

# The School Foundation, Inc.

Financial Statement  
Years Ended June 30, 2017 and 2016

**The School Foundation, Inc.**

**Florence, South Carolina**

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# MUNN & ASSOCIATES, PC

*Certified Public Accountants*

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## Independent Auditor's Report

Board of Directors  
The School Foundation, Inc.  
Florence, South Carolina

We have audited the accompanying financial statements of The School Foundation, Inc. (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

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 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 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 The School Foundation, Inc. as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of program expenses on page 18 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 related 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 as a whole.



Munn & Associates, PC  
Florence, SC  
August 14, 2017

**The School Foundation, Inc.**

**Statements of Financial Position**

**June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 9,727	\$ 42,980
Receivables	2,800	1,246
Investments	2,090,682	1,927,393
Prepaid expenses	546	1,094
Total current assets	2,103,755	1,972,713
<b>FIXED ASSETS</b>	4,127	348
<b>TOTAL ASSETS</b>	<u>\$ 2,107,882</u>	<u>\$ 1,973,061</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 462	\$ 830
<b>TOTAL CURRENT LIABILITES / TOTAL LIABILITIES</b>	462	830
<b>NET ASSETS</b>		
Unrestricted	2,104,020	1,966,431
Temporarily restricted	3,400	5,800
Permanently restricted	-	-
Total net assets	2,107,420	1,972,231
<b>TOTAL LIABILITES AND NET ASSETS</b>	<u>\$ 2,107,882</u>	<u>\$ 1,973,061</u>

The accompanying notes are an integral part of this financial statement.

The School Foundation, Inc.

Statements of Activities

Years ended June 30, 2017 and 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2017	Total 2016
<b>REVENUE AND OTHER SUPPORT</b>					
Contributions	\$ 38,599	\$ -	\$ -	\$ 38,599	\$ 37,231
Grants					
Startsmart		2,600		2,600	-
Special events					
Annual Celebration Gala (less costs of \$69,959 and \$76,959)	53,641		-	53,641	34,866
Dancing for Our Future Stars (less costs of \$82,501 and \$59,013 )	105,853			105,853	127,869
Investment income (loss)	163,300		-	163,300	(25,399)
Total revenues, gains, and other support	361,393	2,600	-	363,993	174,567
<b>EXPENSES</b>					
Scholarships and awards	150,016			150,016	118,006
Business Summit	-			-	-
Fundraising	24,086			24,086	17,214
General and administrative	54,702			54,702	79,649
Total expenses	228,804	-	-	228,804	214,869
Change in net assets before restriction releases	132,589	2,600	-	135,189	(40,302)
Net assets released from restrictions					
Restriction satisfied by passage of time	5,000	(5,000)		-	-
Change in net assets after restriction releases	137,589	(2,400)	-	135,189	(40,302)
Net assets, beginning of year	1,966,431	5,800	-	1,972,231	2,012,533
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 2,104,020</u>	<u>\$ 3,400</u>	<u>\$ -</u>	<u>\$ 2,107,420</u>	<u>\$ 1,972,231</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

The School Foundation, Inc.

Statements of Cash Flows

For the year ended June 30, 2017 and 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total all Funds</u>	
			<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Change in net assets	\$ 137,589	\$ (2,400)	\$ 135,189	\$ (40,302)
Adjustment to reconcile change in net assets to net cash (used) provided by operating activities:				
Depreciation	505		505	587
Net unrealized and realized (gain) loss on investments	(130,337)		(130,337)	25,454
(Increase) decrease in operating assets			-	-
(Increase) decrease in accounts receivable	(1,554)		(1,554)	8,619
(Increase) decrease in prepaid expenses	548		548	(825)
(Increase) decrease in other current asset			-	-
Increase (decrease) in accounts payable	(368)		(368)	(8,840)
Increase (decrease) in deferred income				
	<u>6,383</u>	<u>(2,400)</u>	<u>3,983</u>	<u>(15,307)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of investments	(511,038)		(511,038)	(586,618)
Proceeds from sale of investments	478,086		478,086	586,577
Purchase of fixed assets	(4,284)		(4,284)	
	<u>(37,236)</u>	<u>-</u>	<u>(37,236)</u>	<u>(41)</u>
<i>Net cash provided (used) in investing activities</i>				
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(30,853)	(2,400)	(33,253)	(15,345)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	37,180	5,800	42,980	58,325
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 6,327</u>	<u>\$ 3,400</u>	<u>\$ 9,727</u>	<u>\$ 42,980</u>
<b>SUPPLEMENTAL INFORMATION</b>				
			<u>None</u>	<u>None</u>

