

ST. LOUIS INTERNSHIP PROGRAM

FINANCIAL STATEMENTS

For the Years Ended August 31, 2009 and 2008

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements of financial position of St. Louis Internship Program (a nonprofit organization) as of August 31, 2009 and 2008, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of St. Louis Internship Program's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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Certified Public Accountants

December 28, 2009

ST. LOUIS INTERNSHIP PROGRAM
STATEMENTS OF FINANCIAL POSITION
AUGUST 31,

	<u>2009</u>	<u>2008</u>
ASSETS		
Cash and cash equivalents	\$ 402,004	\$ 336,108
Grant receivable	-	7,500
Other receivables	-	1,336
Other prepaids	-	2,450
Supplies - uniforms	3,000	7,850
Property and equipment, net	<u>3,934</u>	<u>5,601</u>
Total assets	<u>\$ 408,938</u>	<u>\$ 360,845</u>
LIABILITIES		
Accounts payable	\$ -	\$ 18,746
Accrued expenses	750	606
Deferred revenue	<u>63,291</u>	<u>78,757</u>
Total liabilities	<u>64,041</u>	<u>98,109</u>
NET ASSETS		
Unrestricted	323,767	245,459
Temporarily restricted	<u>21,130</u>	<u>17,277</u>
Total net assets	<u>344,897</u>	<u>262,736</u>
Total liabilities and net assets	<u>\$ 408,938</u>	<u>\$ 360,845</u>

See notes to financial statements

ST. LOUIS INTERNSHIP PROGRAM
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED AUGUST 31,

	<u>2009</u>	<u>2008</u>
UNRESTRICTED NET ASSETS		
Support and revenue		
Contributions	\$ 61,199	\$ 37,572
Grant-in-kind	56,700	53,800
Program service fees	227,323	183,763
Special events and other revenue	<u>9,291</u>	<u>13,507</u>
Total unrestricted support and revenue	354,513	288,643
Net assets released from restrictions		
Restrictions satisfied by payments	<u>96,129</u>	<u>117,522</u>
Total unrestricted support, revenue and reclassifications	<u>450,642</u>	<u>406,165</u>
Expenses		
Program services		
Internship program	<u>319,557</u>	<u>303,633</u>
Supporting services		
Administrative	42,185	35,950
Fund raising	<u>10,591</u>	<u>7,822</u>
Total supporting services	<u>52,776</u>	<u>43,772</u>
Total expenses	<u>372,333</u>	<u>347,405</u>
Increase in unrestricted net assets	<u>78,309</u>	<u>58,760</u>
TEMPORARILY RESTRICTED NET ASSETS		
Support and revenue		
Contributions	99,980	95,743
Net assets released from restrictions		
Restrictions satisfied by payments	<u>96,129</u>	<u>117,522</u>
Increase (decrease) in temporarily restricted net assets	<u>3,852</u>	<u>(21,780)</u>
INCREASE IN NET ASSETS	82,161	36,979
Net assets, beginning of year	<u>262,736</u>	<u>225,757</u>
NET ASSETS, END OF YEAR	<u>\$ 344,897</u>	<u>\$ 262,736</u>

See notes to financial statements

ST LOUIS INTERNSHIP PROGRAM
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED AUGUST 31,

