

SERVICE TO SCHOOL
(An Arizona Nonprofit Corporation)

FINANCIAL STATEMENTS
JUNE 30, 2019

**SERVICE TO SCHOOL
(An Arizona Nonprofit Corporation)**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Service To School
(An Arizona Nonprofit Corporation)
300 3rd Street, Apt 919
San Francisco, California

We have audited the accompanying financial statements of the Service To School (A Arizona Nonprofit Corporation) which comprise of the statement of financial position as of June 30, 2019, and the related statement of activities, and cash flows for the year then ended and the related notes to the financial statements. The prior year summarized comparative information has been derived from Corporation's 2018 financial statements and, in our report dated January 24, 2019 we expressed an unqualified opinion on those 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 required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Service To School as of June 30, 2019, 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.

Clendenin Bird & Company, PC

CLENDENIN BIRD & COMPANY, PC

Modesto, California

January 17, 2020

SERVICE TO SCHOOL
(An Arizona Nonprofit Corporation)

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019
WITH COMPARATIVE TOTALS FOR JUNE 30, 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash And Cash Equivalents	244,484	227,970
Grants And Contracts Receivable	5,000	0
Other Assets	<u>67</u>	<u>0</u>
 Total Assets	 <u>249,551</u>	 <u>227,970</u>
 LIABILITIES		
Accounts Payable	0	1,187
Payroll Liabilities	<u>2,877</u>	<u>5,141</u>
Total Liabilities	<u>2,877</u>	<u>6,328</u>
 NET ASSETS		
Unrestricted	245,707	220,675
Temporarily Restricted	<u>967</u>	<u>967</u>
Total Net Assets	<u>246,674</u>	<u>221,642</u>
 Total Liabilities And Net Assets	 <u>249,551</u>	 <u>227,970</u>

SEE ACCOMPANYING NOTES

SERVICE TO SCHOOL
(An Arizona Nonprofit Corporation)

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE TOTALS FOR JUNE 30, 2018

	Unrestricted	Temporarily Restricted	Total 2018	Total 2018
REVENUES AND OTHER SUPPORT				
Program Revenue	187,500	0	187,500	115,500
Foundations/Grant Revenue	100,000	0	100,000	50,000
Donations	113,463	0	113,463	49,852
Net Assets Released From Restrictions:				
Satisfaction Of Program Restrictions	0	0	0	0
Interest And Dividend Income	1	0	1	1
Other Income	0	0	0	0
Total Revenues And Other Support	<u>400,964</u>	<u>0</u>	<u>400,964</u>	<u>215,353</u>
EXPENSES				
Salaries	218,482	0	218,482	129,153
Outside Services	60,050	0	60,050	67,768
Travel	10,322	0	10,322	15,602
IT Services	18,443	0	18,443	0
Payroll Taxes	17,196	0	17,196	11,204
Accounting	10,704	0	10,704	9,325
Conference, Convention	15,941	0	15,941	3,368
Professional Fees	4,144	0	4,144	7,722
Promotion & Recognition	921	0	921	1,882
Fundraising Fee	1,001	0	1,001	1,367
Printing & Postage	722	0	722	570
Insurance	17,094	0	17,094	466
Office Expense	516	0	516	12
Supplies	203	0	203	1,178
Advertising	183	0	183	5,140
Tax	10	0	10	10
Total Expenses	<u>375,932</u>	<u>0</u>	<u>375,932</u>	<u>254,767</u>
Increase (Decrease) In Net Assets	25,032	0	25,032	(39,414)
Net Assets At Beginning Of Year	<u>220,675</u>	<u>967</u>	<u>221,642</u>	<u>260,089</u>
Net Assets At End Of Year	<u>245,707</u>	<u>967</u>	<u>246,674</u>	<u>220,675</u>

SEE ACCOMPANYING NOTES

SERVICE TO SCHOOL
(An Arizona Nonprofit Corporation)

