

ST. LOUIS INTERNSHIP PROGRAM
FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2015 AND 2014

**ST. LOUIS INTERNSHIP PROGRAM
TABLE OF CONTENTS
YEARS ENDED AUGUST 31, 2015 AND 2014**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF CASH FLOWS	6
STATEMENTS OF FUNCTIONAL EXPENSES	7
NOTES TO FINANCIAL STATEMENTS	9

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 statements of financial position as of August 31, 2015 and 2014, and the related statements of activities, cash flows, and functional expenses 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

St. Louis, Missouri
December 7, 2015

**ST. LOUIS INTERNSHIP PROGRAM
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2015 AND 2014**

	2015	2014
ASSETS		
ASSETS		
Cash and Cash Equivalents	\$ 251,389	\$ 277,454
Grant and Other Receivables	65,719	-
Supplies - Uniforms	5,187	7,153
Prepays	722	722
Property and Equipment, net	11,088	15,276
Total Assets	\$ 334,105	\$ 300,605
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 1,596	\$ 2,948
Other Liabilities	4,216	3,592
Deferred Revenue	25,000	17,462
Lease Payable	-	1,639
Total Liabilities	30,812	25,641
NET ASSETS		
Unrestricted	275,043	243,875
Temporarily Restricted	28,250	31,089
Total Net Assets	303,293	274,964
Total Liabilities and Net Assets	\$ 334,105	\$ 300,605

See accompanying Notes to Financial Statements.

**ST. LOUIS INTERNSHIP PROGRAM
STATEMENTS OF ACTIVITIES
YEARS ENDED AUGUST 31, 2015 AND 2014**

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE						
Contributions	\$ 139,572	\$ 159,864	\$ 299,436	\$ 92,117	\$ 154,068	\$ 246,185
Grant-in-Kind	58,495	-	58,495	57,045	-	57,045
Program Service Fees	186,726	-	186,726	248,805	-	248,805
Special Events and Other Revenue, (Net of Expenses of \$29,473 and \$386)	24,435	-	24,435	3,086	-	3,086
Total Support and Revenue	<u>409,228</u>	<u>159,864</u>	<u>569,092</u>	<u>401,053</u>	<u>154,068</u>	<u>555,121</u>
NET ASSETS RELEASED FROM RESTRICTIONS						
Restrictions Satisfied by Payments	<u>162,703</u>	<u>(162,703)</u>	<u>-</u>	<u>133,841</u>	<u>(133,841)</u>	<u>-</u>
Total Support, Revenue and Reclassifications	571,931	(2,839)	569,092	534,894	20,227	555,121
EXPENSES						
Program Services:						
Internship Program	464,270	-	464,270	492,040	-	492,040
Supporting Services:						
Administrative	37,497	-	37,497	35,448	-	35,448
Fundraising	38,996	-	38,996	20,082	-	20,082
Total Supporting Services	<u>76,493</u>	<u>-</u>	<u>76,493</u>	<u>55,530</u>	<u>-</u>	<u>55,530</u>
Total Expenses	<u>540,763</u>	<u>-</u>	<u>540,763</u>	<u>547,570</u>	<u>-</u>	<u>547,570</u>
CHANGE IN NET ASSETS	31,168	(2,839)	28,329	(12,676)	20,227	7,551
Net Assets, Beginning of Year	<u>243,875</u>	<u>31,089</u>	<u>274,964</u>	<u>256,551</u>	<u>10,862</u>	<u>267,413</u>
NET ASSETS, END OF YEAR	<u>\$ 275,043</u>	<u>\$ 28,250</u>	<u>\$ 303,293</u>	<u>\$ 243,875</u>	<u>\$ 31,089</u>	<u>\$ 274,964</u>

See accompanying Notes to Financial Statements.

**ST. LOUIS INTERNSHIP PROGRAM
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2015 AND 2014**

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 28,329	\$ 7,551
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities		
Depreciation	4,188	3,566
Changes in Assets and Liabilities:		
Other Receivables	(65,719)	1,500
Supplies - Uniforms	1,966	(253)
Prepays	-	(722)
Accounts Payable	(1,352)	(7,811)
Other Liabilities	624	3,467
Deferred Revenue	7,538	(1,034)
Net Cash Provided by (Used in) Operating Activities	(24,426)	6,264
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for Purchase of Property and Equipment	-	(7,617)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Lease Payable	(1,639)	(2,186)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(26,065)	(3,539)
Cash and Cash Equivalents, Beginning of Year	277,454	280,993
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 251,389	\$ 277,454

See accompanying Notes to Financial Statements.