The accompanying notes are an integral part of this financial statement.

**The School Foundation, Inc.**

**Statements of Functional Expenses**

**For the years ended June 30, 2017 and 2016**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>	
				<u>2017</u>	<u>2016</u>
Salaries & wages	\$ -	\$ 15,993	\$ 22,374	\$ 38,367	\$ 47,957
Payroll taxes		1,276	1,712	2,988	3,697
Total salaries and related expenses	<u>-</u>	<u>17,269</u>	<u>24,086</u>	<u>41,355</u>	<u>51,654</u>
Conferences, meetings and training		3,989		3,989	4,582
Depreciation and amortization		505		505	587
Dues and subscriptions		1,470		1,470	1,727
Equipment expense and maintenance	-	2,233		2,233	2,260
Grants	150,016			150,016	114,006
Insurance	-	2,261		2,261	860
Miscellaneous		2,783		2,783	2,659
Occupancy	-	9,002		9,002	11,136
Postage		427		427	392
Professional fees and contract services		8,365		8,365	8,140
Promotion & printing		1,208		1,208	14,315
Supplies		5,190		5,190	2,551
Total expenses	<u>\$ 150,016</u>	<u>\$ 54,702</u>	<u>\$ 24,086</u>	<u>\$ 228,804</u>	<u>\$ 214,869</u>

The accompanying notes are an integral part of these financial statements.



# The School Foundation, Inc.

## Notes to Financial Statements

June 30, 2017 and 2016

### NOTE 1 - Description of Foundation

The School Foundation, Inc. ("Foundation") is a nonprofit foundation of individuals operated collectively to serve the needs and interests and advance the general welfare to the Florence, South Carolina School District Number One.

The School Foundation promotes educational excellence in Florence, South Carolina School District Number One through grants for innovative learning and through high impact initiatives designed to prepare all students for success.

### NOTE 2 - Significant Accounting Policies

The accounting and reporting policies of the Foundation comply with the accounting and reporting provisions of the American Institute of Certified Public Accountants *Audit and Accounting Guide for Not for Profit Foundations*.

*Fund Accounting.* To ensure observance of limitations and restrictions placed on the use of available resources, the accounts of the Foundation are maintained in accordance with the principles of fund accounting. Under such principles, resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives.

The Foundation also prepares financial statements in accordance with FASB Accounting Standards Codification (ASC) 958-205 and subsections. Under ASC 958-205, the Foundation 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. In addition, the Foundation is required to present a statement of cash flows.

*Net Assets.* Net assets of the Foundation and changes therein are classified and reported as follows:

*Unrestricted Net Assets.* Unrestricted net assets are utilized to account for public support and program revenues that are unrestricted in nature. Donor restricted contributions whose restrictions are met in the year of contribution are reported as unrestricted support.

*Temporarily Restricted Net Assets.* Temporarily restricted net assets are utilized to account for contributions that are donor restricted for uses, which have not yet been fulfilled either by time or purpose. Net assets restricted for construction of buildings or equipment are considered temporarily restricted until the assets are placed in service by the Foundation.

*Permanently Restricted Net Assets.* Permanently restricted net assets represent donor restricted endowments whereby the use of principal is prohibited. The income generated by these endowments may be unrestricted or designated for a specific program support by the donor.

*Public Support and Revenue.* Annual campaign contributions are generally available for unrestricted use in the related campaign year unless specifically restricted by the donor. There were no unconditional promises to give at June 30, 2017 and 2016. The majority of the contributions are received from a broad base of individuals and businesses located in the Florence, South Carolina School District Number One geographical area.

