

HIGHTSIGHT

**FINANCIAL STATEMENTS
YEARS ENDED
JUNE 30, 2015 AND 2014**

HIGHTSIGHT

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JUNE 30, 2015 AND 2014**

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Helen J. Ajder C.P.A. PC
Certified Public Accountant

To the Board of Directors
Hightsight

INDEPENDENT AUDITOR'S REPORT

I have audited the accompanying financial statements of Hightsight which comprise the statement of financial position as of June 30, 2015 and 2014, and the related statement of activities and statement of 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditor's 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, I 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.

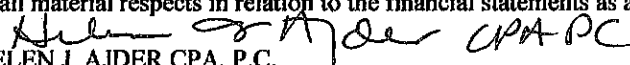
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hightsight as of June 30, 2015 and 2014, 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

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of program and supporting services expense on page 9 is presented for purposes of additional analysis and is 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 audit 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 my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.


HELEN J. AJDER CPA, P.C.
August 27, 2015

HIGHTSIGHT

STATEMENTS OF FINANCIAL POSITION JUNE 30, 2015 AND 2014

ASSETS

	<u>2015</u>	<u>2014</u>
CURRENT ASSETS		
Cash in banks	\$ 388,087	\$ 252,738
Grants receivable	44,260	61,655
Account receivable	14,895	-
Prepaid expense	<u>14,848</u>	<u>12,674</u>
Total current assets	462,090	327,067
FURNITURE		
Furniture fixtures and computers	34,035	34,035
Leasehold improvements	53,716	53,716
Transportation equipment	<u>21,495</u>	<u>21,495</u>
	109,246	109,246
Less: accumulated depreciation	<u>99,523</u>	<u>93,177</u>
Net	<u>9,723</u>	<u>16,069</u>
TOTAL ASSETS	<u>\$ 471,813</u>	<u>\$ 343,136</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	14,845	12,645
Tuition payable	24,200	-
Deferred revenue	<u>5,000</u>	<u>-</u>
Total current liabilities	44,045	12,645
COMMITMENTS AND CONTINGENCIES	-	-
NET ASSETS		
Unrestricted	<u>427,768</u>	<u>330,491</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 471,813</u>	<u>\$ 343,136</u>

HIGHTSIGHT**STATEMENTS OF ACTIVITIES
JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
REVENUES		
Grants	\$ 426,260	\$ 368,132
Donations	154,450	168,124
Special events and fundraising - net	229,742	219,629
Investment income	153	115
	<hr/>	<hr/>
Total revenue	810,605	756,000
EXPENSES		
Program service		
Tuition and scholarships	231,669	250,880
Academic, college prep and summer programs	353,254	355,230
Supporting Service		
Administrative	38,304	37,886
Fundraising	83,755	83,233
Depreciation	6,346	6,346
	<hr/>	<hr/>
Total expenses	713,328	733,575
CHANGE IN UNRESTRICTED NET ASSETS	97,277	22,425
UNRESTRICTED NET ASSETS AT THE BEGINNING OF YEAR	<u>330,491</u>	<u>308,066</u>
UNRESTRICTED NET ASSETS AT THE END OF YEAR	<u>\$ 427,768</u>	<u>\$ 330,491</u>

HIGHTSIGHT**STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
CASH FLOWS UTILIZED BY OPERATING ACTIVITIES:		
Change in unrestricted net assets	\$ 97,277	\$ 22,425
Adjustments to reconcile change in unrestricted net assets to net cash provided by (used in) operating activities:		
Non - cash items		
Depreciation	6,346	6,346
(Increase) decrease in grants receivable	17,395	(61,655)
(Increase) decrease in accounts receivable	(14,895)	-
(Increase) decrease in prepaid expenses	(2,174)	(5,173)
Increase (decrease) in accounts payable and tuition payable	<u>31,400</u>	<u>(631)</u>
 Net cash provided by (used in) operating activities	 <u>135,349</u>	 <u>(38,688)</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 135,349	 (38,688)
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	 <u>252,738</u>	 <u>291,426</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	 <u><u>\$ 388,087</u></u>	 <u><u>\$ 252,738</u></u>

The accompanying notes are an integral part of these financial statements

HIGHTSIGHT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

NOTE 1 - Nature and Purpose

Highsight's mission is to provide academic support to inner-city Chicago high school students. The program provides:

HIGH SCHOOL SCHOLARSHIPS: Highsight provides partial scholarships for students to attend quality private high schools in Chicago.