	Program	Supporting Services			2009 Total Expenses	2008 Total Expenses
	Internship Program	Management and General	Fund Raising	Total Supporting Services		
Salaries and related expenses:						
Salaries	\$ 190,244	\$ 11,471	\$ 2,604	\$ 14,074	\$ 204,318	\$ 212,401
Payroll taxes and employee benefits	22,357	1,888	450	2,338	24,695	26,979
	212,601	13,359	3,053	16,412	229,013	239,380
Other expenses:						
Training equipment	11,453	-	-	-	11,453	8,419
Insurance	3,565	1,346	-	1,346	4,911	3,676
Professional fees	1,143	10,975	5,988	16,963	18,105	15,615
Office supplies and expense	5,411	10,100	1,325	11,424	16,836	9,573
Office equipment expense	3,936	984	-	984	4,920	5,321
Rent	3,571	893	-	893	4,464	4,464
Transportation for interns	15,527	-	-	-	15,527	13,890
Alumni program	2,029	-	-	-	2,029	3,162
Pre-internship program	33,015	-	-	-	33,015	16,524
Uniforms for interns	15,825	-	-	-	15,825	13,911
Scholarships	1,500	-	-	-	1,500	1,200
Miscellaneous	8,647	4,196	225	4,421	13,068	10,373
	318,223	41,852	10,591	52,442	370,666	345,507
Total expenses before depreciation						
Depreciation	1,334	333	-	333	1,667	1,898
	\$ 319,557	\$ 42,185	\$ 10,591	\$ 52,776	\$ 372,333	\$ 347,405
Total expenses						

See notes to financial statements

ST. LOUIS INTERNSHIP PROGRAM
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31,

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 82,161	\$ 36,979
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	1,668	1,898
Realized loss on sale of investments	-	2,271
Change in operating assets and liabilities:		
(Increase) decrease in other prepaids	2,450	(2,450)
(Increase) decrease in grant receivable	7,500	(7,500)
Decrease in other receivables	1,336	11,003
(Increase) decrease in supplies - uniforms	4,850	(350)
Increase (decrease) in accounts payable	(18,746)	18,551
Increase in accrued expenses	144	-
Increase (decrease) in deferred revenue	<u>(15,466)</u>	<u>41,884</u>
Net cash provided by operating activities	<u>65,896</u>	<u>102,286</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for the purchase of property and equipment	-	(1,014)
Proceeds sale of investments	<u>-</u>	<u>2,986</u>
Net cash provided by investing activities	<u>-</u>	<u>1,972</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	65,896	104,258
Cash and cash equivalents, beginning of year	<u>336,108</u>	<u>231,850</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 402,004</u>	<u>\$ 336,108</u>

See notes to financial statements

ST. LOUIS INTERNSHIP PROGRAM
NOTES TO FINANCIAL STATEMENTS

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The St. Louis Internship Program (the Program) is a nonprofit 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 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. In 2006 a pre-internship component was added.

Financial Statement Presentation

The Organization 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 not-for-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.

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.

The Program uses the allowance method to determine un-collectable 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, 2009 and 2008.

ST. LOUIS INTERNSHIP PROGRAM
NOTES TO FINANCIAL STATEMENTS

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 \$56,700 and \$53,800 for the years ended August 31, 2009 and 2008, 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 generally accepted accounting principles 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.

Furniture and Equipment

Furniture and equipment are recorded at cost, if purchased, or at the estimated fair value as of the date received, if donated. The provision for depreciation is computed on the straight-line basis over the estimated useful lives of the assets.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement 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.

Subsequent Events

Management has evaluated subsequent events through December 28, 2009, the date the financial statements were available to be issued.

ST. LOUIS INTERNSHIP PROGRAM
NOTES TO FINANCIAL STATEMENTS

NOTE B – GRANT RECEIVABLE

The grant receivable at August 31, 2008 of \$7,500 is the balance remaining on the St. Louis Philanthropic grant for student transportation for the intern programs. The grant provided for quarterly payments of \$2,500 thru March 2009. There were no grant receivables at August 31, 2009.

NOTE C - OTHER RECEIVABLES

The other receivables include program service fees. The Program used the allowance method to determine un-collectable program service fees. The allowance is based on prior years' experience and management's analysis. At August 31, 2009 and 2008 all program service fees were considered collectable and the allowance was zero.

NOTE D – SUPPLIES - UNIFORMS

The Program had uniforms, recorded at cost, held for future interns' use of \$3,000 and \$7,850 at August 31, 2009 and 2008, respectively.