## The School Foundation, Inc.

### Notes to Financial Statements

June 30, 2017 and 2016

#### NOTE 2 - Significant Accounting Policies (continued)

The Foundation conducts two major fundraiser per year as follows: The School Foundation, Inc. Gala and Dancing For Our Future Stars. Contributions for this event are recorded as deferred income until the event is held. The receipts are transferred to income in the period of the event.

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restricts expenses, 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. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

*Accounts Receivable.* The Foundation has recorded accounts receivable from the sale of dancing for our future stars tickets. These amounts represent amounts due from various organizations for errors in their initial payments of their bill. No allowance for doubtful accounts is recorded because all amounts were collected subsequent to year end.

*Donated Leases, Materials and Services.* Donated leases are reflected as contributions in the accompanying financial statements at their estimated fair value at the date the contribution becomes an unconditional promise to give. Donated materials are recorded as contributions and expenses at the time the donated items are placed into service or distributed.

Donated services are reported as contributions and expenses at their fair value if such services create or enhance nonfinancial assets, would have been purchased if not provided by contribution, required specialized skills and are provided by individuals possessing such specialized skills. Donated services received include construction management, consulting services and teachers. A substantial number of volunteers have donated significant amounts of time and services in the Foundation's program operations and in its fund-raising campaigns. However, such contributed services do not meet the criteria for recognition of contributed services and, accordingly, are not reflected in the accompanying consolidated financial statements.

*Cash Equivalents.* Cash equivalents are short-term, highly liquid investments with original maturities of three months or less. Certificates of deposit are not included in cash on the statement of cash flows because their maturity is greater than three months.

*Investments.* Investments consist primarily of assets invested in marketable equity and debt securities, alternative investments, commodities, and money-market accounts. The Foundation accounts for investments in accordance with the FASB standard for investments held by not-for-profit organizations. This standard requires that investments in equity securities with readily determinable fair values and all investments in debt securities be measured at fair value in the consolidated Statement of Financial Position. Fair value of marketable equity and debt securities is based on quoted market prices. Alternative investments are stated at the fair value of their underlying assets and allocated to the investors in proportion to the investor's ownership percentage. The realized and unrealized gain or loss on investments is reflected in the consolidated Statement of Activities.

## The School Foundation, Inc.

### Notes to Financial Statements

June 30, 2017 and 2016

#### NOTE 2 - Significant Accounting Policies (continued)

Investments are exposed to various risks such as significant world events, interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated Statement of Financial Position.

*Investment Policy.* The Foundation's investment policy intends for the Foundation to invest in assets that would produce results exceeding the investment's purchase price and incur a significant yield of return, while assuming a moderate level of investment risk. The Foundation expects its Funds, over time, to provide a reasonable rate of return. To satisfy the long-term rate-of-return objective, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on marketable equity and debt securities and money-market account to achieve its long-term objectives within prudent risk constraints.

*Fixed Assets.* It is the Foundation's policy to capitalize fixed assets over \$500. Lesser amounts are expensed. Purchased fixed assets are capitalized at cost. Donations of fixed assets are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset 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 Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time. Fixed assets are depreciated using the straight-line method.

*Compensated Absences.* It is the Foundation's policy to permit employees to accumulate a limited amount of earned, but unused vacation and sick pay, which will be paid to employees upon separation from the Foundation's service. Accumulated unpaid holiday, vacation and sick pay are accrued as incurred.

*Deferred Revenue.* The Foundation recognizes revenue as earned. Amounts are generally billed and collected in the month prior to the period earned. Therefore, amounts billed and collected prior to the period earned are recorded as a liability under "Deferred revenue" and recognized in the period earned (typically the following month).

*Tax Status.* The School Foundation, Inc. was incorporated as a nonprofit Foundation on February 7, 2000 and is exempt from federal income taxation under Section 501(a) as an Foundation described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

The Foundation's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2015, 2016, and 2017 are subject to examination by the IRS, generally for three years after they were filed.

