

**CHESTERFIELD EDUCATION  
FOUNDATION, INC.**

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2017 AND 2016**

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HARRIS, HARDY & JOHNSTONE, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Chesterfield Education Foundation, Inc.  
Richmond, Virginia

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Chesterfield Education Foundation, Inc. (the Foundation) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

The Foundation's 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 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 audits 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.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chesterfield Education Foundation, Inc. as of June 30, 2017 and 2016, 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.

**Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The comparative schedule of activities is presented for purposes 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, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Harris, Hardy ; Johnstone, P.C.*

Richmond, Virginia  
March 9, 2018

CHESTERFIELD EDUCATION FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Contributions receivable	\$ 2,000	\$ 11,500
Investments	681,606	670,325
Cash restricted to satisfy donor restrictions	<u>139,759</u>	<u>145,187</u>
	<u>\$ 823,365</u>	<u>\$ 827,012</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 8,379	\$ 53
Due to Mega Mentors	35,924	-
Deferred revenue	<u>21,000</u>	<u>39,000</u>
	<u>65,303</u>	<u>39,053</u>
<b>NET ASSETS</b>		
Unrestricted	(118,455)	(116,043)
Temporarily restricted	281,398	308,883
Permanently restricted	<u>595,119</u>	<u>595,119</u>
	<u>758,062</u>	<u>787,959</u>
	<u>\$ 823,365</u>	<u>\$ 827,012</u>

See Independent Auditor's Report and Notes to Financial Statements

CHESTERFIELD EDUCATION FOUNDATION, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2017 AND 2016

	2017			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
<b>REVENUES AND OTHER SUPPORT</b>				
Contributions	\$ 11,456	\$ 94,941	\$ -	\$ 106,397
Special events				
Bravo!	84,977	-	-	84,977
Direct benefit to donors	(27,648)	-	-	(27,648)
Donated facilities	4,386	-	-	4,386
Donated services	18,500	-	-	18,500
Other	1,412	-	-	1,412
Net investment income (loss)	(7,747)	71,674	-	63,927
	<u>85,336</u>	<u>166,615</u>	<u>-</u>	<u>251,951</u>
Net assets released from restrictions	118,519	(118,519)	-	-
TOTAL REVENUES AND OTHER SUPPORT	<u>203,855</u>	<u>48,096</u>	<u>-</u>	<u>251,951</u>
<b>EXPENSES</b>				
Program services	162,551	-	-	162,551
Supporting services				
Management and general	37,246	-	-	37,246
Fundraising	6,470	-	-	6,470
	<u>206,267</u>	<u>-</u>	<u>-</u>	<u>206,267</u>
TOTAL EXPENSES	<u>206,267</u>	<u>-</u>	<u>-</u>	<u>206,267</u>
CHANGE IN NET ASSETS	(2,412)	48,096	-	45,684
NET ASSETS, beginning of year	(116,043)	308,883	595,119	787,959
Transfer of net assets to Mega Mentors	-	(75,581)	-	(75,581)
NET ASSETS, end of year	<u>\$ (118,455)</u>	<u>\$ 281,398</u>	<u>\$ 595,119</u>	<u>\$ 758,062</u>

See Independent Auditor's Report and Notes to Financial Statements

2016

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 69,271	\$ 102,564	\$ 47,890	\$ 219,725
67,650	-	-	67,650
(24,380)	-	-	(24,380)
4,020	-	-	4,020
38,151	-	-	38,151
3,309	-	-	3,309
(1,559)	36,439	-	34,880
<u>156,462</u>	<u>139,003</u>	<u>47,890</u>	<u>343,355</u>
<u>128,096</u>	<u>(128,096)</u>	<u>-</u>	<u>-</u>
<u>284,558</u>	<u>10,907</u>	<u>47,890</u>	<u>343,355</u>
131,764	-	-	131,764
65,401	-	-	65,401
31,186	-	-	31,186
<u>228,351</u>	<u>-</u>	<u>-</u>	<u>228,351</u>
56,207	10,907	47,890	115,004
(172,250)	297,976	547,229	672,955
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (116,043)</u>	<u>\$ 308,883</u>	<u>\$ 595,119</u>	<u>\$ 787,959</u>

