

**Foundation for Tennessee Chess**

**Financial Statements**

**December 31, 2014**

## Independent Accountant's Compilation Report

To Management  
Foundation for Tennessee Chess  
Nashville, Tennessee

We have compiled the accompanying statement of financial position – cash basis of Foundation for Tennessee Chess (a not-for profit organization), as of December 31, 2014, and the related statement of activities – cash basis, and cash flows - cash basis for the month and twelve months then ended, and the supplementary schedules I and II, which are presented for supplementary analysis purposes only. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's assets, liabilities, equity, revenue, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.



Wallace CPA Firm  
February 6, 2015

**Foundation for Tennessee Chess**  
**Statement of Financial Position - Cash Basis**  
**As of Dec 31, 2014**

**Assets**

	<b><u>Dec 31, 2014</u></b>
<b>Current Assets</b>	
US Bank checking	\$ 75,544.37
<b>Total Current Assets</b>	<b><u>75,544.37</u></b>
<b>Fixed Assets</b>	
Land	100,000.00
Building	393,543.00
Computers	491.60
Equipment	3,903.78
Accumulated Depreciation	<u>(127,232.00)</u>
<b>Total Fixed Assets</b>	<b><u>370,706.38</u></b>
<b>Investments</b>	
<b>Restricted Vanguard Investments</b>	
<b>Bonds</b>	
High - Yield Corp Fund Inv	14,052.76
Inter-Term Bond Index Adm	15,810.65
Inter-Term Invest-Gr Adm	71,625.63
S-T Investment - Grade Inv	14,077.41
Short-Term Bond Index Inv	<u>6,227.54</u>
	<u>121,793.99</u>
<b>Short-Term Investments</b>	
LifeStrategy Income Fund - 20%	8,412.25
Prime Money Mkt Fund	<u>44,105.10</u>
	<u>52,517.35</u>
<b>Stocks</b>	
Equity Income Fund Inv	<u>10,025.37</u>
	<u>10,025.37</u>
<b>Total Investments</b>	<b><u>184,336.71</u></b>
<b>Total Assets</b>	<b><u>\$ 630,587.46</u></b>

**Liabilities and Net Assets**

	<b><u>Dec 31, 2014</u></b>
<b>Current Liabilities</b>	
Deposit Escrow	\$ 1,500.00
Payroll Liabilities	<u>(779.26)</u>
<b>Total Current Liabilities</b>	<b><u>720.74</u></b>
<b>Net Assets</b>	
Restricted Net Assests	163,916.94
Prior Year Net Assets	473,935.62
Current Year Increase (Decrease) in Net Assets	<u>(7,985.84)</u>
<b>Total Net Assets</b>	<b><u>629,866.72</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 630,587.46</u></b>

**Foundation for Tennessee Chess**  
**Statement of Activities - Cash Basis**  
**For the Month and Twelve Months Ended Dec 31, 2014**

