

Literacy Council of Northern Virginia, Inc.

Financial Statements
and
Independent Auditors' Report

June 30, 2018 and 2017



Halt Buzas & Powell, LTD

TRUST, INTEGRITY AND A COMMITMENT TO YOUR SUCCESS

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Independent Auditors' Report

To the Board of Directors
Literacy Council of Northern Virginia, Inc.
Falls Church, Virginia

We have audited the accompanying financial statements of Literacy Council of Northern Virginia, Inc. (the Council), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Council as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses (pages 17 - 18) are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Halt, Buzas & Powell, Ltd.

Alexandria, Virginia
November 14, 2018

Literacy Council of Northern Virginia, Inc.
Statements of Financial Position
June 30, 2018 and 2017

	2018	2017
Assets		
Current assets:		
Cash	\$ 76,423	\$ 16,181
Contributions and grants receivable	210,061	167,134
Inventory	13,383	25,266
Prepaid expenses	4,915	24,837
Total current assets	304,782	233,418
Investments	618,208	1,016,030
Property and equipment, net	19,054	30,701
Total assets	\$ 942,044	\$ 1,280,149
 Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 8,186	\$ 8,908
Accrued payroll	38,033	32,550
Accrued vacation	20,872	20,872
Deferred revenue	4,795	-
Total current liabilities	71,886	62,330
Net assets:		
Unrestricted	649,832	1,069,709
Temporarily restricted	220,326	148,110
Total net assets	870,158	1,217,819
Total liabilities and net assets	\$ 942,044	\$ 1,280,149

See accompanying notes to the financial statements.

3.

Literacy Council of Northern Virginia, Inc.

Statement of Activities

For the Year Ended June 30, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues:			
Contributed services and materials	\$ 564,811	\$ -	\$ 564,811
Contributions	498,552	13,740	512,292
Grant revenue	119,081	184,096	303,177
Workshop and student fees	58,686	-	58,686
Investment income	56,218	-	56,218
Other income	3,966	-	3,966
Net assets released from restrictions:			
Satisfaction of donor restrictions	<u>125,620</u>	<u>(125,620)</u>	<u>-</u>
Total revenues	<u>1,426,934</u>	<u>72,216</u>	<u>1,499,150</u>
Expenses:			
Program services	<u>1,501,170</u>	<u>-</u>	<u>1,501,170</u>
Support services:			
Management and general	257,415	-	257,415
Fundraising	<u>88,226</u>	<u>-</u>	<u>88,226</u>
Total support services	<u>345,641</u>	<u>-</u>	<u>345,641</u>
Total expenses	<u>1,846,811</u>	<u>-</u>	<u>1,846,811</u>
Change in net assets	(419,877)	72,216	(347,661)
Net assets, beginning of year	<u>1,069,709</u>	<u>148,110</u>	<u>1,217,819</u>
Net assets, end of year	<u>\$ 649,832</u>	<u>\$ 220,326</u>	<u>\$ 870,158</u>

See accompanying notes to the financial statements.

4.

Literacy Council of Northern Virginia, Inc.

Statement of Activities

For the Year Ended June 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues:			
Contributed services and materials	\$ 546,333	\$ -	\$ 546,333
Contributions	869,216	131,000	1,000,216
Grant revenue	142,081	-	142,081
Workshop and student fees	62,438	-	62,438
Investment income	87,120	-	87,120
Net assets released from restrictions:			
Satisfaction of donor restrictions	<u>200,442</u>	<u>(200,442)</u>	<u>-</u>
Total revenues	<u>1,907,630</u>	<u>(69,442)</u>	<u>1,838,188</u>
Expenses:			
Program services	<u>1,324,961</u>	<u>-</u>	<u>1,324,961</u>
Support services:			
Management and general	317,712	-	317,712
Fundraising	<u>91,344</u>	<u>-</u>	<u>91,344</u>
Total support services	<u>409,056</u>	<u>-</u>	<u>409,056</u>
Total expenses	<u>1,734,017</u>	<u>-</u>	<u>1,734,017</u>
Change in net assets	173,613	(69,442)	104,171
Net assets, beginning of year	<u>896,096</u>	<u>217,552</u>	<u>1,113,648</u>
Net assets, end of year	<u>\$ 1,069,709</u>	<u>\$ 148,110</u>	<u>\$ 1,217,819</u>

See accompanying notes to the financial statements.