**ST. LOUIS INTERNSHIP PROGRAM
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED AUGUST 31, 2015 AND 2014**

	2015					2014				
	Program	Supporting Services			Total	Program	Supporting Services			Total
	Internship Program	Management and General	Fundraising	Supporting Services	2015 Expenses	Internship Program	Management and General	Fundraising	Supporting Services	2014 Expenses
Salaries and Related Expenses:										
Salaries	\$ 298,693	\$ 16,023	\$ 3,100	\$ 19,123	\$ 317,816	\$ 308,924	\$ 14,549	\$ 3,050	\$ 17,599	\$ 326,523
Payroll Taxes and Employee Benefits	33,731	2,893	666	3,559	37,290	35,649	2,245	508	2,753	38,402
	<u>332,424</u>	<u>18,916</u>	<u>3,766</u>	<u>22,682</u>	<u>355,106</u>	<u>344,573</u>	<u>16,794</u>	<u>3,558</u>	<u>20,352</u>	<u>364,925</u>
Other Expenses:										
Training	24,263	-	-	-	24,263	19,607	-	-	-	19,607
Insurance	4,216	962	-	962	5,178	3,399	-	-	-	3,399
Professional Fees	1,709	10,445	33,838	44,283	45,992	1,377	10,309	13,771	24,080	25,457
Office Supplies and Expense	9,143	1,865	1,392	3,257	12,400	7,339	1,910	1,200	3,110	10,449
Office Equipment Expense	3,152	788	-	788	3,940	3,125	781	-	781	3,906
Rent	5,380	1,345	-	1,345	6,725	5,214	1,303	-	1,303	6,517
Transportation for Interns	12,929	-	-	-	12,929	15,813	-	-	-	15,813
Alumni Program	35,349	-	-	-	35,349	53,380	-	-	-	53,380
Uniforms for Interns	19,729	-	-	-	19,729	23,646	-	-	-	23,646
Scholarships	3,025	-	-	-	3,025	3,000	-	-	-	3,000
Development Events	-	-	-	-	-	-	-	1,553	1,553	1,553
Miscellaneous	9,601	2,338	-	2,338	11,939	8,714	3,638	-	3,638	12,352
Total Expenses Before Depreciation	<u>460,920</u>	<u>36,659</u>	<u>38,996</u>	<u>75,655</u>	<u>536,575</u>	<u>489,187</u>	<u>34,735</u>	<u>20,082</u>	<u>54,817</u>	<u>544,004</u>
Depreciation	3,350	838	-	838	4,188	2,853	713	-	713	3,566
TOTAL EXPENSES	<u>\$ 464,270</u>	<u>\$ 37,497</u>	<u>\$ 38,996</u>	<u>\$ 76,493</u>	<u>\$ 540,763</u>	<u>\$ 492,040</u>	<u>\$ 35,448</u>	<u>\$ 20,082</u>	<u>\$ 55,530</u>	<u>\$ 547,570</u>

See accompanying Notes to Financial Statements.

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**ST. LOUIS INTERNSHIP PROGRAM
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014**

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. Management believes there are no uncertain tax positions, thus no provision for the effects of uncertain tax positions have been recorded at August 31, 2015 and 2014.

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, 2015 AND 2014**

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, 2015 and 2014.

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 \$58,495 and \$57,045 for the years ended August 31, 2015 and 2014, 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 fundraising, 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.

Reclassifications

Certain reclassifications have been made to the August 31, 2014 financial statements in order to present them in conformity with the August 31, 2015 financial statements. These reclassifications had no effect on net assets as previously reported.

**ST. LOUIS INTERNSHIP PROGRAM
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014**

NOTE 2 GRANT AND OTHER RECEIVABLES

Grant and other receivables include, but are not limited to, program service fees, grants, and board members and Taste of Sweet Success contributions. 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, 2015 and 2014, all receivables of \$65,719 and \$-0-, respectively, were considered collectible and the allowance was zero.

NOTE 3 SUPPLIES - UNIFORMS

The Program had uniforms, recorded at cost, held for future interns' use of \$5,187 and \$7,153 at August 31, 2015 and 2014, 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 \$4,188 and \$3,566 for the years ended August 31, 2015 and 2014, respectively. Property and equipment at August 31 consist of the following:

	2015	2014
Office Furniture	\$ 3,150	\$ 3,150
Computers and Equipment	29,457	29,457
	32,607	32,607
Less: Accumulated Depreciation	(21,519)	(17,331)
Total	\$ 11,088	\$ 15,276

NOTE 5 DEFERRED REVENUE

Deferred revenue of \$25,000 and \$17,462 at August 31, 2015 and 2014, respectively, represents amount received in advance for the St. Louis Mental Health Board Community Internship Grant.

**ST. LOUIS INTERNSHIP PROGRAM
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014**

NOTE 6 LEASE PAYABLE

The Program leased a copier in the amount of \$8,750 under a capital lease arrangement. Accumulated depreciation totaled \$7,292 and \$5,542 at August 31, 2015 and 2014, respectively.

	<u>2015</u>	<u>2014</u>
IKON Financial, Lease, Monthly Payments of \$182 through June 16, 2015	\$ -	\$ 1,639
Total	-	1,639
Less: Current Portion	-	(1,639)
Lease Payable, Net of Current Portion	<u>\$ -</u>	<u>\$ -</u>

NOTE 7 TEMPORARILY RESTRICTED NET ASSETS

The changes in temporarily restricted net assets for the years ended August 31, 2015 and 2014 are as follows:

	<u>Balance September 1, 2014</u>	<u>Contributions Received/ Receivable</u>	<u>Restrictions Satisfied</u>	<u>Balance August 31, 2015</u>
Contributions Restricted for:				
Dedicated Internships	\$ -	\$ 1,100	\$ (1,100)	\$ -
Youth Opportunities Program	758	26,666	(27,424)	-
Training and Transportation	5,000	21,000	(26,000)	-
Intern Salary and Support Services	24,371	110,098	(107,179)	27,290
Scholarships	960	1,000	(1,000)	960
Total	<u>\$ 31,089</u>	<u>\$ 159,864</u>	<u>\$ (162,703)</u>	<u>\$ 28,250</u>
	<u>Balance September 1, 2013</u>	<u>Contributions Received/ Receivable</u>	<u>Restrictions Satisfied</u>	<u>Balance August 31, 2014</u>
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)	-
Total	<u>\$ 10,862</u>	<u>\$ 154,068</u>	<u>\$ (133,841)</u>	<u>\$ 31,089</u>

The cash balance at August 31, 2015 and 2014 included the temporarily restricted net asset balance of \$28,250 and \$31,089, respectively.

**ST. LOUIS INTERNSHIP PROGRAM
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014**

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.

NOTE 9 SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 7, 2015, the date the financial statements were available to be issued.