

**VALLEY ALLIANCE FOR EDUCATION
REVIEWED FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2010**



VALLEY ALLIANCE FOR EDUCATION

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VALLEY ALLIANCE FOR EDUCATION

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ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Valley Alliance for Education
Fishersville, Virginia

We have reviewed the accompanying statement of assets, liabilities, and net assets-modified cash basis of Valley Alliance for Education (a nonprofit organization) as of June 30, 2010, and the related statements of revenues, expenses, and other changes in net assets-modified cash basis, functional expenses-modified cash basis, and cash flows-modified cash basis for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Valley Alliance for Education.

A review consists principally of inquiries of Organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

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 conformity with the modified cash basis of accounting, as described in Note 1C.



November 10, 2010

REVIEWED FINANCIAL STATEMENTS



VALLEY ALLIANCE FOR EDUCATION
Statement of Assets, Liabilities, and Net Assets - Modified Cash Basis
At June 30, 2010

ASSETS

Current Assets:

Cash and cash equivalents	\$ 63,311
Total Current Assets	63,311

Property and Equipment: (Note 1)

Office equipment	1,789
Less accumulated depreciation	(1,340)
Total Property and Equipment	449

Other Assets:

Board directed reserve account (Note 2)	35,513
Total Other Assets	35,513

Total Assets	\$ 99,273
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LIABILITIES AND NET ASSETS

Net Assets:

Unrestricted	99,273
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Total Net Assets	99,273
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Total Liabilities and Net Assets	\$ 99,273
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See accountant's report and notes to financial statements.



VALLEY ALLIANCE FOR EDUCATION
Statement of Revenues, Expenses, and Other Changes
in Net Assets - Modified Cash Basis
For the Year Ended June 30, 2010

	Unrestricted
REVENUES AND OTHER SUPPORT:	
Grants:	
C F Dawburn grant	\$ 6,183
Other	1,738
Corporate contributions	21,036
Individual contributions	10,915
Unrealized gain	4,089
Interest income	347
Total Revenues and Other Support	44,308
EXPENSES:	
Program services	34,761
Supporting services:	
Management and general	8,331
Fundraising	35
Total Expenses	43,127
Change in Net Assets	1,181
Net Assets, Beginning of year	98,092
Net Assets, End of year	\$ 99,273

See accountant's report and notes to financial statements.



VALLEY ALLIANCE FOR EDUCATION
Statement of Functional Expenses - Modified Cash Basis
For the Year Ended June 30, 2010

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Administration	\$ -	\$ 5,700	\$ -	\$ 5,700
Chamber Membership	220	-	-	220
Creative Classroom Grants	29,148	-	-	29,148
Depreciation	-	273	-	273
Events/Meals	1,393	-	-	1,393
Fundraising	-	-	35	35
Investment Fees	-	320	-	320
Joint School Program	1,000	-	-	1,000
Office Expense	-	538	-	538
Teacher of the Year Awards	3,000	-	-	3,000
Website/Communications	-	1,500	-	1,500
	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total Expenses	<u>\$ 34,761</u>	<u>\$ 8,331</u>	<u>\$ 35</u>	<u>\$ 43,127</u>

See accountant's report and notes to financial statements.



VALLEY ALLIANCE FOR EDUCATION
Statement of Cash Flows - Modified Cash Basis
For the Year Ended June 30, 2010

Cash Flows from Operating Activities:

Cash received from grants	\$ 6,183
Cash received from contributions	21,036
Other receipts	12,653
Interest received	347
Cash paid to suppliers and grant recipients	<u>(13,979)</u>

Net Cash Provided (Used) by Operating Activities 26,240

Cash Flows from Investing Activities:

Purchase of investments	(2,180)
Purchase of equipment	<u>(508)</u>

Net Cash Used by Investing Activities (2,688)

Net Increase (Decrease) in Cash 23,552

Cash and Cash Equivalents, Beginning of Year 68,634

Cash and Cash Equivalents, End of Year \$ 92,186

**Reconciliation of change in net assets to
net cash provided by operating activities:**

Change in net assets	1,181
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	273
Unrealized gain	<u>(4,089)</u>

Net Cash Provided (Used) by Operating Activities \$ (2,635)

VALLEY ALLIANCE FOR EDUCATION
Notes to Financial Statements
As of June 30, 2010

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Valley Alliance for Education ("the Organization") is a not-for-profit corporation established and operated for the purpose of assisting in the development of an educational ethic in the communities of Augusta County and the cities of Staunton and Waynesboro. The Organization provides financial and other support with respect to public elementary and secondary education in these communities.

- B. Financial Statement Presentation – For the year ended June 30, 2010, the Organization has prepared its financial statements according to the Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Corporation 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. The Organization has no temporarily restricted net assets.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. The Organization has no permanently restricted net assets.

C. Basis of Accounting

The financial statements of the Organization have been prepared on the cash basis of accounting with modifications made for depreciation. Consequently, revenues are recognized when received rather than when earned and expenses are recognized when paid rather than when incurred. The bases of revenue recognition for the major sources of income are as follows:

-- Support and Revenue

The Organization receives donations from individuals and companies. Revenue is recognized as cash is received.

-- Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. 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 no temporarily restricted or permanently restricted net assets during the year ended June 30, 2010.

D. Property and Equipment

Property and equipment are recorded at cost or fair value at the date of gift, if contributed. Depreciation is computed on the straight-line basis over the following estimated useful lives:

Computer Equipment

5 years



VALLEY ALLIANCE FOR EDUCATION
Notes to Financial Statements
As of June 30, 2010

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

E. Contributed Services and Supplies

The contribution 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. The value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the criteria necessary for recognition.

F. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. Functional Allocation of Expenses

The costs of providing the Organization's program and supporting services have been summarized on a functional basis in the statement of revenues, expenses, and other changes in net assets-modified cash basis. Accordingly, certain costs have been allocated between the program and supporting services benefited.

H. Cash and Cash Equivalents

For purposes of the statement of cash flows-modified cash basis, the Organization considers cash in bank, cash on hand, certificates of deposit, money market mutual funds, and highly liquid investments purchased with a maturity date of three months or less to be cash and cash equivalents.

I. Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

J. Income Tax

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.

2. BOARD DIRECTED RESERVE ACCOUNT

The Organization has a Board directed reserve account which is administered by The Community Foundation of the Central Blue Ridge. The investments of the reserve account, as of June 30, 2010, are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation</u>
Mutual Funds	\$ 35,050	\$ 35,513	\$ 463

Net investment income reported in the statement of activities consists of the following:

Unrealized gain on investments	\$ 4,089
Investment fees	(320)
	<u>\$ 3,769</u>



VALLEY ALLIANCE FOR EDUCATION
Notes to Financial Statements
As of June 30, 2010

3. SUBSEQUENT EVENTS

The Organization did not have any subsequent events through November 10, 2010, which is the date the financial statements were issued, for events requiring recording or disclosure in the financial statements for the year ended June 30, 2010.