See Independent Auditor's Report and Notes to Financial Statements

CHESTERFIELD EDUCATION FOUNDATION, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2017

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Director salary	\$ -	\$ -	\$ -	\$ -
Administrative salaries	7,971	5,978	5,978	19,927
Payroll taxes	656	492	492	1,640
Total salaries and related costs	8,627	6,470	6,470	21,567
Classroom programs	86,788	-	-	86,788
Scholarships	44,250	-	-	44,250
Outside services	-	21,750	-	21,750
Donated services	18,500	-	-	18,500
Office expense	-	4,542	-	4,542
Donated facilities	4,386	-	-	4,386
Insurance	-	3,338	-	3,338
Phone and internet	-	878	-	878
Postage and delivery	-	268	-	268
Mentor program	-	-	-	-
Advertising	-	-	-	-
Workforce grant	-	-	-	-
Occupancy	-	-	-	-
	<u>\$ 162,551</u>	<u>\$ 37,246</u>	<u>\$ 6,470</u>	<u>\$ 206,267</u>

See Independent Auditor's Report and Notes to Financial Statements



CHESTERFIELD EDUCATION FOUNDATION, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2016

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Director salary	\$ 29,775	\$ 22,336	\$ 22,336	\$ 74,447
Administrative salaries	7,392	5,543	5,543	18,478
Payroll taxes	2,785	2,090	2,090	6,965
Total salaries and related costs	39,952	29,969	29,969	99,890
Classroom programs	1,186	-	-	1,186
Scholarships	1,000	-	-	1,000
Outside services	-	12,107	-	12,107
Donated services	38,151	-	-	38,151
Office expense	-	7,645	-	7,645
Donated facilities	4,020	-	-	4,020
Insurance	-	4,682	-	4,682
Phone and internet	-	1,440	-	1,440
Postage and delivery	-	3,531	-	3,531
Mentor program	43,154	-	-	43,154
Advertising	-	5,549	1,217	6,766
Workforce grant	4,301	-	-	4,301
Occupancy	-	478	-	478
	<u>\$ 131,764</u>	<u>\$ 65,401</u>	<u>\$ 31,186</u>	<u>\$ 228,351</u>

See Independent Auditor's Report and Notes to Financial Statements

CHESTERFIELD EDUCATION FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 45,684	\$ 115,004
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Net realized and unrealized gain on investments	(48,040)	(21,091)
(Increase) decrease in		
Contributions receivable	9,500	(6,500)
Prepaid expenses	-	1,000
Increase (decrease) in		
Accounts payable	8,326	(34,509)
Due to Mega Mentors	35,924	-
Deferred revenue	(18,000)	17,900
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>33,394</u>	<u>71,804</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the sale of investments	64,144	38,641
Purchase of investments	(27,385)	-
Distribution of Mega Mentor cash	(75,581)	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>(38,822)</u>	<u>38,641</u>
NET INCREASE (DECREASE) IN RESTRICTED CASH	(5,428)	110,445
RESTRICTED CASH, beginning of year	<u>145,187</u>	<u>34,742</u>
RESTRICTED CASH, end of year	<u>\$ 139,759</u>	<u>\$ 145,187</u>

See Independent Auditor's Report and Notes to Financial Statements

# CHESTERFIELD EDUCATION FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

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

#### Nature of Activities

The Chesterfield Education Foundation, Inc. (CEF) (the “Foundation”) is an independent, nonprofit, community-based organization providing the Chesterfield County Public Schools (“CCPS”) with additional education programs, financial resources and support to increase student achievement and create innovation in the classroom. The Foundation is funded by foundation and corporate grants and individual donations.