## **The School Foundation, Inc.**

### **Notes to Financial Statements**

**June 30, 2017 and 2016**

#### **NOTE 2 - Significant Accounting Policies (continued)**

##### **Recent Accounting Pronouncements.**

New accounting standards are now issued by the Financial Accounting Standards Board (FASB) through Accounting Standards Updates (ASUs) to the FASB Accounting Standards Codification (ASC). The FASB does not consider the updates authoritative on a stand-alone basis; they become authoritative when incorporated into the ASC. The ASUs will be in a six-digit, two-segment format (20YY-XX) where YY is the year issued and XX is the sequential number of each update. So, ASU 2017-01 would be the first update issued in 2017, and so forth.

The Foundation has not elected early adoption of recent accounting pronouncements, where permitted, for the year ended June 30, 2017.

*Reclassifications.* Certain reclassifications have been made to the 2016 summarized financial statement information to conform to the current year presentation. These reclassifications had no effect on the increase in net assets for 2017.

*Use of Estimates.* The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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. Management believes that these estimates and assumptions provide a reasonable basis for the fair presentation of the financial statements.

#### **NOTE 3 – Cash and cash equivalents**

Deposits are categorized into these three categories of credit risk:

- (1) Insured or collateralized with securities held by the Foundation or its agent in the Foundation's name.
- (2) Collateralized with securities held by the pledging financial institution's trust department or agent in the Foundation's name.
- (3) Collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the Foundation's name.

## The School Foundation, Inc.

### Notes to Financial Statements

June 30, 2017 and 2016

#### NOTE 3 – Cash and cash equivalents (continued)

*Deposits.* The carrying amount of the Foundation's deposits with financial institutions at June 30, 2017 was \$9,727 and the bank balance was \$13,855. Based on the above criteria, the Foundation's deposits at June 30, 2017 are classified as follows:

	1	CATEGORY 2	3	Unsecured and Uninsured	Bank Balance
Deposits	\$ 13,855	\$ -	\$ -	\$ -	\$ 13,855
Totals	\$ 13,855	\$ -	\$ -	\$ -	\$ 13,855

Cash is invested as follows:

Cash on hand	\$ -
Short-term interest bearing	13,855
	\$ 13,855

#### NOTE 4 – Investments

Investments are publically traded securities which are stated at fair value. The fair values and unrealized appreciation (depreciation) at June 30, 2017 and 2016 are summarized as follows:

	June 30, 2017				June 30, 2016			
	Cost	Fair Value	Carrying Value	Unrealized Appreciation (Depreciation)	Cost	Fair Value	Carrying Value	Unrealized Appreciation (Depreciation)
Money Market Funds	\$ 75,279	\$ 75,326	\$ 75,326	\$ 47	\$ 194,191	\$ 194,169	\$ 194,169	\$ (22)
US government securities	718,692	702,655	702,655	(16,037)	528,573	531,177	531,177	2,604
Common Stock	1,077,425	1,223,299	1,223,299	145,874	1,117,250	1,124,475	1,124,475	7,225
Preferred Stock	-	-	-	-	2,396	2,439	2,439	43
Investments restricted to Registered Investment Companies Equities	75,709	89,402	89,402	13,693	75,559	75,133	75,133	(426)
	\$ 1,947,105	\$ 2,090,682	\$ 2,090,682	\$ 143,577	\$ 1,917,969	\$ 1,927,393	\$ 1,927,393	\$ 9,424

**The School Foundation, Inc.**

**Notes to Financial Statements**

**June 30, 2017 and 2016**

**NOTE 4 – Investments (continued)**

The following schedule summarizes the investment return and its classification for the years ended June 30, 2017 and 2016.

