

ST. LOUIS INTERNSHIP PROGRAM
FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2014 AND 2013

**ST. LOUIS INTERNSHIP PROGRAM
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YEARS ENDED AUGUST 31, 2014 AND 2013**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
St. Louis Internship Program
St. Louis, Missouri

We have audited the accompanying financial statements of St. Louis Internship Program (a nonprofit organization), which comprise the statement of financial position as of August 31, 2014, and the related statement of activities, cash flows, and functional expenses for the year 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.

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.

Board of Directors
St. Louis Internship Program

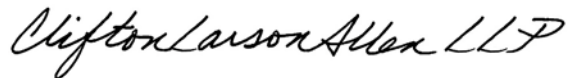
Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Louis Internship Program as of August 31, 2014, 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.

Other matters

The 2013 financial statements of St. Louis Internship Program were audited by other auditors whose report dated November 22, 2013 expressed an unmodified opinion on those statements. As discussed in Note 10, the Organization has restated its 2013 financial statements during the current year to adjust the deferred revenue balance at August 31, 2013 to actual, in accordance with accounting principles generally accepted in the United States of America. The other auditor reported on the 2013 financial statements before the restatement.

As part of our audit of the 2014 financial statements, we also audited adjustments described in Note 10 that were applied to restate the 2013 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2013 financial statements of the Organization other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2013 financial statements as a whole.



CliftonLarsonAllen LLP

St. Louis, Missouri
January 9, 2015

**ST. LOUIS INTERNSHIP PROGRAM
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2014 AND 2013**

	2014	2013 (Restated)
ASSETS		
ASSETS		
Cash and Cash Equivalents	\$ 277,454	\$ 280,993
Other Receivables	-	1,500
Supplies - Uniforms	7,153	6,900
Prepays	722	-
Property and Equipment, net	15,276	11,225
Total Assets	\$ 300,605	\$ 300,618
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 2,948	\$ 10,759
Other Liabilities	3,592	125
Deferred Revenue	17,462	18,496
Lease Payable	1,639	3,825
Total Liabilities	25,641	33,205
NET ASSETS		
Unrestricted	243,875	256,551
Temporarily Restricted	31,089	10,862
Total Net Assets	274,964	267,413
Total Liabilities and Net Assets	\$ 300,605	\$ 300,618

See accompanying Notes to Financial Statements.

**ST. LOUIS INTERNSHIP PROGRAM
STATEMENTS OF ACTIVITIES
YEARS ENDED AUGUST 31, 2014 AND 2013**

	2014		
	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Contributions	\$ 92,117	\$ 154,068	\$ 246,185
Grant-in-Kind	57,045	-	57,045
Program Service Fees	248,805	-	248,805
Special Events and Other Revenue	3,472	-	3,472
Total Support and Revenue	<u>401,439</u>	<u>154,068</u>	<u>555,507</u>
NET ASSETS RELEASED FROM RESTRICTIONS			
Restrictions Satisfied by Payments	<u>133,841</u>	<u>(133,841)</u>	<u>-</u>
Total Support, Revenue and Reclassifications	535,280	20,227	555,507
EXPENSES			
Program Services:			
Internship Program	<u>492,040</u>	<u>-</u>	<u>492,040</u>
Total Program Services	492,040	-	492,040
Supporting Services:			
Administrative	35,448	-	35,448
Fund Raising	<u>20,468</u>	<u>-</u>	<u>20,468</u>
Total Supporting Services	<u>55,916</u>	<u>-</u>	<u>55,916</u>
Total Expenses	<u>547,956</u>	<u>-</u>	<u>547,956</u>
CHANGE IN NET ASSETS	(12,676)	20,227	7,551
NET ASSETS, BEGINNING OF YEAR	<u>256,551</u>	<u>10,862</u>	<u>267,413</u>
NET ASSETS, END OF YEAR	<u><u>\$ 243,875</u></u>	<u><u>\$ 31,089</u></u>	<u><u>\$ 274,964</u></u>

See accompanying Notes to Financial Statements.