STATEMENT OF CASH FLOWS
FOR YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE TOTALS FOR JUNE 30, 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change In Net Assets	25,032	(39,414)
Adjustments To Reconcile Change In Net Assets To Net Cash Provided By Operating Activities:		
(Increase) Decrease In :		
Grants And Contracts Receivable	(5,000)	10,000
Other Assets	(67)	0
Increase (Decrease) In :		
Accounts Payable	(1,187)	223
Payroll Liabilities	(2,264)	4,610
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	16,514	(24,581)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition Of Property And Equipment	0	0
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	0	0
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds From Line Of Credit	0	0
Payments To Line Of Credit	0	0
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	0	0
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 16,514	 (24,581)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	227,970	252,551
CASH AND CASH EQUIVALENTS AT END OF YEAR	244,484	227,970
 SUPPLEMENTAL DISCLOSURES:		
Cash Paid During The Year For:		
Interest	0	0

SEE ACCOMPANYING NOTES

SERVICE TO SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1- SUMMARY OF ACCOUNTING POLICIES

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

Organization And Operation

Service To School was established in 2013 as a private, non-profit, section 501(c)(3) focused on providing free application counseling to military veterans. The goal is to help veterans pursue higher education at quality universities and to help them maximize their education benefits. Key to the organization is that veterans that we have helped so far work on a pay-it-forward mode by becoming “Ambassadors” advising new veteran applicants.

Basis of Accounting

The Organization prepares its financial statements in accordance with generally accepted accounting standards and principles established by the Financial Accounting Standards Board (FASB). References to the U.S. GAAP in these footnotes are to the FASB Accounting Standards Codification (ASC).

Revenue Recognition

Program Revenue- Program revenue relates to funds received under contracts with universities, granting the right to participate in the VetLink program. Additionally the universities will pay a fee for every veteran who subsequently enrolls in the university. Revenues are recognized at the time the costs of the services are incurred and billed to funders.

Donation Revenue- Donation revenue relates to unrestricted gifts, grants, and contributions primarily from individuals. These funds are typically unrestricted and revenue is recognized at the time the donation is received.

The Organization reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. 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. Restricted support received and utilized for its intended purpose during the same reporting period, such as program revenue, is reported as unrestricted revenue.

Accounts Receivable

Accounts receivable relates primarily to program revenue earned, but not yet received, at the balance sheet date. No interest is charged on past due balances. Past due status is based on the date that program services are billed. An allowance for doubtful accounts is not provided as management believes that accounts receivable are fully collectible.

Income Taxes

The Organization is exempt from federal income taxes as an organization described in section 501 (c) (3) of the Internal Revenue Code and is exempt from California franchise taxes under the California Revenue and Taxation Code Section 23701 (d).

**SERVICE TO SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1- SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Property And Equipment

It is the Service To School's policy to capitalize property and equipment over \$1,000; lesser amounts are expensed. Furniture, fixtures, and equipment consist of furniture and other equipment recorded at historical cost. The equipment is depreciated using the straight-line method over a period of five to ten years. Costs for projects currently under development that will be capitalized in conjunction with the Service To School's capitalization policy are recorded in construction in progress until the project is completed and ready for its intended use, at which time the costs are transferred to a depreciable category.

Estimates In Financial Statements

In preparing financial statements in conformity with generally accepted accounting principles, management makes 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, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2- CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, the Service To School considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. A summary of cash and cash equivalents for the years ended June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Checking Account	225,543	210,145
Savings Account	3,393	3,392
PayPal	<u>15,548</u>	<u>14,433</u>
	<u>244,484</u>	<u>227,970</u>

NOTE 3 – GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable as of June 30, 2019 is considered collectible by the Service To School's management; therefore, an allowance for uncollectible accounts has not been recorded. A summary of the grants and contracts receivable for the years ended June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Princeton University	<u>5,000</u>	<u>0</u>
	<u>5,000</u>	<u>0</u>

SERVICE TO SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

The temporarily restricted net assets are restricted by donors for specific programs or purpose.

NOTE 5 – DONATED MATERIALS AND SERVICES

Service To School receives donated materials and services from volunteers. The donated materials and services, due to their nature and lack of objective means of evaluation, are not recorded as contributions on the accompanying financial statements.

NOTE 6 – RISK FACTORS

The Service To School receives significant funding from program service and contributions.

NOTE 7 - CONCENTRATION OF CREDIT RISK

The Service To School maintains a majority of its cash in checking and savings accounts that are federally insured and which, at times, may exceed federally insured limits.

NOTE 8 – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through January 17, 2020 the date which the financial statements were available to be issued.