	<u>Unrestricted</u>	
	<u>2017</u>	<u>2016</u>
Interest and dividend income	\$ 45,796	\$ 59,470
Net realized and unrealized gains	<u>139,404</u>	<u>(70,627)</u>
Total investment return	185,200	(11,157)
Investment fees	<u>21,900</u>	<u>14,242</u>
Net investment return	<u>\$ 163,300</u>	<u>\$ (25,399)</u>

**NOTE 5 – Fixed Assets**

The components of fixed assets recorded in the financial statements are as follows:

	Estimated Useful Life in Years	<u>2017</u>	<u>2016</u>
Furniture and office equipment	3 - 7	\$ 12,699	\$ 11,915
Less: accumulated depreciation		<u>8,572</u>	<u>11,567</u>
		<u>\$ 4,127</u>	<u>\$ 348</u>

Depreciation expense was \$505 and \$587 for the years ended June 30, 2017 and 2016.

**The School Foundation, Inc.**

**Notes to Financial Statements**

**June 30, 2017 and 2016**

**NOTE 6 – Temporarily Restricted Net Assets**

Restrictions on net assets on June 30, 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>
Time restrictions on gala contributions	\$ -	\$ 5,000
Program restrictions	<u>3,400</u>	<u>800</u>
Total restrictions	<u>\$ 3,400</u>	<u>\$ 5,800</u>

Temporarily restricted net assets are available for the following periods:

	June 30,	
	<u>2017</u>	<u>2016</u>
Periods after	<u>\$ 3,400</u>	<u>\$ 5,800</u>

Net assets were released from donor restrictions by satisfying the time restrictions specified by the donor as follows:

Time restrictions expired on general and gala contributions	<u>\$ 5,000</u>
Total restrictions released	<u>\$ 5,000</u>

**NOTE 7 – Donated Services**

The Foundation receives a significant amount of donated services from unpaid volunteers who assist in fundraising and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition under generally accepted accounting principles have not been satisfied.

**NOTE 8 – Donated Facilities**

The Foundation uses office spaces, utilities and security donated annually by the Florence-Darlington Technical College. The estimated value, \$6,000 for the years ended June 30, 2017 and 2016, is recorded as both non-cash donations and occupancy expenses in the financial statements of the Foundation.

# The School Foundation, Inc.

## Notes to Financial Statements

June 30, 2017 and 2016

### NOTE 9 – Summary of Fair Value Measurement

Generally accepted accounting principles establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Quoted prices in active markets for identical securities.

*Corporate common and preferred stocks* – Valued at the closing market price on the stock exchange where they are traded (primarily the New York Stock Exchange).

*Money market and savings accounts* – Composed of funds invested in savings accounts at various financial institutions and a money market mutual fund. Funds invested in savings accounts are valued based on the value of deposited funds and net investment earnings less withdrawals and fees. The money market mutual fund consists primarily of domestic commercial paper and other cash management instruments, such as repurchase agreements and master notes, U.S. government and corporate obligations and other securities of foreign issuers. The fund seeks to maintain a stable net asset value (“NAV”) of \$1.

Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.).

Level 3: Significant unobservable inputs (including the Foundation’s own assumptions in determining the fair value of investments).

The inputs and methodology used for valuing the Foundation’s financial assets and liabilities are not indicators of the risks associated with those instruments.

The following table provides fair value measurement information for financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2017 and 2016.

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>June 30, 2017</u>				
Investments in securities	\$ 2,090,682	\$ 2,090,682	\$ -	\$ -
	<u>\$ 2,090,682</u>	<u>\$ 2,090,682</u>	<u>\$ -</u>	<u>\$ -</u>
<u>June 30, 2016</u>				
Investments in securities	\$ 1,927,393	\$ 1,927,393	\$ -	\$ -
	<u>\$ 1,927,393</u>	<u>\$ 1,927,393</u>	<u>\$ -</u>	<u>\$ -</u>



**The School Foundation, Inc.**

**Notes to Financial Statements**

**June 30, 2017 and 2016**

**NOTE 9 – Summary of Fair Value Measurement (continued)**

The following methods and assumptions were used to estimate the fair value of the assets and liabilities in the table above.

Level 1: Fair Value Measurements

*Investments in securities*

The fair value of the Foundation's investments in marketable equity and debt securities is based on quoted market prices.