5.

Literacy Council of Northern Virginia, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Change in net assets	\$ <u>(347,661)</u>	\$ <u>104,171</u>
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	17,637	24,854
Net realized and unrealized gains on investments	(37,087)	(63,258)
Donated stock	(7,493)	(1,788)
Decrease (increase) in assets:		
Contributions and grants receivable	(42,927)	21,093
Inventory	11,883	(3,346)
Prepaid expenses	19,922	(18,665)
Increase (decrease) in liabilities:		
Accounts payable	(722)	(5,798)
Accrued payroll	5,483	3,591
Accrued vacation	-	179
Deferred revenue	4,795	-
Total adjustments	<u>(28,509)</u>	<u>(43,138)</u>
Net cash (used in) provided by operating activities	<u>(376,170)</u>	<u>61,033</u>
Cash flows from investing activities:		
Purchases of property and equipment	(5,990)	(3,544)
Purchases of investments	(463,386)	(319,636)
Proceeds from sales of investments	<u>905,788</u>	<u>191,220</u>
Net cash provided by (used in) investing activities	<u>436,412</u>	<u>(131,960)</u>
Net increase (decrease) in cash	60,242	(70,927)
Cash, beginning of year	<u>16,181</u>	<u>87,108</u>
Cash, end of year	<u>\$ 76,423</u>	<u>\$ 16,181</u>

See accompanying notes to the financial statements.

6.

Literacy Council of Northern Virginia, Inc.

Notes to the Financial Statements

June 30, 2018 and 2017

1. Organization

The Literacy Council of Northern Virginia, Inc. (the Council) is an adult educational organization founded in 1962 to teach adults the basic skills of reading, writing, speaking and understanding English in order to empower them to participate fully in their communities. The Council teaches primarily foreign-born adults through classroom programs and one to one tutoring instruction with the help of trained volunteers.

2. Summary of Significant Accounting Policies

a. Basis of presentation

The Council's financial statements are presented in accordance with generally accepted accounting principles for nonprofit organizations. Under those principles, the Council is required to report information regarding its financial position and activities according to three classes of net assets:

- *Unrestricted Net Assets* represent resources that are not subject to donor imposed stipulations and are available for operations at management's discretion.
- *Temporarily Restricted Net Assets* represent resources restricted by donors as to purpose or by the passage of time.
- *Permanently Restricted Net Assets* represent resources whose use by the Council is limited by donor imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by action of the Council. Income from the assets held is available for either general operations or specific purposes, in accordance with donor stipulations.

The Council has no permanently restricted net assets at June 30, 2018 and 2017.

b. Basis of accounting

The Council's financial statements are prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses when obligations are incurred.

Literacy Council of Northern Virginia, Inc.

Notes to the Financial Statements

June 30, 2018 and 2017

c. 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 of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses and their functional allocation during the reporting period. Actual results could differ from those estimates.

d. Fair value measurements

The Council reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs used to measure fair value are categorized as follows:

- Level 1 - quoted prices in active markets for identical assets or liabilities.
- Level 2 - inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.
- Level 3 - unobservable inputs which are typically based on the Council's own assumptions, as there is little, if any, related market activity.

In determining the appropriate levels, the Council performs a detailed analysis of the assets and liabilities that are subject to the standard. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3. There were no level 3 inputs for any assets held by the Council at June 30, 2018 and 2017.

Literacy Council of Northern Virginia, Inc.