#### Summary of Significant Accounting Policies

##### Basis of Presentation

The financial statement presentation follows the recommendations of Financial Accounting Standards Board (FASB) ASC 958-205, “*Presentation of Financial Statements*”. Under FASB ASC 958-205, the Foundation 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 Foundation 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 Foundation’s actions.

##### Fair Value Measurements

The Foundation applies Financial Accounting Standards Board (FASB) ASC 820, “*Fair Value Measurements*.” 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 securities or liabilities at the measurement date

Level 2 - Other directly or indirectly significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.) in the marketplace other than Level 1 inputs

Level 3 - Significant unobservable inputs (including the Foundation’s own assumptions in determining the fair value of investments) in the marketplace at the measurement date

# CHESTERFIELD EDUCATION FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS - Continued

JUNE 30, 2017 AND 2016

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

#### Use of Estimates

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

#### Reclassifications

Certain amounts in the June 30, 2016 financial statements have been reclassified to conform to the June 30, 2017 presentation with no effect on the previously reported change in net assets.

#### Income Tax Status

The Foundation is exempt from federal income taxes as defined under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Foundation's tax-exempt purpose could be subject to taxation as unrelated business taxable income. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than 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 Foundation 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 Foundation and various positions related to the potential sources of unrelated business taxable income (UBTI). The Foundation has recognized no uncertain tax positions for the year ended June 30, 2017. The Foundation believes its tax returns are no longer subject to examinations for years prior to 2014.

#### Cash and Cash Equivalents

The Foundation considers short-term, highly liquid investments purchased with a maturity of three months or less to be cash equivalents and includes them in its cash balances.

#### Contributions Receivable

Certain one-year pledges and donations are received in cash after the fiscal year to which they apply. The Foundation reviews all contributions receivable for collectability and has determined that no allowance for uncollectible receivables is necessary.

#### Investments

Investments, which consist of actively traded mutual funds, are stated at fair value based on quoted market prices. Accordingly, net unrealized gains or losses are reflected in the accompanying statements of activities. Earnings, realized gains and losses, and unrealized gains or losses that are related to funds that are temporarily or permanently restricted are also presented as temporarily or permanently restricted.

# CHESTERFIELD EDUCATION FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS - Continued

JUNE 30, 2017 AND 2016

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

#### Deferred Revenue

The Foundation has an annual fundraising event. The Foundation begins collecting revenue related to the event prior to its fiscal year-end. Any amount received, prior to year-end, is recorded as deferred revenue.

#### Donated Services and Facilities

Donated services are recognized as contributions 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 Foundation. Donated facilities are recognized at fair rental value.

#### Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited. Directly identifiable expenses are charged to programs and supporting services. Expenses relating to more than one function are charged to program and supporting services based on time spent in various functions. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

### NOTE B - INVESTMENTS

The cost and fair value of investments as of June 30, 2017 and 2016 are as follows:

	2017		2016	
	Cost	Fair Value	Cost	Fair Value
Equities	\$ 293,861	\$ 514,220	\$ 290,299	\$ 478,830
Fixed income	109,819	114,660	134,819	141,277
Mutual funds	26,998	22,278	23,919	18,752
Other assets				
REIT	6,172	7,643	12,224	14,830
Publicly traded partnership	4,467	6,473	-	-
ETF	15,631	16,332	18,311	16,636
	<u>\$ 456,948</u>	<u>\$ 681,606</u>	<u>\$ 479,572</u>	<u>\$ 670,325</u>

All investments are Level 1 as of June 30, 2017 and 2016.

