

**SAN ANGELO
CHRISTIAN ACADEMY**

**FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2009

Webb & Webb
Certified Public Accountants

**WEBB
AND
WEBB**

CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
San Angelo Christian Academy

We have audited the accompanying statement of financial position of San Angelo Christian Academy (a nonprofit organization) as of June 30, 2009, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 San Angelo Christian Academy as of June 30, 2009, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



January 6, 2010

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San Angelo Christian Academy
Statement of Financial Position
June 30, 2009

	<u>2009</u>
ASSETS	
Current Assets:	
Cash	
Unrestricted	\$ 55,532
Temporarily Restricted (Note 8)	410,906
Total Cash	<u>466,438</u>
Total Current Assets	<u>466,438</u>
Amortizable Assets, Net of Accumulated Amortization (Note 3)	59
Property & Equipment, Net of Accumulated Depreciation (Note 2)	<u>37,193</u>
 TOTAL ASSETS	 <u><u>\$ 503,690</u></u>
 LIABILITIES & NET ASSETS	
Net Assets:	
Unrestricted	92,784
Temporarily restricted (Note 4)	410,906
Total Net Assets	<u>503,690</u>
 TOTAL LIABILITIES & NET ASSETS	 <u><u>\$ 503,690</u></u>

See accompanying notes and accountant's report.

San Angelo Christian Academy
Detailed Schedule of Activities and Changes in Net Assets
For the Year Ended June 30, 2009

	2009		
	Unrestricted	Temporarily Restricted	Total
REVENUES			
Tuition Income	\$ 205,595	\$ -	\$ 205,595
Less:			
Scholarships	(28,250)	-	(28,250)
Discounts	(34,684)	-	(34,684)
Net Tuition Income	142,661	-	142,661
Contributions (Note 9)	92,503	416,931	509,434
Donated Use of Facility (Note 6)	109,738	-	109,738
Fundraising from Special Events (Net of Expenses) (Note 7)	34,066	-	34,066
Daycare	11,152	-	11,152
Investment Interest	801	2,478	3,279
Yearbook Sales	307	-	307
Net Assets Released from Restriction	17,651	(17,651)	-
TOTAL REVENUES	408,879	401,758	810,637
EXPENSES			
Program Services			
Salaries	230,374	-	230,374
Building Lease Expense	109,738	-	109,738
Payroll Taxes	17,961	-	17,961
Curriculum	16,368	-	16,368
Janitorial Expenses	10,574	-	10,574
Depreciation Expense	7,788	-	7,788
Bad Debts	7,665	-	7,665
Insurance	7,052	-	7,052
Training and Development	4,499	-	4,499
Supplies	3,695	-	3,695
Other Expenses	1,843	-	1,843
Maintenance and Repair	1,197	-	1,197
Software Fees	721	-	721
Minor Educational Equipment	139	-	139
Total Program Service Expenses	419,614	-	419,614
Administrative & General			
Advertising	3,988	-	3,988
Utilities	1,796	-	1,796
Dues	663	-	663
Postage	358	-	358
Transportation	298	-	298
Amortization Expense	119	-	119
Miscellaneous Expenses	20	-	20
Total Administrative & General Expenses	7,242	-	7,242
TOTAL EXPENSES	426,856	-	426,856
CHANGE IN NET ASSETS	(17,977)	401,758	383,781
Net assets at beginning of year	110,761	9,148	119,909
Net assets at end of year	\$ 92,784	\$ 410,906	\$ 503,690

See accompanying notes and accountant's report.

San Angelo Christian Academy
Statement of Cash Flows
For the Year Ended June 30, 2009

	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	383,781
Reconciliation to net cash provided by operating activities:	
Depreciation Expense	7,788
Amortization Expense	119
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>391,688</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	<u>(4,314)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(4,314)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	387,374
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>79,064</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 466,438</u></u>

See accompanying notes and accountant's report.

**San Angelo Christian Academy
Notes to the Financial Statements
June 30, 2009**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

San Angelo Christian Academy (the Academy) is a private Christian school offering services to children from Pre-K to 8th grade. The mission of San Angelo Christian Academy is to provide academic excellence while integrating faith with learning; to provide an environment that exemplifies and requires strong Christian character, including self-discipline, respect for authority, and respect for God and others; to equip children for righteousness through opportunities for continued spiritual growth; and to do the work of Christ in the community. San Angelo Christian Academy is supported through a combination of tuition fees, contributions, and grants.