NOTE E – FURNITURE AND EQUIPMENT

Expenditures for property and equipment that substantially increase the useful lives of existing assets 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 \$1,668 and \$1,898 for the years ended August 31, 2009 and 2008, respectively.

Property and equipment at August 31 consist of the following:

	<u>2009</u>	<u>2008</u>
Office Furniture	\$ 3,150	\$ 3,150
Computers and Equipment	<u>43,723</u>	<u>43,723</u>
	46,873	46,873
Less: accumulated depreciation	<u>(42,939)</u>	<u>(41,272)</u>
	<u>\$ 3,934</u>	<u>\$ 5,601</u>

NOTE F – DEFERRED REVENUE

Deferred revenue of \$63,291 and \$78,757 at August 31, 2009 and 2008 respectively, represent amounts received in advance for grants relating to the pre-internship program and a Missouri Department of Higher Education College Access Challenge Grant.

ST. LOUIS INTERNSHIP PROGRAM
NOTES TO FINANCIAL STATEMENTS

NOTE G – TEMPORARILY RESTRICTED NET ASSETS

The changes in temporarily restricted net assets for the years ending August 31, 2009 and 2008 are as follows:

	Balance <u>September 1, 2008</u>	Contributions Received/ <u>Receivable</u>	Restrictions <u>Satisfied</u>	Balance <u>August 31, 2009</u>
Contributions restricted for:				
National Center	\$ 3,412	\$ -	\$ 3,412	\$ -
Dedicated internships	-	37,316	37,316	-
Intern recognition		5,000	105	4,895
Career planning	100	1,900	2,000	-
Youth Opportunities Program	-	7,250	5,000	2,250
Training	-	16,165	13,471	2,694
Transportation	2,784	4,000	6,784	-
Technology	1,097	-	1,097	-
Scholarships	1,000	3,350	1,500	2,850
Capacity building	<u>8,884</u>	<u>25,000</u>	<u>25,443</u>	<u>8,441</u>
	<u>\$ 17,277</u>	<u>\$ 99,981</u>	<u>\$ 96,128</u>	<u>\$ 21,130</u>

	Balance <u>September 1, 2007</u>	Contributions Received	Restrictions <u>Satisfied</u>	Balance <u>August 31, 2008</u>
Contributions restricted for:				
National Center	\$ 6,545	\$ -	\$ 3,133	\$ 3,412
Dedicated internships	-	37,833	37,833	-
Career planning	4,222	3,600	7,722	100
Youth Opportunities Program	14,801	21,112	35,913	-
Training	100	10,000	10,100	-
Transportation	-	17,500	14,716	2,784
Corporate Incentive Program	2,000	-	2,000	-
Technology	1,500	3,996	4,399	1,097
Scholarships	-	1,700	700	1,000
Capacity building	<u>9,890</u>	<u>-</u>	<u>1,006</u>	<u>8,884</u>
	<u>\$ 39,058</u>	<u>\$ 95,741</u>	<u>\$ 117,522</u>	<u>\$ 17,277</u>

The cash balance at August 31, 2009 and 2008 included the temporarily restricted net asset balance of \$21,130 and \$17,277, respectively.

ST. LOUIS INTERNSHIP PROGRAM
NOTES TO FINANCIAL STATEMENTS

NOTE H – PRIOR PERIOD RECLASSIFICATION

In the current year, expenses of \$6,841 incurred in the year ended August 31, 2007 for recruitment and special events were approved by the donor as proper grant expenditures to charge to the restricted grant and thus were reclassified to unrestricted net assets from temporarily restricted net assets.

NOTE I - LEASE AGREEMENT

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 J - CONCENTRATIONS

The Program maintains several bank accounts at one financial institution having Federal Deposit Insurance Corporation insurance protection.

In addition, the Program maintained \$109,262 and \$257,512 at August 31, 2009 and 2008, respectively, in money market funds with a national brokerage firm that is insured by a private insurer.