



WEST CHESTER, PENNSYLVANIA

FINANCIAL STATEMENTS

DECEMBER 31, 2015

(See Accountant's Compilation Report)

WEST CHESTER AREA EDUCATION FOUNDATION

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ACCOUNTANT'S COMPILATION REPORT

March 18, 2016

To the Board of Directors
West Chester Area Education Foundation
West Chester, Pennsylvania

Management is responsible for the accompanying financial statements of the West Chester Area Education Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Barbacane, Thornton & Company LLP

BARBACANE, THORNTON & COMPANY LLP

**WEST CHESTER AREA EDUCATION FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015**

<u>ASSETS</u>	
Cash	\$ 24,806
TOTAL ASSETS	<u>\$ 24,806</u>
<u>LIABILITIES AND NET ASSETS</u>	
LIABILITIES	\$ -
NET ASSETS	
Unrestricted	24,806
TOTAL NET ASSETS	<u>24,806</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 24,806</u>

See accompanying notes and accountant's compilation report.

**WEST CHESTER AREA EDUCATION FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015**

REVENUE AND SUPPORT	
Contributions	\$ 27,119
Special events, less direct expenses of \$2,051	13,229
Other income	7,370
TOTAL REVENUE AND SUPPORT	<u>47,718</u>
EXPENSES	
Foundation awards	81,448
Professional services	1,400
Dues and fees	1,320
Supplies	103
TOTAL EXPENSES	<u>84,271</u>
CHANGE IN NET ASSETS	(36,553)
NET ASSETS, BEGINNING OF YEAR	<u>61,359</u>
NET ASSETS, END OF YEAR	<u>\$ 24,806</u>

See accompanying notes and accountant's compilation report.

**WEST CHESTER AREA EDUCATION FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ (36,553)
NET CASH USED BY OPERATING ACTIVITIES	<u>(36,553)</u>
NET DECREASE IN CASH	(36,553)
CASH, BEGINNING OF YEAR	<u>61,359</u>
CASH, END OF YEAR	<u>\$ 24,806</u>
SUPPLEMENTAL INFORMATION:	
Taxes paid	<u>\$ -</u>
Interest paid	<u>\$ -</u>

See accompanying notes and accountant's compilation report.

WEST CHESTER AREA EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

(See Accountant's Compilation Report)

NOTE 1 THE ORGANIZATION

The West Chester Area Education Foundation ("the Foundation") was formed on October 25, 2010 as an independent, non-profit organization with the mission of supporting educational experiences that will connect the West Chester Area School District ("the District") curriculum with real world experiences.

Programs, projects, and activities sponsored by the Foundation are aligned with the District's strategic plan and mission statement, inspiring students to achieve their personal best. The Foundation provides mini-grants to teachers to help pay for field trips and other unique experiences for students in the District, as well as internships for students to gain work experience.

The Foundation's Board of Directors consists of District retirees, alumni, local business people, and District staff. The Board is responsible for all operations of the Foundation. It administers funds received from public donations, fundraisers, and grants.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Foundation's policy is to prepare its financial statements on the accrual basis of accounting.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

Financial Statement Presentation

In accordance with the section of the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") regarding financial statements of not-for-profit organizations, 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.

WEST CHESTER AREA EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

(See Accountant's Compilation Report)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Contributions

In accordance with the section of the FASB ASC regarding accounting for contributions received and contributions made, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

NOTE 3 CASH

The Foundation maintains cash in a checking account. The bank balance of this account at December 31, 2015 was \$24,806 and was fully covered by federal depository insurance.

NOTE 4 DONATED SERVICES

The Foundation receives donated services in the form of Board management. No value has been assigned in the financial statements for these services since they do not meet the criteria for recognition as contributed services in accordance with generally accepted accounting principles.

NOTE 5 FUNCTIONAL EXPENSES

Expenses by function for the year ended December 31, 2015 were as follows:

Program services	\$ 82,871
Support services	<u>1,400</u>
	<u>\$ 84,271</u>

NOTE 6 INCOME TAXES

The Foundation is exempt from federal income tax 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 may be subject to taxation as unrelated business income.

WEST CHESTER AREA EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

(See Accountant's Compilation Report)

NOTE 6 INCOME TAXES (cont'd)

Generally accepted accounting principles prescribe rules for the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the Foundation's tax returns. Management has determined that the Foundation does not have any uncertain tax positions or associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Foundation's tax returns will not be challenged by the taxing authorities and that the Foundation will not be subject to additional tax, penalties, and interest as a result of such challenge. Income tax returns of the Foundation for 2012, 2013, and 2014 are subject to examination by tax authorities, generally for three years after they were filed.

NOTE 7 CONCENTRATIONS

The Foundation received 23 and 10 percent of its total revenue and support from Bentley Systems and Novartis, respectively, during the year ended December 31, 2015.

NOTE 8 SUBSEQUENT EVENTS

The Foundation has evaluated all subsequent events through March 18, 2016, the date the financial statements were available to be issued.