The Academy is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

Public Support and Revenue

Contributions are generally available for unrestricted use when received unless specifically restricted by the donor. Grants and other contributions of cash and other assets are reported 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.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Tuition

Tuition rates are established by the Board. Tuition payments must be paid in full prior to August 1st or set up on an installment plan administered by a third-party provider. Various discounts are available for tuition. Tuition paid in full prior to August 1st is eligible for a pre-payment discount. Families with more than one child enrolled receive a tuition discount based on the number of children in attendance at San Angelo Christian Academy. In addition, the Board

San Angelo Christian Academy
Notes to the Financial Statements
June 30, 2009

allows for tuition discounts of varying percentages for full time staff, part time staff, Board members, and clergy.

In general, all tuition payments are nonrefundable. However, Board policies allow for a partial refund for new students choosing to withdraw during the first six weeks of the school year.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

Cash and Cash Equivalents

The Academy considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents.

Furniture, Equipment, and Signage

Furniture, equipment, and signage are capitalized at cost. It is the Academy's policy to capitalize expenditures for these items in excess of \$500. Lesser amounts are expensed. Furniture, equipment, and signage are being depreciated over estimated useful lives of 7 to 15 years using a straight-line method, with half of a year's depreciation recognized in the years of acquisition and disposal.

Amortizable Assets

Amortizable assets capitalized at cost. These assets are amortized over estimated useful lives of 3 to 5 years using a straight-line method, with half of a year's amortization recognized in the years of acquisition and disposal.

Borrowing Practices

The Academy limits the borrowing of money for operations to \$50,000. Board approval is necessary for any such loan and there must be clear and sound provisions for repayment prior to the approval of such a loan.

All loans for capital expenditures must be authorized in advance by the Board of Directors. There must be clear and sound provisions for repayment prior to the approval of such a loan.

San Angelo Christian Academy
Notes to the Financial Statements
June 30, 2009

NOTE 2 – FURNITURE, EQUIPMENT, & SIGNAGE

The following is a summary of furniture, equipment, and signage as of June 30, 2009:

Furniture & Equipment	\$ 54,658
Signage	2,959
Total Furniture, Fixtures, and Signage	<u>57,617</u>
Less: Accumulated Depreciation	(20,424)
Total	<u>\$ 37,193</u>

Total depreciation expense for the year was \$7,788.

NOTE 3 – AMORTIZABLE ASSETS

The following is a summary of amortizable assets as of June 30, 2009:

Financial Accounting Software	\$ 633
Organization Costs	500
Total Amortizable Assets	<u>1,133</u>
Less: Accumulated Amortization	(1,074)
Total	<u>\$ 59</u>

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes as of June 30, 2009:

Construction of Building	\$ 409,978
A/R Program	561
Book Fair	367
Total Temporarily Restricted Net Assets	<u>\$ 410,906</u>

NOTE 5 – DONATED SERVICES

The Academy receives a significant amount of donated services from unpaid volunteers who assist in fundraising, school operations, and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition under generally accepted accounting principles have not been satisfied.

San Angelo Christian Academy
Notes to the Financial Statements
June 30, 2009

NOTE 6 – DONATED FACILITY USE

Southgate Church of Christ donates the use of the buildings in which Academy was located during the 2008-2009 fiscal year. This donation has been valued at fair market rental value based on an appraisal estimate prepared by a real estate broker specializing in commercial and investment properties. The fair rental value for the fiscal year of \$109,738 was recognized as revenue from the donation of facilities and lease expense in the statement of activities and changes in net assets.

NOTE 7 – FUNDRAISING

Each year, the Academy conducts a Fall Fundraiser and a Spring Fundraiser. Fundraising revenues for the 2008-2009 fiscal year totaled \$36,244, while total fundraising expenses totaled \$2,178. Net fundraising income for the year was \$34,066.

NOTE 8 – TEMPORARILY RESTRICTED CASH

Temporarily restricted cash is available for the following purposes as of June 30, 2009:

Construction of Building	\$ 409,978
A/R Program	561
Book Fair	367
Total Temporarily Restricted Net Assets	<u>\$ 410,906</u>

NOTE 9 – TEMPORARILY RESTRICTED CONTRIBUTIONS

Temporarily restricted contributions for the year ended June 30, 2009, consisted of the following amounts:

Construction of Building	\$400,000
Scholarships	15,250
A/R Program	1,300
Book Fair	381
Total Temporarily Restricted Net Assets	<u>\$ 416,931</u>