	<b>Dec 31, 2014</b>	<b>Jan 01, 2014 - Dec 31, 2014</b>
<b>Revenue</b>		
Lockeland Design Center	-	2,500.00
Contributions Income	7,268.00	27,407.05
Program Fees	28,630.00	84,251.00
Membership Income	2,264.00	38,164.57
Fees	9,543.00	38,344.50
Rental Income	800.00	9,600.00
Miscellaneous Income	27.85	8,424.27
Investment Income		
Interest Income	0.54	6.85
Dividend Income	1,080.02	4,342.40
Long-Term Cap Gains	781.78	852.12
Short Term Cap Gains	277.64	277.64
Unrealized Gains(Losses)	(159.74)	2,278.06
	<u>1,980.24</u>	<u>7,757.07</u>
<b>Total Revenue</b>	<u><b>50,513.09</b></u>	<u><b>216,448.46</b></u>
<b>Operating Expenses</b>		
Bank Service Charges	\$ -	\$ 28.00
Contract Labor	10,313.02	70,809.71
Contributions	(30.00)	-
Credit Card Processing Fees	124.45	1,832.76
Depreciation Expense	873.00	10,520.00
Dues & Membership	314.00	2,487.69
Dues and Subscriptions	-	10.00
Groundskeeping	350.18	880.27
Insurance	438.82	10,454.18
Internet	283.32	1,923.82
Meals and Entertainment	150.33	1,041.38
Miscellaneous	34.00	3,225.00
Payroll Expenses	7.40	8.88
Payroll Taxes	242.07	5,277.96
Pest Control	55.00	693.00
Postage and Delivery	7.19	15.75
Printing and Reproduction	-	808.90
Prizes - Cash	40.00	138.00
Prizes - Non-Cash	1,291.10	4,801.70
Professional Fees	1,450.00	12,431.75
Program Expense	(475.51)	4,284.81
Repairs	130.00	4,344.66
Salaries & Wages	2,663.04	65,686.86
Supplies	(390.67)	6,298.66
Office Supplies	(20.80)	205.22
Taxes	-	8,953.28
Taxes - Federal	323.00	3,127.47
Utilities	230.57	4,144.59
<b>Total Operating Expenses</b>	<u><b>18,403.51</b></u>	<u><b>224,434.30</b></u>
<b>Change in Net Assets Due to Operations</b>	<u><b>32,109.58</b></u>	<u><b>(7,985.84)</b></u>
<b>Net Assets at Beginning of Period</b>	<u><b>597,757.14</b></u>	<u><b>637,852.56</b></u>
<b>Net Assets at End of Period</b>	<u><b>\$ 629,866.72</b></u>	<u><b>\$ 629,866.72</b></u>

See Accountant's Compilation Report

**Foundation for Tennessee Chess**  
**Statement of Cash Flows - Cash Basis**  
**For the Month and Twelve Months Ended Dec 31, 2014**

	<u>Dec 31, 2014</u>	<u>Jan 01, 2014 - Dec 31, 2014</u>
<b>Cash Flows from Operating Activities</b>		
<b>Net Income</b>		
Net Income (Loss)	\$ 32,109.58	\$ (7,985.84)
<b>Total Net Income</b>	<u>32,109.58</u>	<u>(7,985.84)</u>
<b>Adjustments to Net Income</b>		
Adjustments to reconcile Net Income (Loss) to net Cash:		
(Increase) Decrease in:		
Increase (Decrease) in:		
Accumulated Depreciation	873.00	10,520.00
Payroll Liabilities	38.35	(779.26)
Insurance Liabilities	<u>(462.00)</u>	<u>-</u>
<b>Total Adjustments</b>	<u>449.35</u>	<u>9,740.74</u>
<b>Net Cash Provided By (Used In) Operating Activities</b>	<u>32,558.93</u>	<u>1,754.90</u>
<b>Cash Flows from Investing Activities</b>		
Restricted Vanguard Investments	<u>(1,979.70)</u>	<u>(7,750.22)</u>
<b>Net Cash Provided By (Used In) Investing Activities</b>	<u>(1,979.70)</u>	<u>(7,750.22)</u>
<b>Cash Flows from Financing Activities</b>		
<b>Net Cash Provided By (Used In) Financing Activities</b>	<u>-</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash</b>	<u>30,579.23</u>	<u>(5,995.32)</u>
<b>Cash at Beginning of Period</b>		
Cash at Beginning of Period	<u>44,965.14</u>	<u>81,539.69</u>
<b>Total Cash at Beginning of Period</b>	<u>44,965.14</u>	<u>81,539.69</u>
<b>Cash at End of Period</b>	<u>\$ 75,544.37</u>	<u>\$ 75,544.37</u>

**Supplementary Schedule I**  
**Foundation for Tennessee Chess**  
**Statement of Activities - Cash Basis**  
**For the Month and Twelve Months Ended Dec 31, 2014 and 2013**

