

**Communities in Schools
of Coweta County, Inc.**

FINANCIAL STATEMENTS

For the Year Ended June 30, 2016
with
Independent Accountant's Report

Communities in Schools of Coweta County, Inc.

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Communities in Schools of Coweta County, Inc.

We have reviewed the accompanying financial statements of Communities in Schools of Coweta County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurances as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Geeslin Group LLC

GEESLIN GROUP LLC

Peachtree City, Georgia
September 26, 2016

COMMUNITIES IN SCHOOLS OF COWETA COUNTY, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2016

ASSETS	
Cash	\$ 158,191
Accounts receivable	<u>6,700</u>
Total assets	<u><u>\$ 164,891</u></u>
LIABILITIES AND NET ASSETS	
Liabilities	
Payroll taxes payable	<u>\$ 5,138</u>
Total liabilities	<u>5,138</u>
Net Assets	
Unrestricted	159,753
Temporarily restricted	<u>-</u>
Total net assets	<u>159,753</u>
Total liabilities and net assets	<u><u>\$ 164,891</u></u>

See accompanying notes and accountant's review report.

COMMUNITIES IN SCHOOLS OF COWETA COUNTY, INC.

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2016

Changes in unrestricted net assets	
Contributions unrestricted	\$ 223,452
Fundraising events	77,168
Net assets released from restrictions	91,075
Total unrestricted support	<u>391,695</u>
 Expenses	
Program expenses	199,887
General and administrative	42,655
Fundraising expenses	38,155
Total expenses	<u>280,697</u>
 Increase in unrestricted net assets	<u>110,998</u>
 Changes in temporarily restricted net assets	
Contributions restricted	30,000
Net assets released from restrictions	(91,075)
Decrease in temporarily restricted net assets	<u>(61,075)</u>
 Increase in net assets	49,923
 Net assets at June 30, 2015	<u>109,830</u>
 Net assets at June 30, 2016	<u>\$ 159,753</u>

See accompanying notes and accountant's review report.

Communities in Schools of Coweta County, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2016

	<u>Program Expenses</u>	<u>General and Administrative</u>	<u>Fundraising Events</u>	<u>Total</u>
Salaries and wages	\$ 156,235	\$ 30,000	\$ -	\$ 186,235
Payroll taxes and benefits	13,048	2,505	-	15,553
Total personnel costs	169,283	32,505	-	201,788
Advertising and promotions	4,407	-	-	4,407
Auto expenses	1,611	1,611	-	3,222
Bank charges	-	157	-	157
Computer expenses	765	765	-	1,530
Credit card expenses	-	-	1,429	1,429
Hats and Hooves event	-	-	36,726	36,726
Insurance	9,281	750	-	10,031
Meals	2,175	-	-	2,175
Office supplies	1,545	386	-	1,931
Dues & subscriptions	515	-	-	515
Postage	99	25	-	124
Telephone	3,199	800	-	3,999
Professional fees	-	5,500	-	5,500
Program materials	6,204	-	-	6,204
Travel and meetings	803	-	-	803
Payroll fees	-	156	-	156
	<u>\$ 199,887</u>	<u>\$ 42,655</u>	<u>\$ 38,155</u>	<u>\$ 280,697</u>

See accompanying notes and accountant's review report.

Communities in Schools of Coweta County, Inc.

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2016

Cash flows from operating activities	
Increase in net assets	\$ 49,923
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Change in:	
Accounts receivable	(6,700)
Payroll taxes payable	2,978
Accounts payable	(2,302)
Total adjustments	<u>(6,024)</u>
Net cash provided by operating activities	<u>43,899</u>
Net increase in cash	43,899
Cash, beginning of year	<u>114,292</u>
Cash, end of year	<u><u>\$ 158,191</u></u>

See accompanying notes and accountant's review report.