2013 (Restated)

Unrestricted	Temporarily Restricted	Total
\$ 100,032	\$ 136,937	\$ 236,969
58,885	-	58,885
208,846	-	208,846
1,338	-	1,338
369,101	136,937	506,038
135,181	(135,181)	-
504,282	1,756	506,038
446,257	-	446,257
446,257	-	446,257
36,447	-	36,447
12,819	-	12,819
49,266	-	49,266
495,523	-	495,523
8,759	1,756	10,515
247,792	9,106	256,898
\$ 256,551	\$ 10,862	\$ 267,413

**ST. LOUIS INTERNSHIP PROGRAM
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2014 AND 2013**

	2014	2013 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 7,551	\$ 10,515
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities		
Depreciation	3,566	2,366
Changes in Assets and Liabilities		
Other Receivables	1,500	(1,250)
Supplies - Uniforms	(253)	(1,900)
Prepays	(722)	-
Accounts Payable	(7,811)	9,979
Other Liabilities	3,467	(1,576)
Deferred Revenue	(1,034)	(24,149)
Net Cash Provided by (Used in) Investing Activities	6,264	(6,015)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for Purchase of Property and Equipment	(7,617)	(6,515)
Net Cash Used in Investing Activities	(7,617)	(6,515)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Lease Payable	(2,186)	(2,188)
Net Cash Used in Financing Activities	(2,186)	(2,188)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,539)	(14,718)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	280,993	295,711
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 277,454	\$ 280,993

See accompanying Notes to Financial Statements.

**ST. LOUIS INTERNSHIP PROGRAM
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED AUGUST 31, 2014 AND 2013**

	Program	Supporting Services			2014 Total Expenses
	Internship Program	Management and General	Fund Raising	Total Supporting Services	
Salaries and Related Expenses:					
Salaries	\$ 308,924	\$ 14,549	\$ 3,050	\$ 17,599	\$ 326,523
Payroll Taxes and Employee Benefits	35,649	2,245	508	2,753	38,402
	<u>344,573</u>	<u>16,794</u>	<u>3,558</u>	<u>20,352</u>	<u>364,925</u>
Other Expenses:					
Training	19,607	-	-	-	19,607
Insurance	3,399	-	-	-	3,399
Professional Fees	1,377	10,309	13,771	24,080	25,457
Office Supplies and Expense	7,339	1,910	1,200	3,110	10,449
Office Equipment Expense	3,125	781	-	781	3,906
Rent	5,214	1,303	-	1,303	6,517
Transportation for Interns	15,813	-	-	-	15,813
Alumni Program	53,380	-	-	-	53,380
Uniforms for Interns	23,646	-	-	-	23,646
Scholarships	3,000	-	-	-	3,000
Special Events	-	-	386	386	386
Development Events	-	-	1,553	1,553	1,553
Miscellaneous	8,714	3,638	-	3,638	12,352
Total Expenses Before Depreciation	489,187	34,735	20,468	55,203	544,390
Depreciation	2,853	713	-	713	3,566
TOTAL EXPENSES	<u><u>\$ 492,040</u></u>	<u><u>\$ 35,448</u></u>	<u><u>\$ 20,468</u></u>	<u><u>\$ 55,916</u></u>	<u><u>\$ 547,956</u></u>

See accompanying Notes to Financial Statements.

