

ISSAQUAH SCHOOLS FOUNDATION
Statement of Assets, Liabilities, and Net Assets - Cash Basis
June 30, 2009

ASSETS

Cash and cash equivalents	\$ 293,041
Property and equipment	8,235
Less: accumulated depreciation	<u>5,169</u>
	<u><u>\$ 296,107</u></u>

LIABILITIES AND NET ASSETS

Liabilities:	
Ruth Roy Scholarship Fund	\$ 6,370
Net Assets:	
Unrestricted net assets	\$ 234,512
Temporarily restricted	<u>55,225</u>
	<u><u>\$ 296,107</u></u>

ISSAQUAH SCHOOLS FOUNDATION
Statement of Revenues, Expenses, and Other Changes in Net Assets - Cash Basis
For the Year Ended June 30, 2009

	Unrestricted	Temporarily Restricted	Total
Revenue and Support:			
Special events	\$ 406,729	\$ 20,225	\$ 426,954
Community and corporate	89,253		89,253
Grants	12,000		12,000
Interest	3,353		3,353
Other revenue	4,284		4,284
Net assets released	0	0	0
	515,619	20,225	535,844
 Program Expenses:			
Grants awarded	290,737		290,737
Payroll and contract services	82,019		82,019
	372,756		372,756
 Management and General			
Payroll and contract services	10,109		10,109
Fees for services	4,956		4,956
Office expenses	5,690		5,690
Information technology	3,601		3,601
Occupancy	930		930
Conferences, conventions, and training	2,768		2,768
Depreciation	745		745
Insurance	1,745		1,745
Other expenses	11,993		11,993
	42,537		42,537
 Fundraising			
Payroll and contract services	26,622		26,622
Advertising and promotion	3,886		3,886
Depreciation	672		672
Calendar costs	21,794		21,794
Luncheon costs	34,588		34,588
Phone-a-thon	9,922		9,922
	97,484		97,484
	512,777		512,777
 Increase (decrease) in net assets	 2,842	 20,225	 23,067
Net assets, beginning of year	231,669	35,000	266,669
Net assets, end of year	\$ 234,512	\$ 55,225	\$ 289,737

ISSAQUAH SCHOOLS FOUNDATION
Notes to 2008 Financial Statements

NOTE 1 – NATURE AND PURPOSE OF THE ORGANIZATION

The Issaquah Schools Foundation (ISF) is a Washington nonprofit corporation established in 1987 to enhance the education provided to students of the Issaquah School District. The Foundation currently supports students in the Issaquah School District through academic enrichment grants, VOICE (a mentoring program), After School Homework Programs at every middle and high school, Curriculum Support, and a National Board Certification Scholarship Program for Teachers. Virtually all of the foundation's revenue comes from corporate and individual contributions and grants.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of financial presentation

The accompanying financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Accordingly, revenue is recorded when received rather than when earned and expenses are recorded when paid rather than when the obligation is incurred.

The Foundation reports 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. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of donor restrictions. Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, due to satisfaction of program restrictions, temporarily restricted net assets are reclassified to unrestricted net assets.

Cash and cash equivalents

For the purpose of the statement of cash flows, ISF considers all highly liquid investments with maturities of three months or less at the time of purchase to be cash equivalents.

Property and equipment

All acquisitions of property and equipment in excess of \$500 with a useful life greater than one year are capitalized. Property and equipment are carried at cost or, if donated, at the fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Funds held for others

Statement of Financial Accounting Standards (SFAS) No. 136, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*, establishes standards for transactions in which a nonprofit organization accepts a contribution from a donor

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Notes to 2008 Financial Statements

and agrees to transfer those assets, the return on investment of those assets, or both, to another entity that is specified by the donor. According to such standards, the contributions have been included in the Foundation's assets and an offsetting liability has been created. Other than an administrative fee, activities related to these funds held for others do not affect the Statement of Revenues, Expenses, and other Changes in Net Assets – Cash Basis.

Summarized prior year information

The financial statements include summarized comparative information from the prior year, which is not presented by net asset class and, therefore, does not include sufficient detail on the existence or absence of donor-imposed restrictions. This information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2008, from which the comparative information was extracted. Certain amounts in the prior year statements have been reclassified for comparison purposes to conform with the current year presentation.