Notes to the Financial Statements

June 30, 2018 and 2017

e. Income taxes

The Council is exempt from federal and local income taxes under Section 501(c)(3) of the Internal Revenue Code on income derived from activities related to its exempt purpose. This code section enables the Council to accept donations that qualify as charitable contributions to the donor. The Council is subject to income taxes on taxable income from unrelated business activities. For the years ended June 30, 2018 and 2017, the Council did not recognize income tax expense in the accompanying financial statements as there was no unrelated business taxable income.

The Council is not aware of any activities that would jeopardize their tax-exempt status that would require recognition in the accompanying financial statements. Generally, tax returns are subject to examination by taxing authorities for up to three years from the date a completed return is filed. If there are material omissions of income, tax returns may be subject to examination for up to six years. It is the Council's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in the accompanying financial statements. As of June 30, 2018 and 2017, the Council had no uncertain tax positions which should be recognized as a liability.

f. Grants receivable

Grants receivable principally represent amounts due from government awards and are stated at their net realizable value. All grants receivable outstanding are considered collectible. Accordingly, no allowance for doubtful accounts has been recorded at June 30, 2018 and 2017.

g. Contributions receivable

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. All contributions receivable are expected to be collected in less than one year and are reported at their net realizable value. Reserves are established for receivables that are delinquent and considered uncollectible based on periodic reviews by management. At June 30, 2018 and 2017, all contributions receivable are considered collectible, therefore no allowance for doubtful accounts have been recognized.

Literacy Council of Northern Virginia, Inc.

Notes to the Financial Statements

June 30, 2018 and 2017

h. Inventory

Inventory consists of textbooks and is stated at the lower of cost or market by the average cost method

.i. Investments

Investments are reported at fair value and realized and unrealized gains and losses are reported in the statements of activities as increases or decreases in unrestricted net assets, unless the income or loss is restricted temporarily or permanently by donor restrictions or law. The Council invests in a variety of investments that are exposed to various risks, such as fluctuations in market value and credit risk. It is reasonably possible that changes in risks in the near term could materially affect investment balances and amounts reported in the accompanying financial statements. Donated securities are recorded at their fair value on the date of the donation.

j. Property and equipment, net

Property and equipment acquisitions are recorded in the financial statements at cost, net of accumulated depreciation and amortization. Donated property and equipment is stated at fair value at the date of donation. Depreciation and amortization expense is computed using the straight-line method over the estimated useful lives of the assets as follows:

Library	3 years
Office equipment	5 years
Website development	5 years
Furniture	5 years

The Council's policy is to capitalize major additions and improvements over \$1,000. Repairs and maintenance which do not significantly add to the value of assets are expensed as incurred.

Literacy Council of Northern Virginia, Inc.
Notes to the Financial Statements
June 30, 2018 and 2017

k. Revenue recognition

i. Contributions

Contributions, and certain foundation and corporate grants, are recognized as revenue when received or promised and are recorded net of any current year allowance or discount activity. The Council reports gifts of cash and other assets as temporarily restricted support if they are received or promised with donor stipulations that limit the use of the donated assets to the Council's programs or to a future year. When a donor restriction expires, that is, when a purpose restriction is accomplished or time restriction has elapsed, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statements of activities as net assets released from restrictions.

ii. Grant revenue

Grant revenue is recognized as earned when the qualifying costs are incurred. Amounts received in advance are recorded as deferred revenue in the accompanying statements of financial position.

iii. Program service fees

Special fundraising event, workshop and student fees are recognized as revenue in the period the events take place. Fees received relating to future periods are recorded as deferred revenue in the accompanying statements of financial position.

iv. In-kind contributions

Donated materials, services and use of facilities are recorded at fair value when an unconditional commitment is received and are recognized as in-kind contributions as revenue and expense in the accompanying financial statements. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The value of such services is recorded based on the estimated fair value of services provided and is classified as in-kind contributions revenue and expense charged to programs and supporting services based on the program or support services directly benefited.