	Dec 31, 2014	Dec 31, 2013	Jan 01, 2014 - Dec 31, 2014	Jan 01, 2013 - Dec 31, 2013
<b>Revenues, Gains &amp; Other Support</b>				
Lockeland Design Center	-	-	2,500.00	-
Contributions Income	7,268.00	10,046.91	27,407.05	32,912.72
Program Fees	23,110.00	28,150.00	78,731.00	98,684.00
Valor Collegiate	5,000.00	-	5,000.00	-
Pearre Creek Elementary Pilot-P	300.00	-	300.00	-
MBA	220.00	-	220.00	-
Membership Income	2,264.00	3,020.00	38,164.57	29,668.00
Fees	9,543.00	2,559.00	38,344.50	36,107.00
Rental Income	800.00	797.00	9,600.00	9,597.00
Miscellaneous Income	27.85	204.05	8,424.27	3,288.77
Investment Income				
Interest Income	0.54	0.56	6.85	5.26
Dividend Income	1,080.02	4,400.13	4,342.40	4,400.13
Long-Term Cap Gains	781.78	1,849.43	852.12	1,849.43
Short Term Cap Gains	277.64	123.02	277.64	123.02
Unrealized Gains(Losses)	(159.74)	(4,515.52)	2,278.06	(4,515.52)
	<u>7,500.24</u>	<u>1,857.62</u>	<u>13,277.07</u>	<u>1,862.32</u>
<b>Total Revenue, Gains &amp; Other Support</b>	<b><u>56,033.09</u></b>	<b><u>46,634.58</u></b>	<b><u>221,968.46</u></b>	<b><u>212,119.81</u></b>
<b>Operating Expenses</b>				
Bank Service Charges	\$ -	\$ 83.00	\$ 28.00	\$ 114.50
Contract Labor	10,313.02	15,304.75	70,809.71	69,821.78
Contributions	(30.00)	-	-	-
Credit Card Processing Fees	124.45	-	1,832.76	25.00
Depreciation Expense	873.00	890.00	10,520.00	10,691.00
Dues & Membership	314.00	473.00	2,487.69	1,766.25
Dues and Subscriptions	-	-	10.00	40.00
Groundskeeping	350.18	-	880.27	-
Insurance	438.82	227.76	10,454.18	8,822.43
Internet	283.32	424.97	1,923.82	2,997.82
Licenses and Permits	-	-	-	40.00
Meals and Entertainment	150.33	212.52	1,041.38	1,008.56
Miscellaneous	34.00	64.00	3,225.00	403.00
Payroll Expenses	7.40	-	8.88	-
Payroll Taxes	242.07	480.75	5,277.96	4,078.04
Pest Control	55.00	-	693.00	-
Postage and Delivery	7.19	-	15.75	16.47
Printing and Reproduction	-	-	808.90	808.90
Prizes - Cash	40.00	-	138.00	7,252.34
Prizes - Non-Cash	1,291.10	1,206.80	4,801.70	4,490.50
Professional Fees	1,450.00	1,400.00	12,431.75	10,915.02
Program Expense	(475.51)	109.00	4,284.81	1,068.31
Repairs	130.00	-	4,344.66	6,884.38
Salaries & Wages	2,663.04	6,284.37	65,686.86	49,582.30
Supplies	(390.67)	203.50	6,298.66	8,730.15
Office Supplies	(20.80)	-	205.22	-
Taxes	-	-	8,953.28	8,637.23
Taxes - Federal	323.00	-	3,127.47	-
Utilities	230.57	463.85	4,144.59	5,126.40
<b>Total Operating Expenses</b>	<b><u>18,403.51</u></b>	<b><u>27,828.27</u></b>	<b><u>224,434.30</u></b>	<b><u>203,320.38</u></b>
<b>Change in Net Assets Due to Operations</b>	<b><u>37,629.58</u></b>	<b><u>18,806.31</u></b>	<b><u>(2,465.84)</u></b>	<b><u>8,799.43</u></b>
<b>Net Assets at Beginning of Period</b>	<b><u>597,757.14</u></b>	<b><u>319,046.25</u></b>	<b><u>637,852.56</u></b>	<b><u>629,053.13</u></b>
<b>Net Assets at End of Period</b>	<b><u>\$ 635,386.72</u></b>	<b><u>\$ 337,852.56</u></b>	<b><u>\$ 635,386.72</u></b>	<b><u>\$ 637,852.56</u></b>

