report and Notes to Financial Statements

# COMMUNITIES IN SCHOOLS OF CHESTERFIELD

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

### NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Nature of Activities

Communities In Schools of Chesterfield (the "Organization") was incorporated in 1993. The Organization is a collaboration of business and community members whose mission is to champion the connection of needed community resources with schools to help young people successfully learn, stay in school and prepare for life.

#### Basis of Presentation

The financial statement presentation follows the recommendations of Financial Accounting Standards Board (FASB) ASC 958, "Not-for-Profit Entities". Under FASB ASC 958, 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.

Unrestricted Net Assets - Net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets resulting from contributions whose use is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to these stipulations. Net assets may be temporarily restricted for various purposes, such as use in future periods or use for specified purposes.

Permanently Restricted Net Assets - Net assets resulting from contributions whose use is limited by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by the Organization's actions. The Organization had no permanently restricted net assets at June 30, 2015 and 2014.

#### Fair Value Measurements

The Organization applies FASB ASC 820, "Fair Value Measurements and Disclosures." FASB ASC 820 defines fair value, establishes a framework for measuring fair value in accordance with accounting principles generally accepted in the United States of America, and expands disclosures about fair value measurements. FASB ASC 820 uses the following prioritized input levels to measure fair value. The input levels used for valuing investments are not necessarily an indication of risk.

- Level 1 - Quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 - Directly or indirectly observable valuations in the marketplace at the measurement date other than Level 1 inputs
- Level 3 - Valuations unobservable in the marketplace at the measurement date

#### Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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.

# COMMUNITIES IN SCHOOLS OF CHESTERFIELD

## NOTES TO FINANCIAL STATEMENTS - Continued

JUNE 30, 2016 AND 2015

### NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Income Taxes

The Organization is exempt from taxation under Internal Revenue Code Section 501(c)(3). The Organization is approved for tax-exempt status, qualifying for the charitable contribution deduction under Section 170(b)(1)(A), and is classified as an organization that is not a private foundation under Section 509(a)(2).

#### Uncertain Tax Positions

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBTI). The Organization has recognized no uncertain tax positions for the year ended June 30, 2016. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2013.

#### Cash Equivalents

For purposes of the accompanying statements of cash flows, the Organization includes all cash accounts and highly liquid investments with a maturity of three months or less at the time of purchase as cash and cash equivalents.

#### Contributions

The Organization reports contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when the purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statement of activities as net assets released from restrictions.

#### Donated Supplies and Services

Donated services are recognized as contributions in accordance with FASB ASC 958, "Not-for-Profit Entities", if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Organization. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs and various assignments. The Organization receives as many as 14,000 volunteer hours per year. The value of these services has not been reflected in the accompanying financial statements.

#### Functional Allocation of Expenses

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

COMMUNITIES IN SCHOOLS OF CHESTERFIELD

NOTES TO FINANCIAL STATEMENTS - Continued

JUNE 30, 2016 AND 2015

NOTE B - INVESTMENTS

Investments in marketable securities consist of the following at June 30, 2016 and 2015, as determined by Wells Fargo, the Organization's fiduciary:

	2016		2015	
	Cost	Fair Market Value	Cost	Fair Market Value
Investments:				
Cash equivalents	\$ 5,200	\$ 5,200	\$ 4,650	\$ 4,650
Equities	110,504	116,570	112,382	115,988
	<u>\$ 111,104</u>	<u>\$ 121,770</u>	<u>\$ 117,032</u>	<u>\$ 120,638</u>

All financial assets and liabilities were measured using Level 1 inputs.

NOTE C - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following programs at June 30, 2016 and 2015:

	2016	2015
Program Services		
Altria Companies	\$ 970	\$ 17,815
RJ Smith/Bellwood	803	11,511
Bank of America	4,902	5,513
Carver College and Career Academy	(1,069)	3,587
Capital One Grant	(738)	2,388
Chalkley Elementary	-	1,220
Columbia Gas	383	582
Salem Middle	5,769	769
Chesterfield Community High	1,956	626
Bellwood Elementary	102	585
Ettrick Elementary	255	246
Kohl's	27	103
Dupont	2,500	-
Swim RVA	52	-
Total	<u>\$ 15,912</u>	<u>\$ 44,945</u>

COMMUNITIES IN SCHOOLS OF CHESTERFIELD

NOTES TO FINANCIAL STATEMENTS - Continued

JUNE 30, 2016 AND 2015

NOTE D - RELATED PARTY TRANSACTIONS

Chesterfield County Public Schools (CCPS) administered one state grant program totaling \$25,000 for Communities In Schools of Chesterfield for the years ended June 30, 2016 and 2015. The income and related expenses of these grants are not reflected in the Organization’s accompanying financial statements as of June 30, 2016 and 2015 because they are included in the Chesterfield County Public Schools’ financial statements.

In addition, Chesterfield County Public Schools paid approximately \$552,000 and \$471,592, respectively of salaries and benefits and provided office space and facility use for fiscal 2016 and 2015 valued at \$104,040 and \$76,530 for the years ended June 30, 2016 and June 30, 2015, respectively, which has been reflected in the accompanying statements of activities.

NOTE E - DONATED GOODS AND SERVICES

The value of donated goods and services included in the financial statements and the corresponding expenses for the years ended June 30, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
Assistance to students	\$ 741,790	\$ 717,100
Donated salaries and benefits	552,000	471,592
Office space and facility use	104,040	76,530
Student incentives	44,050	46,050
Scholarships	4,244	-
	<u>\$ 1,446,124</u>	<u>\$ 1,311,272</u>

NOTE F - COMMITMENTS

On August 11, 2015, the Organization entered into a one-year lease for office space, beginning September 1, 2015, for \$875 per month. On August 11, 2016, the Organization entered into another one-year lease for office space, beginning September 1, 2016, for \$875 per month. Future payments are as follows:

	Operating Leases
2017	<u>\$ 8,750</u>
2018	<u>1,750</u>
	<u>\$ 10,500</u>

Total rent expense for the years ended June 30, 2016 and 2015 was \$10,500 and \$11,375, respectively.

NOTE G - SUBSEQUENT EVENTS

In the preparation of its financial statements, Communities In Schools of Chesterfield considered subsequent events through February 10, 2018, which was the date the financial statements were available to be issued.