ACADEMIC PROGRAM: Highsight scholars meet three times a week with adult volunteer mentors for academic support.

COLLEGE PREPARATION: As the goal of every Highsight scholar is to attend college, Highsight provides a number of activities to help them achieve that goal, such as ACT preparation, application workshops and college fairs and visits.

FRESHMAN SUMMER PROGRAM: Incoming freshman scholars take part in an intense, five-week academic program that emphasizes reading, math, writing, and study skills. The program culminates with Freshman Week, where students work on team-building and leadership development.

SOPHOMORE SUMMER PROGRAM: This intensive summer experience is designed to assist students in making a positive transition to their second year of high school. Students focused on writing and character development while reading books on setting goals and planning for college.

SUMMER LEADERSHIP PROGRAM: The program starts with a weekend retreat and training focused on Steven Covey's *The Seven Habits of Highly Effective Teens*. Throughout the summer, scholars meet more than a dozen sessions to improve their communication skills, enhance their leadership skills and increase their self-confidence through a variety of individual and group activities.

INDEPENDENT SUMMER PROGRAMS: Students participate in programs that include discovery, enrichment and adventure on college campus, boarding schools, and in the great outdoors throughout the United States, and international travel to nations around the world.

INSIGHT ACADEMIC PROGRAM: The organization provides education and social support to middle schools students by providing an adult tutor/mentor to help each child with their academics and personal development throughout the school year.

Highsight's support comes primarily from foundations and special events, as well as individual donor contributions.

The Organization is a not-for-profit organization as described in Section 501 (c) (3) of the Internal Revenue Code and is exempt from federal and state income taxes.

The Organization was incorporated August 31, 1995 (State of Illinois) and began operations on January 1, 1996.

HIGHTSIGHT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

NOTE 2 - Basis of Presentation

The Organization has adopted the provisions of ASC - 958 ("ASC") Financial Statements of a Not-For-Profit Entity which provides for financial information regarding its financial position and activities according to three classes of net assets (unrestricted, temporary restricted and permanently restricted assets) based upon the existence or absence of donor-imposed restrictions.

Further, the costs of providing the various programs and other 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. Certain reclassifications have been made to the prior period financial statements to conform to the current period presentation.

The financial statements are prepared on the accrual basis of accounting.

NOTE 3 - Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those assumptions and estimates.

Cash

For the purpose of the statements of cash flows, the Organization considers all liquid investments with maturities of three months or less when purchased to be cash equivalents.

The Organization's cash funds are located in financial institutions where balances may have exceeded federally insured limits. The Organization is not exposed to any significant credit risk related to cash balances.

Receivable - Grants

Receivable - grants consists of support grants from government agencies or foundations that the Organization has received notification of approval. At year end June 30, 2015 and 2014 the outstanding balances were \$ 44,260 and \$ 61,655 respectively.

Property and Equipment

Property and equipment are valued at actual cost. Donations of property and equipment are recorded as contributions at estimated fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which are three years to ten years. Contributed property and equipment with donor restrictions on how long the assets must be used are recorded as restricted contributions. All other contributions of property and equipment are recorded as unrestricted contributions when the assets are placed in service.

HIGHTSIGHT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

NOTE 3 - Summary of Significant Accounting Policies (continued)

Contributions Received or Made

The Organization has adopted the provisions of ASC - 958 ("ASC") Accounting for Contributions Received and Made which provides that contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. In addition, the Organization has not received any contributions with donor-imposed restrictions that would result in temporarily or permanently restricted net assets. There were no restricted net assets at June 30, 2015 and 2014.

Donated Services

No amounts have been reflected in the financial statements for donated services because the criteria for recognition under ASC - 958 ("ASC") Accounting for Contributions Received and Made have not been satisfied. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, fund raising activities, and various committee assignments. The Organization receives more than 5,000 volunteer hours per year.