Literacy Council of Northern Virginia, Inc.

Notes to the Financial Statements

June 30, 2018 and 2017

I. Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among programs and supporting services benefited.

m. Reclassification

For comparative purposes, certain 2017 amounts have been reclassified to conform to the 2018 presentation. However, none of these reclassifications affected the 2017 change in net assets.

3. Investments and Fair Value Measurements

Investments are comprised of the following at June 30:

	2018 Cost	2018 Fair Value	2017 Cost	2017 Fair Value
Money market funds	\$ 91,315	\$ 91,315	\$ 82,466	\$ 82,466
Exchange traded funds-equity funds	42,128	55,084	111,645	122,729
Exchange traded funds-bond funds	91,622	91,451	144,041	144,199
Equities-common stock	173,206	279,689	336,543	467,123
Equities-preferred stock	27,614	27,504	54,807	55,955
Equities-real estate	-	-	14,781	16,553
Bonds-corporate	76,130	73,165	101,181	101,470
Bonds-government	-	-	25,025	25,535
Total investments	<u>\$ 502,015</u>	<u>\$ 618,208</u>	<u>\$ 870,489</u>	<u>\$ 1,016,030</u>

Investment income is comprised of the following for the years ended June 30:

	2018	2017
Interest and dividends	\$ 19,131	\$ 23,862
Net realized and unrealized gains on investments	<u>37,087</u>	<u>63,258</u>
Total investment income	<u>\$ 56,218</u>	<u>\$ 87,120</u>

Literacy Council of Northern Virginia, Inc.

Notes to the Financial Statements

June 30, 2018 and 2017

The table below presents the Council's fair value hierarchy for those assets measured at fair value on a recurring basis at June 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Money market funds	\$ 91,315	\$ -	\$ 91,315
Exchange traded funds-equity funds	55,084	-	55,084
Exchange traded funds-bond funds	91,451	-	91,451
Equities-common stock	279,689	-	279,689
Equities-preferred stock	27,504	-	27,504
Bonds-corporate	<u>-</u>	<u>73,165</u>	<u>73,165</u>
Total investments	<u>\$ 545,043</u>	<u>\$ 73,165</u>	<u>\$ 618,208</u>

The table below presents the Council's fair value hierarchy for those assets measured at fair value on a recurring basis at June 30, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Money market funds	\$ 82,466	\$ -	\$ 82,466
Exchange traded funds-equity funds	122,729	-	122,729
Exchange traded funds-bond funds	144,199	-	144,199
Equities-common stock	467,123	-	467,123
Equities-preferred stock	55,955	-	55,955
Equities-real estate	16,553	-	16,553
Bonds-corporate	-	101,470	101,470
Bonds-government	<u>-</u>	<u>25,535</u>	<u>25,535</u>
Total investments	<u>\$ 889,025</u>	<u>\$ 127,005</u>	<u>\$ 1,016,030</u>

4. Property and Equipment, Net

The following is a summary of property and equipment held at June 30:

	<u>2018</u>	<u>2017</u>
Library	\$ 31,526	\$ 31,526
Office equipment	75,810	69,819
Website development	82,583	82,583
Furniture	<u>1,900</u>	<u>1,900</u>
Property and equipment	191,819	185,828
Accumulated depreciation and amortization	<u>(172,765)</u>	<u>(155,127)</u>
Total property and equipment, net	<u>\$ 19,054</u>	<u>\$ 30,701</u>

Depreciation and amortization expense for the years ended June 30, 2018 and 2017 was \$17,637 and \$24,854, respectively.

Literacy Council of Northern Virginia, Inc.