CHESTERFIELD EDUCATION FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

JUNE 30, 2017 AND 2016

NOTE C - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of June 30, 2017 and 2016 are available for the following purposes:

	2017	2016
BCR Teachers Award	\$ 11,843	\$ 10,267
BCWH Scholarship for Education	229	210
BCWH Community & School Prize	4,906	5,011
CCPS Robins Foundation Grant	1,072	-
Chesterfield Star Reading	1,446	6,029
Cline Scholarship	13,134	18,512
Crayons to Computers	100	100
Fulghum Scholarship	19,652	18,988
GED Scholarship	100	100
Grey Scholarship	-	270
Gwaltney Memorial Scholarship	16,258	8,933
Jonas Award Fund	21,732	19,982
MCD Awards	2,082	10,128
MCD2 Awards	108,491	99,630
MEGA Mentors	-	75,581
Maruchan Fund	37,512	-
Steockli Memorial Scholarship	34,383	31,526
Success Program - Meadowbrook High School	3,970	3,616
Jaws Earnings	1,248	-
Gray Earnings	3,240	-
	<u>\$ 281,398</u>	<u>\$ 308,883</u>

For the years ended June 30, 2017 and 2016, net assets were released from donor restrictions by incurring expenses satisfying the purpose specified by donors as follows:

	2017	2016
Scholarships	\$ 35,000	\$ 1,000
MCD grants	45,204	-
Other programs	38,315	127,096
	<u>\$ 118,519</u>	<u>\$ 128,096</u>

# CHESTERFIELD EDUCATION FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS - Continued

JUNE 30, 2017 AND 2016

### NOTE D - ENDOWMENT FUND

The Foundation's endowment fund includes donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation has interpreted the State Prudent Management of Institutional Funds Act ("SPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Because of this interpretation, the Foundation classified as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Foundation considers the following factors in deciding to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Foundation and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation
7. The investment policies of the Foundation

From time to time, the fair value of assets associated with individual donor restricted endowment funds may increase or decrease from the level the donor or SPMIFA requires the Foundation to retain as permanently restricted. Fluctuations of this nature result from favorable or unfavorable market conditions and would be included in temporarily restricted net assets depending on the donor's original gift.

The Foundation's investment policy desires to maintain the purchasing power of the current assets and future contributions with the objective of maintaining the level of services and programs in relation to inflation. The investment guidelines are based on an investment horizon of greater than five years and seek a long-term rate of return on assets that is at least the change in the Consumer Price Index plus 5.0%. Short-term liquidity requirements are deemed to be non-existent.

CHESTERFIELD EDUCATION FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

JUNE 30, 2017 AND 2016

NOTE D - ENDOWMENT FUNDS - Continued

Changes in the endowment fund net assets for the year ended June 30, 2017 and 2016 are as follows:

	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Endowment fund net assets, June 30, 2015	\$ 96,644	\$ 547,229	\$ 643,873
Contributions	-	47,890	47,890
Investment income	32,046	-	32,046
Expenditures	(10,000)	-	(10,000)
Endowment fund net assets, June 30, 2016	118,690	595,119	713,809
Contributions	-	-	-
Investment income	25,405	-	25,405
Expenditures	(49,204)	-	(49,204)
Endowment fund net assets, June 30, 2017	<u>\$ 94,891</u>	<u>\$ 595,119</u>	<u>\$ 690,010</u>

NOTE E - DONATED FACILITIES AND SERVICES

Donated Facilities

The Foundation has an informal agreement with Chesterfield County Public Schools, starting August 1, 2015, where the Foundation is provided office space, utilities, and other office services at no cost. For fiscal years ended June 30, 2017 and 2016, the Foundation rented office space on a month-to-month lease. The fair value of the donated facilities was \$4,386 and \$4,020 for the years ended June 30, 2017 and 2016, respectively.

Donated Services

The fair value of donated services included as contributions in the financial statements and the corresponding program expenses for the years ended June 30, 2017 and 2016 are as follows:

	2017	2016
Advertising for Bravo! Event		
Printed material	\$ -	\$ 16,651
Marketing and promotion	18,500	-
MEGA Mentors		
Printed material	-	5,000
Marketing and promotion	-	10,000
Hosting and catering of Fine Arts Event	-	6,500
	<u>\$ 18,500</u>	<u>\$ 38,151</u>

Numerous volunteers have donated significant amounts of time to the Foundation's fundraising campaign and program services. The value of these services was not recognized in the financial statements because it did not meet the criteria for recognition.



