

ON THE ROAD COLLABORATIVE, INC.

Reviewed Financial Statements
For the Year Ended June 30, 2017

ON THE ROAD COLLABORATIVE, INC.

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors and Management of
On the Road Collaborative, Inc.,

We have reviewed the accompanying financial statements of On the Road Collaborative, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Didawick & Company, P.C.

September 22, 2017

On the Road Collaborative, Inc.
Statement of Financial Position
At June 30, 2017

ASSETS

Current assets:

Cash - operating	\$ 120,046
Total current assets	<u>120,046</u>

Total assets	<u>\$ 120,046</u>
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LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	1,556
Accrued payroll	1,780
Payroll taxes payable	<u>1,241</u>
Total current liabilities	<u>4,577</u>

Total liabilities	<u>4,577</u>
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Net assets:

Unrestricted	110,563
Temporarily restricted	<u>4,906</u>

Total net assets	<u>115,469</u>
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Total liabilities and net assets	<u>\$ 120,046</u>
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On the Road Collaborative, Inc.
Statement of Activities
Year Ended June 30, 2017

	Unrestricted	Temporarily Restricted	2017 Total
REVENUES, GAINS AND OTHER SUPPORT:			
Contributions	\$ 86,234	\$ -	\$ 86,234
Harrisonburg City Public Schools	39,500	-	39,500
Grants	20,000	24,676	44,676
Fundraising events	31,867	-	31,867
In-kind contributions	1,745	-	1,745
Miscellaneous	560	-	560
Net Assets Released from Restrictions:			
Satisfaction of Usage Restrictions (Note 3)	64,867	(64,867)	-
Total revenues, gains & other support	<u>244,773</u>	<u>(40,191)</u>	<u>204,582</u>
EXPENSES:			
Program services:			
Advertising	4,789	-	4,789
In-kind advertising	250	-	250
Salaries and wages	85,474	-	85,474
Payroll taxes	8,037	-	8,037
Program expenses	59,288	-	59,288
In-kind program expenses	1,495	-	1,495
Transportation	2,881	-	2,881
Miscellaneous	452	-	452
Total program services	<u>162,666</u>	<u>-</u>	<u>162,666</u>
Administration:			
Insurance	1,928	-	1,928
Directors compensation	4,800	-	4,800
Rent	5,600	-	5,600
Miscellaneous	641	-	641
Software	1,627	-	1,627
Licenses	439	-	439
Professional fees	2,950	-	2,950
Total administration	<u>17,985</u>	<u>-</u>	<u>17,985</u>
Fundraising:			
Miscellaneous	2,928	-	2,928
Conferences	301	-	301
Total fundraising	<u>3,229</u>	<u>-</u>	<u>3,229</u>
Total expenses	<u>183,880</u>	<u>-</u>	<u>183,880</u>
Change in net assets	60,893	(40,191)	20,702
Net assets at beginning of year	<u>49,670</u>	<u>45,097</u>	<u>94,767</u>
Net assets at end of year	<u>\$ 110,563</u>	<u>\$ 4,906</u>	<u>\$ 115,469</u>

See accompanying notes and accountant's review report.

On the Road Collaborative, Inc.
Statement of Cash Flows
Year Ended June 30, 2017

Cash flows from operating activities:

Change in net assets	\$ <u>20,702</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Increase (decrease) in accounts payable	1,556
Increase (decrease) in accrued payroll	127
Increase (decrease) in payroll taxes payable	<u>375</u>
Net cash provided (used) by operating activities	<u>22,760</u>
Net increase in cash and cash equivalents	22,760
Cash and cash equivalents, beginning of year	<u>97,286</u>
Cash and cash equivalents, end of year	<u><u>\$ 120,046</u></u>

See accompanying notes and accountant's review report.

ON THE ROAD COLLABORATIVE, INC.
Notes to Financial Statements
June 30, 2017

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

On the Road Collaborative, Inc. (the "Organization") is a private, not-for-profit organization that exists to empower young people on the margins with the opportunity, skills and confidence they need to excel in school and fulfill their promise. The Organization is supported primarily through grants and contributions.

B. Financial Statement Presentation

For the year ended June 30, 2017, the Organization has prepared its financial statements in accordance with generally accepted accounting principles for not-for-profit organizations. Under this guidance, 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.

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization.

There was \$4,906 in temporarily restricted net assets and no permanently restricted net assets for the reporting year.

C. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Consequently, revenues are recognized when earned and expenses are recognized when incurred. The bases of revenue recognition for the major sources of income are as follows:

Contributions

All contributions are considered available for unrestricted use unless specifically restricted by the donor. Contribution revenue is recognized as cash is received. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. The Organization received \$24,676 in temporarily restricted contributions and no permanently restricted contributions during 2017.

D. Contributed Services and Supplies

The contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. A portion of the Organization's program activities are conducted by unpaid volunteers. The value of this contributed time is reflected in the accompanying financial statements and totaled \$1,495 during 2017 since some of the volunteers' time did meet the criteria necessary for recognition.

E. 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. Accordingly, actual results could differ from those estimates.

ON THE ROAD COLLABORATIVE, INC.
Notes to Financial Statements
June 30, 2017

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

F. Income Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code. Accordingly, no provision is made for income tax in the financial statements. Generally, federal, state, and local authorities may examine the Organization's tax returns for three years from the date of filing or the due date of the return. The current year and prior year remain subject to examination as of June 30, 2017.

G. Advertising – The Organization expenses all advertising costs as they are incurred. Total advertising costs for fiscal years 2017 was \$5,039, of this amount \$250 was an in-kind donation of promotional supplies.

H. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers cash in bank, cash on hand, and all highly liquid investments purchased with a maturity date of three months or less to be cash and cash equivalents.

2. 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.

3. LINE OF CREDIT

The Organization has a line of credit agreement with United Bank in the amount of \$50,000 for the year ended June 30, 2017. Attached to this line of credit is a credit card with a \$1,000 spending limit. As of June 30, 2017, the Organization owed \$-0- on this line of credit.

3. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from restrictions include amounts released by incurring expenses satisfying the restricted purposes specified by the donors or grantors.

Purpose restrictions accomplished	\$ <u>64,867</u>
Total net assets released from restrictions	\$ <u>64,867</u>

4. SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 22, 2017, which is the date the financial statements were issued. As of that date, the Organization was not aware of any events warranting disclosure in these financial statements.