**NOTE 10 – Functional Allocation of Expenses**

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

## The School Foundation, Inc.

### Notes to Financial Statements

June 30, 2017 and 2016

#### NOTE 11 – Non-cash Transactions

During the year ended June 30, 2017 and 2016, the Foundation received in-kind contributions revenue that was charged to the following expense:

	June 30,	
	2017	2016
Fixed assets		
Furniture and office equipment	\$ 3,500	\$ -
Total fixed assets	<u>3,500</u>	<u>-</u>
General and administrative		
Rent expense	6,000	6,000
Supplies expense	<u>3,200</u>	<u>1,000</u>
Total general and administrative - non-cash	<u>9,200</u>	<u>7,000</u>
Gala		
Advertising	7,500	5,250
Trophies and awards	<u>300</u>	<u>-</u>
Total gala - non-cash	<u>7,800</u>	<u>5,250</u>
Dancing for our future Stars		
Advertising	7,500	250
Trophies and awards	<u>500</u>	<u>200</u>
Total Dancing for our future Stars - non-cash	<u>8,000</u>	<u>450</u>
Grants	<u>-</u>	<u>10,000</u>
Total non-cash transactions	<u>-</u>	<u>10,000</u>
Total non-cash transactions	<u>\$ 28,500</u>	<u>\$ 22,700</u>

#### NOTE 12 – Subsequent Events

*Date of Management Evaluation.* Management has evaluated subsequent events through August 14, 2017, the date on which the financial statements were available to be issued.

**The School Foundation, Inc.**

**Notes to Financial Statements**

**June 30, 2017 and 2016**

**NOTE 13 – Grant Program Awards**

The Foundation for the years ended June 30, 2017 and 2016 supported the following programs through grant awards.

Grant name	School	Grant Amount	
<u>2017</u>			
Engineering a Smart Start E-ssential E-Books	Carver Elementary School	\$ 73,370	
	Briggs Elementary School		
	Carver Elementary School		
	Delmae Elementary School		
	Timrod Elementary School		
	John W. Moore Intermediate School		
	Southside Middle School		
	Wilson High School	50,250	
	Field Trips Without Wheels	McLaurin Elementary School	21,074
	Gators Grasping Literacy Through Google	Savannah Grove Elementary School	3,631
Coding in a Dash	Lucy T. Davis Elementary School	497	
Dashing into Robotics & Coding	Royall Elementary School	497	
I am Proactive - I am in Charge of Me!	Briggs Elementary School	497	
Translating Education for a Growing Global Community	Lucy T. Davis Elementary School		
	John W. Moore Intermediate School	200	
		<u>\$ 150,016</u>	
<u>2016</u>			
A Magical and Revolutionary Approach in Learning Foreign Languages	Williams Middle School	\$ 40,386	
Chromebook Classrooms: Impacting our Community Through Digital Literacy	John W. Moore Intermediate School	39,489	
	Wilson High School	26,326	
Chromebooks and Science Literacy	Southside Middle School	5,321	
Smart Table for Smart Kids	North Vista Elementary School	500	
Bookbags with S.W.A.G.	North Vista Elementary School	500	
Author at Work	Royall Elementary	500	
Read, Set, Read!	Lucy T. Davis Elementary School	484	
Move It!	Delmae Elementary School	500	
The Power of STEAM	North Vista Elementary School	500	
		<u>\$ 114,006</u>	

**SUPPLEMENTAL SCHEDULES**

**The School Foundation, Inc.**

**Schedule of Program Expenses**

**For the year ended June 30, 2017 and 2016**

	<u>Scholarships and Awards</u>	<u>Business Summit</u>	<u>2017 Total Program Expenses</u>	<u>2016 Total Program Expenses</u>
Grants	\$ 150,016	\$ -	\$ 150,016	\$ 114,006
Conferences, meetings and training			-	-
Equipment expense and maintenance			-	-
Postage			-	-
Promotion & printing			-	4,000
Total expenses	<u>\$ 150,016</u>	<u>\$ -</u>	<u>\$ 150,016</u>	<u>\$ 118,006</u>