# CHESTERFIELD EDUCATION FOUNDATION, INC.

## NOTES TO FINANCIAL STATEMENTS - Continued

JUNE 30, 2017 AND 2016

### NOTE F - CONCENTRATIONS

Financial instruments which potentially subject the Foundation to concentrations of credit risk, consist of cash and cash equivalents and investment balances. The Foundation maintains its cash and cash equivalents and investments in a financial institution and with a major brokerage firm, both located in Richmond, Virginia. Balances with the financial institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. As of June 30, 2017, there were no uninsured balances. Balances with the brokerage firm are not insured by the FDIC but are covered by the Securities Investor Protection Corporation ("SIPC") up to \$500,000, including a maximum of \$250,000 for cash claims in the event a brokerage firm fails owing customers cash and securities that are missing from customer accounts. The Foundation monitors the financial condition of the brokerage firm and does not consider the funds to be at risk.

For the year ended June 30, 2017, the Foundation received major donations from three corporations that amounted to 57% of its total contribution support, and for the year ended June 30, 2016, the Foundation received grants from one corporation amounting to approximately 12% of its total contribution support.

### NOTE G - CONTINGENCIES

The Foundation was in noncompliance with donor restrictions as a result of their failure to maintain an appropriate composition of assets needed to comply with all donor restrictions during both 2017 and 2016. As of June 30, 2017, and 2016, the Foundation had \$55,152 and \$88,490 of net assets restricted in excess of assets available to satisfy those restrictions. The deficit occurred under the previous management of the Foundation. The current management feels confident they will be able to increase the assets available to satisfy restrictions and eliminate the deficit in the next fiscal year.

### NOTE H - RELATED PARTY TRANSACTIONS

The Foundation has a relationship with CCPS, which includes participation in governance and administrative coordination. CCPS provides office space to the Foundation.

### NOTE I - SUBSEQUENT EVENTS

In the preparation of its financial statements, the Foundation considered subsequent events through March 9, 2018, the date on which the financial statements were available to be issued.

The Foundation has determined that it cannot meet the terms of the MCD Endowment Agreement as specified by the donor. Management is currently working with CCPS to comply with the guidelines, as specified in the Endowment Agreement, for terminating the endowment.

SUPPLEMENTARY INFORMATION

CHESTERFIELD EDUCATION FOUNDATION, INC.

COMPARATIVE SCHEDULE OF ACTIVITIES

YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>	<u>Difference</u>
REVENUES AND OTHER SUPPORT			
Contributions	\$ 106,397	\$ 219,725	\$ (113,328)
Special events			
Bravo!	84,977	67,650	17,327
Direct benefit to donors	(27,648)	(24,380)	(3,268)
Donated facilities	4,386	4,020	366
Donated services	18,500	38,151	(19,651)
Other	1,412	3,309	(1,897)
Net investment income (loss)	63,927	34,880	29,047
	<u>251,951</u>	<u>343,355</u>	<u>(91,404)</u>
Net assets released from restrictions	-	-	-
TOTAL REVENUES AND OTHER SUPPORT	<u>251,951</u>	<u>343,355</u>	<u>(91,404)</u>
EXPENSES			
Program services	162,551	131,764	30,787
Supporting services			
Management and general	37,246	65,401	(28,155)
Fundraising	6,470	31,186	(24,716)
TOTAL EXPENSES	<u>206,267</u>	<u>228,351</u>	<u>(22,084)</u>
CHANGE IN NET ASSETS	<u>\$ 45,684</u>	<u>\$ 115,004</u>	<u>\$ (69,320)</u>

See Independent Auditor's Report