
RADFORD CITY SCHOOLS PARTNERS FOR EXCELLENCE FOUNDATION, INC.

FINANCIAL REPORT

FROM INCEPTION TO JUNE 30, 2015

Radford City Schools Partners for Excellence Foundation, Inc.
For the Period Ended June 30, 2015
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ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Board of Directors
Radford City Schools Partners for Excellence Foundation, Inc.
Radford, Virginia

We have audited the accompanying financial statements of Radford City Schools Partners for Excellence Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and cash flows for the period from inception (September 12, 2012) to June 30, 2015, 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.

Auditors' 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 auditors' 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 Radford City Schools Partners for Excellence Foundation, Inc. as of June 30, 2015, and the changes in its net assets and its cash flows for the initial period then ended in accordance with accounting principles generally accepted in the United States of America.

Robinson, Farmer, Cox Associates

Blacksburg, Virginia
October 29, 2015

Radford City Schools Partners for Excellence Foundation, Inc.
Statement of Financial Position
June 30, 2015

Assets

Current Assets:	
Cash and cash equivalents	\$ <u>27,217</u>
Property and Equipment, Net of Accumulated Depreciation:	
Land	\$ 30,000
Building	160,200
Total Assets	\$ <u>190,200</u>
Total Assets	\$ <u><u>217,417</u></u>

Net Assets

Temporarily Restricted	\$ 10,576
Unrestricted	<u>206,841</u>
Total Net Assets	\$ <u>217,417</u>
Total Liabilities and Net Assets	\$ <u><u>217,417</u></u>

The accompanying notes are an integral part of these statements.

Radford City Schools Partners for Excellence Foundation, Inc.
Statement of Activities
For the Period Ended June 30, 2015

	Unrestricted	Temporarily Restricted	Total
Revenues, Gains, and Other Support			
Contributions	\$ 42,528	\$ 10,576	\$ 53,104
In-kind contributions	192,690	-	192,690
Total Revenues, Gains, and Other Support	\$ 235,218	\$ 10,576	\$ 245,794
Expenses			
Program services			
Cross country trail	\$ 1,389	\$ -	\$ 1,389
Superintendent's art contest	501	-	501
Arnheim house remodel	10,606	-	10,606
International student program to China	390	-	390
Radford High School - stage curtains	2,000	-	2,000
Supporting services			
Management and general	12,945	-	12,945
Fundraising expense	546	-	546
Total Expenses	\$ 28,377	\$ -	\$ 28,377
Change in Net Assets	\$ 206,841	\$ 10,576	\$ 217,417
Net Assets, beginning of period	-	-	-
Net Assets, end of period	\$ 206,841	\$ 10,576	\$ 217,417

The accompanying notes are an integral part of these statements.

Radford City Schools Partners for Excellence Foundation, Inc.
Statement of Cash Flows
For the Period Ended June 30, 2015

Cash Flows from Operating Activities:	
Change in net assets	\$ 217,417
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:	
Depreciation	1,800
Noncash contributions/expenses	<u>(192,000)</u>
Net cash provided by (used for) operating activities	<u>\$ 27,217</u>
Net increase(decrease) in cash and cash equivalents	\$ 27,217
Cash and cash equivalents, at inception	<u>-</u>
Cash and cash equivalents, June 30, 2015	<u><u>\$ 27,217</u></u>

The accompanying notes are an integral part of these statements.

Radford City Schools Partners for Excellence Foundation, Inc.
Notes to the Financial Statements
June 30, 2015

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Nature of Activities:

Radford City Schools Partners for Excellence Foundation, Inc. (the Foundation) was incorporated as a corporation under the laws of the Commonwealth of Virginia on September 12, 2012 and obtained its nonprofit status in the Spring of 2014. The purpose of the Foundation is to support and enhance the educational experience of the Radford City School students through business and individual partnerships.

The Foundation's Board of Directors is composed of not less than five, nor more than nine members. The Superintendent of Radford City Schools shall serve as a voting director, as appointed by the School Board, for a term concurrent with his/her office. All other directors of the Foundation shall be appointed by the Foundation's Board.

B. Basis of Accounting:

The Foundation maintains its assets and liabilities, and records its income and expenses by use of the accrual method of accounting. Under the accrual method, revenues are recognized in the accounting period in which they are earned, while expenses are recognized in the accounting period in which the related liability is incurred.

C. Financial Statement Presentation:

The Foundation is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted Net Assets - Net assets not subject to donor-imposed restrictions. At June 30, 2015, the Foundation had unrestricted net assets of \$206,841.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Initiative and/or the passage of time. At June 30, 2015, the Foundation had temporarily restricted net assets of \$10,576.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that must be maintained permanently by the Initiative. At June 30, 2015, the Foundation did not have any permanently restricted net assets.

D. Property and Equipment:

Purchased property and equipment is recorded at its original cost. Material gifts of furniture, equipment, and buildings are recorded at the estimated fair value at the date of gift. All property and equipment are depreciated on a straight-line basis over the following useful lives:

<u>Asset</u>	<u>Years</u>
Building	30

Radford City Schools Partners for Excellence Foundation, Inc.
Notes to the Financial Statements (Continued)
June 30, 2015

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

E. Cash and Cash Equivalents:

For purposes of the statement of cash flows, cash and cash equivalents consist of cash on hand, cash in banks, and highly liquid investments with an initial maturity of three months or less.

F. Use of 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.

G. Income Taxes:

The Radford City Schools Partners for Excellence Foundation, Inc. is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, no provision for Federal income taxes has been reported in the accompanying financial statements.

H. Contributions:

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Contributions of cash are reported as temporarily restricted support if they are received with donor stipulations which limit their use. When donor restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. When donor restrictions are satisfied in the year the gift is recognized, the amounts are reported as unrestricted contributions.

I. Functional Allocation of Expenses:

The costs of providing the programs and supporting activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated amount the programs and supporting services benefited.

J. In-Kind Contributions:

Donated materials and use of facilities are recorded as contributions at fair value when an unconditional commitment is received from the donor. The related expense is recognized as the item is used. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Radford City Schools Partners for Excellence Foundation, Inc.
Notes to the Financial Statements (Continued)
June 30, 2015

NOTE 2—CONCENTRATION OF CREDIT RISK:

The Foundation maintains its cash balances at one financial institution. The Federal Deposit Insurance Corporation insures up to \$250,000 for 2015 at each financial institution. At June 30, 2015, the Foundation had no uninsured cash balances.

NOTE 3—PROPERTY AND EQUIPMENT:

The following is a summary of the recorded cost of property and equipment owned by the Foundation as of June 30, 2015:

Category	Amount
Donated Land	\$ 30,000
Donated Building	162,000
Less: Accumulated Depreciation	(1,800)
Total	<u>\$ 190,200</u>

Depreciation expense totaled \$1,800 for the year ended June 30, 2015.

NOTE 4—NET ASSET RESTRICTIONS:

At June 30, 2015, temporarily restricted net assets are available for the following purposes:

Purpose	Amount
Dr. Graham Memorial	\$ 620
Cross Country Trail	4,666
Superintendent's Art Contest	5
International Student Program to China	10
Arts	100
Science Research - Windmill	100
RHS Locker Room Update	5,025
Be There Project	50
	<u>\$ 10,576</u>

NOTE 5—SUBSEQUENT EVENTS:

In preparing these financial statements, management of Radford City Schools Partners for Excellence Foundation, Inc. has evaluated events and transactions for potential recognition of disclosure through October 29, 2015, the date the financial statements were available to be issued.