Program	Supporting Services			2013 Total Expenses
	Management and General	Fund Raising	Total Supporting Services	
\$ 292,598	\$ 14,195	\$ 2,965	\$ 17,160	\$ 309,758
<u>36,722</u>	<u>2,379</u>	<u>660</u>	<u>3,039</u>	<u>39,761</u>
329,320	16,574	3,625	20,199	349,519
16,633	-	-	-	16,633
3,943	-	-	-	3,943
-	12,030	7,550	19,580	19,580
8,372	2,169	957	3,126	11,498
2,962	741	-	741	3,703
5,213	1,303	-	1,303	6,516
19,668	-	-	-	19,668
32,215	-	-	-	35,215
14,306	-	-	-	14,306
3,250	-	-	-	3,250
-	-	687	687	687
-	-	-	-	-
<u>5,482</u>	<u>3,157</u>	<u>-</u>	<u>3,157</u>	<u>8,639</u>
444,364	35,974	12,819	48,793	493,157
<u>1,893</u>	<u>473</u>	<u>-</u>	<u>473</u>	<u>2,366</u>
<u>\$ 446,257</u>	<u>\$ 36,447</u>	<u>\$ 12,819</u>	<u>\$ 49,266</u>	<u>\$ 495,523</u>

**ST. LOUIS INTERNSHIP PROGRAM
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2014 AND 2013**

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

St. Louis Internship Program (the Program) is a non-profit youth development organization established in 1992 in the state of Missouri. The Program brings together the positive resources of the community and private sector to prepare low-income high school students attending private, parochial, charter and public schools in metropolitan St. Louis for the future through economic opportunities and education. The Program is funded entirely by community funding and is administered by the St. Louis Public Schools.

The Program operates year-round consisting of three components – employment opportunities through paid summer internships, educational opportunities and post-secondary planning assistance.

Financial Statement Presentation

The Program 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.

Income Taxes

The Program is a non-profit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

The annual information returns of the Program are subject to examination by the Internal Revenue Service for the statutory periods. Currently, the 2010 and subsequent tax years are open and subject to examination. Management believes there are no uncertain tax positions, thus no provision for the effects of uncertain tax positions have been recorded at August 31, 2014 and 2013.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence or nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in unrestricted net assets. The Program has not received any support that would be classified as permanently restricted.

Donor restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When conditions on which a restriction depends are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets.

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

**ST. LOUIS INTERNSHIP PROGRAM
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2014 AND 2013**

NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions (Continued)

The Program uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made. There was no allowance for uncollectible promises to give at August 31, 2014 and 2013.

Contributed Services

Contributed services meeting the requirement for recognition in the financial statements, which are provided by the St. Louis Public School System, consist of an internal program administrator's salary and fringes of \$57,045 and \$58,885 for the years ended August 31, 2014 and 2013, respectively. The contributed services are included in the internship program.

In addition, many volunteers have donated their time and perform a variety of tasks that assist the Program in program services and fund raising, which do not meet the requirements for recognition and are not recorded in the financial statements.

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. The allocation factors used to allocate costs among the various programs and supporting services of the Program is a significant estimate incorporated into the Program's financial statements. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, all unrestricted highly liquid investments with an initial maturity of three months or less are considered to be cash equivalents.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Program expenses included both these allocated costs and the direct costs of providing each program or activity.

NOTE 2 OTHER RECEIVABLES

Other receivables include, but are not limited to, program service fees. The Program used the allowance method to determine uncollectible program service fees. The allowance is based on prior years' experience and management's analysis. At August 31, 2014 and 2013, all program service fees were considered collectible and the allowance was zero.

**ST. LOUIS INTERNSHIP PROGRAM
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2014 AND 2013**

NOTE 3 SUPPLIES - UNIFORMS

The Program had uniforms, recorded at cost, held for future interns' use of \$7,153 and \$6,900 at August 31, 2014 and 2013, respectively.