Communities in Schools of Coweta County, Inc.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2016

NOTE 1 – NATURE OF ORGANIZATION

Nature of Organization: Communities in Schools of Coweta County, Inc. (“the Organization”), a nonprofit corporation, is dedicated to coordinate human services and delivering them to at-risk youth in Coweta County, Georgia and to their families through the supportive environment of the public schools or non-traditional educational sites. The Organization endeavors to enable said youth and their families to have access to a broad range of needed social and educational services by establishing a coordinated delivery system of community resources within an educational setting. The objective of the Organization is to reduce the number of school dropouts and to increase the number of high school graduates.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies of the Organization applied in the preparation of the accompanying financial statements follows.

Basis of Accounting and Presentation: These financial statements are presented on the accrual basis of accounting in order to present the results of activities and financial position in conformity with accounting principles generally accepted in the United States of America. The Organization is required to report information regarding its financial position and activities according to the three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Contributions: The Organization operates on contributions from the public and governmental entities and results from fundraising events. Contributions are reported as restricted if received with donor stipulations that limit the use of the donation. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Net Assets: Net assets and changes therein are classified and reported as follows:

Permanently Restricted Net Assets – Permanently restricted net assets represent the historical dollar amounts of gifts subject to donor-imposed stipulations to be invested in perpetuity and only the income may be available for program operations.

Temporarily Restricted Net Assets – Temporarily restricted net assets are comprised of gifts, as well as income and gains that can be expended, but for which restrictions have not yet been met. Such restrictions include purpose restrictions wherein donors have specified the purpose for which the net assets are to be spent or time restrictions are imposed or implied by the nature of the gift. When a restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released due to satisfaction of program restrictions.

Unrestricted Net Assets – Unrestricted net assets are all the remaining net assets of the Organization. The only limits on unrestricted net assets are broad limits resulting from the nature of the Organization and purposes specified in its articles of incorporation or bylaws and any limits resulting from contractual agreements.

Communities in Schools of Coweta County, Inc.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Donated Assets: If received, donated marketable securities and other non-cash donations are initially recorded as contributions at their estimated fair values at the date of donation.

Donated Property and Equipment: Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated assets 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 reported 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 Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Donated Services: 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 Organization. A substantial number of volunteers have donated significant amounts of their time in the Organization's programs and supporting services; however, no amounts have been reflected in the financial statements for donated volunteer services as these volunteer services do not meet the criteria for recognition of contributed services.

Fair Value of Financial Instruments: Cash, accounts payable and accrued expenses are carried at amounts which approximate their fair value due to the short-term nature of these instruments.

Advertising: The Organization uses advertising to promote its programs among its target audience. The cost of advertising is charged to expenses as incurred.

Income Tax Status: The Organization is exempt from income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for income taxes is required. The Organization believes that it has appropriate support for any tax positions taken and as such does not have any uncertain tax positions that are material to the financial statements.

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, *Income Taxes* (ASC 740), requires the use of a two-step approach for recognizing and measuring tax benefits taken or expected to be taken in a tax return and disclosures regarding uncertainties in income tax positions. Only tax positions that meet the more likely than not recognition threshold at the effective date may be recognized upon adoption of ASC 740. Management does not believe that the Organization has any material uncertain tax positions at June 30, 2016; however, the Organization's tax returns for the years ended June 30, 2015, 2014 and 2013 are still available for examination by relevant taxing authorities.

Functional Allocation of Expenses: The costs of providing the various programs and other activities are summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Communities in Schools of Coweta County, Inc.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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.

Concentration of Credit Risk: The Organization may maintain bank accounts with financial institutions where balances are insured by the Federal Deposit Insurance Corporation (FDIC) within limits. Periodically, bank account balances may exceed FDIC coverage. No credit risk is expected from uninsured deposits.

Subsequent Events: Subsequent events have been evaluated by management through September 26, 2016, which is the date that the financial statements were available to be issued.

Fundraising Expenses: The Organization incurred approximately \$38,000 of fundraising expenses during the year ended June 30, 2016. These expenses were primarily for the Hats & Hooves fundraising event.

NOTE 3 – TEMPORARILY RESTRICTED NET ASSETS

The Organization had no temporarily restricted assets at June 30, 2016.

NOTE 4 – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose specified by the donor. The temporary restriction was for the donated funds to be used to assist paying for a site coordinator.