Tax-exempt status

ISF is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, ISF qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1).

NOTE 3 – COMMITMENTS

As of June 30, 2009, ISF had committed \$46,000 to support the After-School Homework Programs at all four Issaquah School District middle schools, the Pacific Cascade Freshmen Campus, and all high schools for the 2009-2010 school year. Support had also been committed to the VOICE program in the amount of \$34,443, and National Board Certification Scholarship program for Teachers in the amount of \$53,000. In addition, ISF had committed \$20,000 to fund the Junior Achievement Financial Literacy Program for all 8th Graders.

As of June 30, 2008, ISF had committed \$54,000 to support the Club 7 program and \$46,000 to the After-School Study Programs at all four Issaquah School District middle schools, the Pacific Cascade Freshmen Campus, and all high schools for the 2008-2009 school year. Support had also been committed to the VOICE program in the amount of \$34,352 and to the National Board Certification Scholarship program for Teachers in the amount of \$40,000.

NOTE 4 – CONCENTRATIONS AND RISKS

ISF conducts virtually all of its operations with revenues received from contributions. During the year ended June 30, 2009, 85 percent of ISF's revenue came from contributions at two special

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events, the *Nourish Every Mind* Luncheon and *Calling for Kids* phone-a-thon. During the year ended June 30, 2008, 81 percent of ISF's revenues were generated by these two events.

ISF maintains cash balances at high-credit-quality institutions. Prior to the temporary increase of the Standard Maximum Deposit Insurance that was passed by Congress in October of 2008, the ISF bank balances may have exceeded the federally insured limit of \$100,000. In addition, funds are invested in a brokerage money market fund which is not federally insured. Balances in this account were \$184,279 and \$239,984 as of June 30, 2009, and 2008, respectively.

NOTE 5 – DONATED SERVICES, FACILITIES, AND MATERIALS

Volunteers play a vital role in our organization. Approximately 554 volunteers contributed more than 15,506 hours during the 2008-2009 school year to help accomplish the goals of ISF. Approximately 686 volunteers contributed more than 14,916 hours during the 2007-2008 school year to help accomplish the goals of ISF.

ISF does not incur cost for office space. Costco Wholesale provides office space valued at \$8,100 per year in one of their leased buildings.

Individuals and businesses donated materials with an estimated fair value of \$54,851 and \$86,787 during the years ended June 30, 2009, and 2008 respectively. The majority of these items were sold at auction during the *Nourish Every Mind* Luncheon, the Foundation's major community outreach and fund-raising activity.

No amounts have been reflected in the financial statements for donated services, facilities, or materials.

NOTE 6 – RUTH ROY SCHOLARSHIP FUND

During September 2006, the Foundation entered into an agreement with the Family of Ruth Roy (the Donors) to receive, hold, and disburse amounts donated to the Ruth Roy Scholarship Fund (the Fund).

The agreement states the Foundation will notify the Donors annually in February the amount of the Fund; the Donors will notify the Foundation annually by June how they wish scholarship awards to be distributed; and the Foundation will disburse scholarship awards. The Fund will be held in an interest-bearing account and will be reduced by an administration fee of three percent of amounts disbursed that year. The following is a summary of the activity in the Fund during the year ended June 30, 2009.

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Beginning of year balance		\$ 7,374
Earnings (losses)		<u>48</u>
		7,422
Scholarship awards designated by Donors and remitted to selected students	\$ 1,052	
Administrative fees retained	<u>0</u>	
		<u>1,052</u>
End of year balance		<u>\$ 6,370</u>

NOTE 7 – RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets consist of contributions which are restricted to the Foundation's various projects. As of June 30, 2009, restricted net assets consisted of \$10,000 for the stress and depression program and \$45,225 to the ISF Endowment Fund. During the year ending June 30, 2009, the ISF Board approved a contribution to the Endowment Fund of \$20,225. As of June 30, 2008, restricted net assets consisted of \$10,000 for the stress and depression program and \$25,000 to the ISF Endowment Fund.