Notes to the Financial Statements

June 30, 2018 and 2017

5. Temporarily Restricted Net Assets

Net assets were released from donor restrictions during the years ended June 30, 2018 and 2017 for the following purposes:

	<u>2018</u>	<u>2017</u>
Scholarship program services	\$ 5,620	\$ 5,595
Integrated English Literacy and Civic Education	90,000	-
Time restriction	30,000	97,006
ELL program	<u>-</u>	<u>97,841</u>
Total net assets released from restrictions	<u>\$ 125,620</u>	<u>\$ 200,442</u>

At June 30, 2018 and 2017, temporarily restricted net assets were available for the following purposes:

	<u>2018</u>	<u>2017</u>
Scholarship program services	\$ 24,130	\$ 28,110
Destination workforce	74,113	-
Adult basic literacy & Beginning English	99,983	-
Family learning	10,000	-
Purchase of new hardware	12,100	-
Integrated English Literacy and Civic Education	-	90,000
Time restriction	<u>-</u>	<u>30,000</u>
Total temporarily restricted net assets	<u>\$ 220,326</u>	<u>\$ 148,110</u>

6. In-Kind Contributions

Volunteers provide the majority of the tutoring and teaching services provided by the Council along with other classroom services. For the years ended June 30, 2018 and 2017, the number of hours contributed were 17,877 and 17,250, respectively. These hours are multiplied by the value of volunteer time based on the Virginia Employment Commission average hourly earnings. The Virginia average hourly value of volunteer time for the years ended June 30, 2018 and 2017 was \$26.75 and 26.96, respectively, which represents a decrease of \$.21 over the prior year. The value of these services for the years ended June 30, 2018 and 2017 totaled \$478,221 and \$465,060, respectively, and is included in contributed services and materials revenue and program services expense in the accompanying statements of activities.

Literacy Council of Northern Virginia, Inc.

Notes to the Financial Statements

June 30, 2018 and 2017

The Council receives 4,050 square feet of donated space from the county government in which to operate. The space was valued at \$20 per square foot for each year. The total value of the donated space was \$81,000 for each year and is included in contributed services and materials revenue and has been allocated on a functional basis in the accompanying statements of activities.

The Council receives donated equipment, supplies and other items which are recorded at fair value on the date of donation. The total value of the donated equipment, supplies and other items for the years ended June 30, 2018 and 2017 was \$5,590 and \$273, respectively, and is included in contributed services and materials revenue and has been allocated on a functional basis in the accompanying statements of activities.

7. Commitments

Operating leases

In June 2016, the Council entered into a 63 month lease agreement for a postage meter and scale. The lease requires a monthly rent payments of \$127 and will expire in September 2022. After the end of the lease, the Council has the option of purchasing the postage meter and scale at fair value. Rent expense for the years ended June 30, 2018 and 2017 was \$1,521 and \$1,179, respectively

The Council also entered into a 27 month lease agreement for office space beginning in July 2014 and ending in September 2016. The lease requires monthly rent payments of \$375, subject to a 3% escalation rate each year. In October 2016, this lease was extended for a term of two years. The lease requires monthly rent payment of \$136, subject to a 3% escalation rate after December 2016. This agreement will expire in November 2018. Office rent expense for the years ended June 30, 2018 and 2017 was \$5,665 and \$2,014, respectively.

Aggregate future minimum lease payments are as follows for the years ending June 30:

	<u>Equipment</u>
2019	\$ 2,714
2020	1,521
2021	1,521
2022	<u>380</u>
Total	<u>\$ 6,136</u>

Literacy Council of Northern Virginia, Inc.
Notes to the Financial Statements
June 30, 2018 and 2017

8. Retirement Plan

The Council maintains a qualified Simple Retirement Plan where qualified employees can make pre-tax contributions up to statutory limits. All employees who have earned at least \$5,000 in annual compensation in any two preceding years are eligible for enrollment in the Council's Plan. The Council makes matching contributions up to three percent of the participating employee's salary for any employees who work 30 hours or more per week.

Retirement plan expense for the years ended June 30, 2018 and 2017 was \$21,810 and \$17,350, respectively.