Special Events and Fundraising - Net

During the year ended June 30, 2015 the Organization held various fundraising events. The breakdown is as follows:

	<u>Revenue</u>	<u>Expense</u>	<u>Net</u>
Eve of the Eve	\$ 246,305	\$ 100,833	\$ 145,472
Summer Eve	0	0	0
Scholarship Dinner	88,536	22,274	66,262
Others	<u>19,644</u>	<u>1636</u>	<u>18,008</u>
Total	<u>\$ 354,485</u>	<u>\$ 124,743</u>	<u>\$ 229,742</u>

The "Summer Eve" fundraiser, traditionally held annually in June, was not held until July, 2015.

NOTE 4 - Tuition Payable

As part of the Organization's mission, it provides scholarships to enable its students to attend various private high schools. The Organization has entered into various arrangements with these schools to pay a portion of student's tuition. At year end June 30, 2015 and 2014 the outstanding balances were \$24,200 and \$ 0 respectively.

HIGHTSIGHT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

NOTE 5 - Commitments and Contingencies

Tuition Payable - Scholarships

At year end June 30, 2015 the Organization is planning to assist approximately 89 scholarship students at various private high schools for the school year of September 2015 thru June 2016. Management estimates tuition commitments at \$300,000 for the year ended June 30, 2016.

At year end June 30, 2014 the Organization planned to assist approximately 85 scholarship students at various private high schools for the school year of September 2014 thru June 2015. Management estimated tuition commitments at \$300,000 for the year ended June 30, 2015. The actual cost was \$231,669 for 85 students.

These commitments are contingent upon the student scholar maintaining a defined level of scholastic performance, the high school participation in the scholarship program and other factors.

Lease

On December 20, 2013, effective July 1, 2012, the Organization entered a lease agreement for office and schoolroom space at 315 West Walton Street, Chicago, Illinois. The lease is for a term of six years, commencing July 1, 2012, and terminating on June 30, 2018, or sooner provided that either party shall have the right to terminate the lease by giving notice to the other party on or before December 31 of any year, and if such notice is given, the lease will terminate on June 30 of the year immediately following the year of such notice. The annual rental rate is \$48,000, payable quarterly.

NOTE 6 - Employee Benefit Plan

The Organization sponsors a Simple IRA retirement plan that covers all full time employees. For the years ended June 30, 2015 and 2014 the contributions to the plan were \$ 6,338 and \$ 6,185 respectively.

NOTE 7 - Subsequent Events

Management evaluated subsequent events through August 27, 2015, the date which the financial statements were available for issue. There were no material matters that needed to be disclosed.

HIGHTSIGHT

**SCHEDULES OF PROGRAM AND SUPPORTING SERVICES EXPENSE
YEARS ENDED JUNE 30, 2015 AND 2014**

	2015	2014
PROGRAM SERVICES:		
Tuition and scholarships	\$ 231,669	\$ 250,880
Academic, college prep and summer programs		
Outings and activities	\$ 21,882	\$ 26,838
Salaries and benefits	231,998	227,346
Meetings	2,629	2,538
Printing and postage	7,865	10,059
Office supplies	11,079	8,704
Rent	46,800	46,800
Utilities	11,847	12,670
Insurance	12,388	12,126
Auto expense	554	560
Telephone	6,212	7,589
Total	\$ 353,254	\$ 355,230
SUPPORTING SERVICES:		
Administrative		
Salaries and benefits	\$ 27,078	\$ 26,535
Printing and postage	605	774
Office supplies	616	484
Rent	2,600	2,600
Utilities	658	704
Insurance	1,902	1,868
Professional fees	4,500	4,500
Telephone	345	421
Total	\$ 38,304	\$ 37,886
Fundraising		
Salaries and benefits	\$ 75,216	\$ 73,707
Printing and postage	3,630	4,643
Office supplies	616	484
Rent	2,600	2,600
Utilities	658	704
Insurance	690	674
Telephone	345	421
Total	\$ 83,755	\$ 83,233

See Auditor's Report.