NOTE 4 FURNITURE AND EQUIPMENT

Expenditures for property and equipment are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, which range from 5 to 7 years. Depreciation expense totaled \$3,566 and \$2,366 for the years ended August 31, 2014 and 2013, respectively. Property and equipment at August 31 consist of the following:

	2014	2013
Office Furniture	\$ 3,150	\$ 3,150
Computers and Equipment	29,457	25,181
	32,607	28,331
Less Accumulated Depreciation	(17,331)	(17,106)
	\$ 15,276	\$ 11,225

NOTE 5 DEFERRED REVENUE

Deferred revenue of \$17,462 and \$18,552 at August 31, 2014 and 2013 (restated), respectively, represents amounts received in advance for the Missouri Department of Higher Education College Access Challenge Grant and the St. Louis Mental Health Board Community Internship Grant. See Note 10 for August 31, 2013 restated deferred revenue explanation.

NOTE 6 LEASE PAYABLE

	2014	2013
IKON Financial, operating lease, monthly payments of \$182 through June 16, 2015	\$ 1,639	\$ 3,825
Total	1,639	3,825
Less Current Portion	(1,639)	(2,186)
Lease Payable, net of current portion	\$ -	\$ 1,639
Future lease obligations:		
2015		\$ 1,639

**ST. LOUIS INTERNSHIP PROGRAM
SCHEDULE OF FUNCTIONAL EXPENSES
YEARS ENDED AUGUST 31, 2014 AND 2013**

NOTE 7 TEMPORARILY RESTRICTED NET ASSETS

The changes in temporarily restricted net assets for the years ending August 31, 2014 and 2013 are as follows:

	Balance September 1, 2013	Contributions Received/ Receivable	Restrictions Satisfied	Balance August 31, 2014
Contributions Restricted for:				
Dedicated Internships	\$ -	\$ 1,980	\$ (1,980)	\$ -
Youth Opportunities Program	-	32,675	(31,917)	758
Training and Transportation	-	15,000	(10,000)	5,000
Intern Salary and Support Services	7,302	102,413	(85,344)	24,371
Scholarships	1,560	2,000	(2,600)	960
Evaluation	2,000	-	(2,000)	-
	<u>\$ 10,862</u>	<u>\$ 154,068</u>	<u>\$ (133,841)</u>	<u>\$ 31,089</u>
	Balance September 1, 2012	Contributions Received/ Receivable	Restrictions Satisfied	Balance August 31, 2013
Contributions Restricted for:				
Dedicated Internships	\$ -	\$ 5,960	\$ (5,960)	\$ -
Youth Opportunities Program	-	24,100	(24,100)	-
Training and Transportation	884	-	(884)	-
Intern Salary	6,662	93,354	(92,714)	7,302
Scholarships	1,560	2,000	(2,000)	1,560
Evaluation	-	2,000	-	2,000
Support Services	-	9,523	(9,523)	-
	<u>\$ 9,106</u>	<u>\$ 136,937</u>	<u>\$ (135,181)</u>	<u>\$ 10,862</u>

The cash balance at August 31, 2014 and 2013 included the temporarily restricted net asset balance of \$31,089 and \$10,862, respectively.

NOTE 8 LEASE AGREEMENTS

The Program leases office space on a one-year term lease. The lease is renewable with a cost of living adjustment applied to the previous rental amount based on the consumer price index.

**ST. LOUIS INTERNSHIP PROGRAM
SCHEDULE OF FUNCTIONAL EXPENSES
YEARS ENDED AUGUST 31, 2014 AND 2013**

NOTE 9 PRIOR PERIOD RESTATEMENT

The Program determined that changes to the deferred revenue calculation as of August 31, 2013 should be made. As a result, the August 31, 2013 financial statements have been restated. The restatement is summarized as follows:

	<u>Deferred Revenue</u>	<u>Program Service Fees</u>	<u>Net Assets</u>
Balance at August 31, 2013, as previously reported	\$ 42,287	\$ 185,055	\$ 243,622
Prior period restatement	<u>(23,791)</u>	<u>23,791</u>	<u>23,791</u>
Balance at August 31, 2013, restated	<u>\$ 18,496</u>	<u>\$ 208,846</u>	<u>\$ 267,413</u>

NOTE 10 SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 9, 2015, the date the financial statements were available to be issued.