9. Subsequent Events

In preparing the financial statements, the Council has evaluated events and transactions for potential recognition or disclosure through November 14, 2018, which is the date the financial statements were available to be issued. There were no subsequent events that require recognition of, or disclosure in, these financial statements.

Supplemental Information

Literacy Council of Northern Virginia, Inc.

Schedule of Functional Expenses

For the Year Ended June 30, 2018

	Program services	Management and general	Fundraising	Total support services	Total expenses
Depreciation and amortization	\$ 15,873	\$ 882	\$ 882	\$ 1,764	\$ 17,637
Dues and memberships	2,337	194	392	586	2,923
Employee benefits	61,286	14,408	5,741	20,149	81,435
Employee relations	1,349	2,109	199	2,308	3,657
In-kind supplies and equipment	5,590	-	-	-	5,590
In-kind volunteer tutoring and other services	478,221	-	-	-	478,221
Insurance	5,804	847	501	1,348	7,152
Other expenses	15,405	740	655	1,395	16,800
Payroll taxes	49,989	12,092	4,711	16,803	66,792
Postage and shipping	876	3,123	1,325	4,448	5,324
Printing and publications	4,085	3,158	1,041	4,199	8,284
Professional fees	75,739	31,639	7,510	39,149	114,888
Program books and supplies	44,953	-	-	-	44,953
Recruiting expense	35	30,446	-	30,446	30,481
Rent	78,563	4,050	4,050	8,100	86,663
Repairs and maintenance	4,104	228	228	456	4,560
Salaries	642,425	151,452	60,219	211,671	854,096
Student incentives	151	-	-	-	151
Supplies	5,177	912	339	1,251	6,428
Telephone	5,759	1,033	418	1,451	7,210
Travel	3,449	102	15	117	3,566
Total expenses	<u>\$ 1,501,170</u>	<u>\$ 257,415</u>	<u>\$ 88,226</u>	<u>\$ 345,641</u>	<u>\$ 1,846,811</u>

Literacy Council of Northern Virginia, Inc.

Schedule of Functional Expenses

For the Year Ended June 30, 2017

	Program services	Management and general	Fundraising	Total support services	Total expenses
AmeriCorps expenses	\$ 3,232	\$ 70	\$ -	\$ 70	\$ 3,302
Depreciation and amortization	22,368	1,243	1,243	2,486	24,854
Dues and memberships	1,252	325	-	325	1,577
Employee benefits	53,728	24,118	6,808	30,926	84,654
Employee relations	2,301	1,720	424	2,144	4,445
In-kind supplies and equipment	177	76	20	96	273
In-kind volunteer tutoring and other services	465,060	-	-	-	465,060
Insurance	3,408	1,538	434	1,972	5,380
Other expenses	4,207	8,931	201	9,132	13,339
Payroll taxes	38,237	16,664	4,700	21,364	59,601
Postage and shipping	1,385	4,349	908	5,257	6,642
Printing and publications	1,940	1,984	418	2,402	4,342
Professional fees	42,949	18,708	6,367	25,075	68,024
Program books and supplies	63,847	-	-	-	63,847
Recruiting expense	6,357	3,174	899	4,073	10,430
Rent	74,914	4,050	4,050	8,100	83,014
Repairs and maintenance	3,942	219	219	438	4,380
Salaries	490,991	221,801	62,622	284,423	775,414
Salaries, AmeriCorps	8,819	3,984	1,125	5,109	13,928
Student incentives	5,595	-	-	-	5,595
Supplies	22,685	2,702	30	2,732	25,417
Telephone	4,612	2,056	580	2,636	7,248
Travel	2,955	-	296	296	3,251
Total expenses	<u>\$ 1,324,961</u>	<u>\$ 317,712</u>	<u>\$ 91,344</u>	<u>\$ 409,056</u>	<u>\$ 1,734,017</u>