**Supplementary Schedule II**  
**Foundation for Tennessee Chess**  
**Summary of Income by Type**  
**For the Month and Twelve Months Ended Dec 31, 2014**

	Dec 31, 2014	Jan 01, 2014 - Dec 31, 2014
<b>Revenue, Gains &amp; Other Support</b>		
Lockeland Design Center	\$ -	\$ 2,500.00
<b>Contributions Income</b>		
Contributions Income	6,018.00	15,984.00
Buzz Heidtke & Company	-	500.00
Dale Randels	-	136.41
Nashville Predators	-	1,500.00
Ryman Foundation	-	500.00
Sam Strang	-	1,000.00
The Memorial Foundation	-	6,000.00
Contribution Income - Other	250.00	786.64
Donation Match-Dr. Katahn	1,000.00	1,000.00
	<u>7,268.00</u>	<u>29,907.05</u>
<b>Program Fees</b>		
Program Fees - Other	-	5,922.00
Valor Collegiate	5,000.00	5,000.00
Pearre Creek Elementary Pilot-P	300.00	300.00
MBA	220.00	220.00
Donelson Christian Academy	-	3,000.00
Ensworth School	-	5,000.00
Franklin Classical School	-	1,725.00
Head Magnet	-	600.00
Hull-Jackson	-	2,400.00
Julia Green Elem.	-	35.00
Kipp Academy - Dennis Family	-	1,200.00
Lipscomb University	-	1,500.00
Lower School Chess Program	-	1,500.00
Meigs	-	2,432.00
Montgomery Bell Academy	-	1,500.00
Nashville Prep.	-	1,200.00
OSLA after-school program	-	1,770.00
Our Savior Lutheran Academy	-	50.00
OverBrook	-	5,770.00
St Paul Christian Academy	8,500.00	8,500.00
Sylvan Park Chess Club	-	10,107.00
USN	14,610.00	14,720.00
Williamson County Schools	-	9,800.00
	<u>28,630.00</u>	<u>84,251.00</u>
<b>Membership Income</b>		
Membership Income	-	2,761.57
Club Express	1,908.00	32,458.00
NCC Membership	314.00	2,365.00
USCF Membership Fees	42.00	580.00
	<u>2,264.00</u>	<u>38,164.57</u>
<b>Fees - Camps</b>		
After-school program	7,553.00	10,553.00
2015 Open city qualifier entry	-	110.00
Tournaments City open qualifier	-	730.00
Camps	-	3,181.00
Camp # 1	-	1,254.00
Camp # 2	-	1,240.00
Camp # 3	-	2,430.00
Camp # 4	-	6,044.00
Camp # 5	-	4,200.00
MLK Camp	-	1,050.00
NCC Summer Camp	-	479.00
Presidents Day Camp	-	635.00
Shopping Camp	455.00	782.50
Winter Camp	1,180.00	2,259.00
Fall Camp	-	1,748.00
	<u>9,188.00</u>	<u>36,695.50</u>

**Supplementary Schedule II**  
**Foundation for Tennessee Chess**  
**Summary of Income by Type**  
**For the Month and Twelve Months Ended Dec 31, 2014**

	Dec 31, 2014	Jan 01, 2014 - Dec 31, 2014
<b>Tournaments</b>		
Fees	\$ -	\$ 25.00
Holiday	355.00	375.00
March Swiss	-	110.00
Mid South K-12 Championship	-	949.00
Monthly Swiss	-	140.00
Other Tournament	-	50.00
	<u>355.00</u>	<u>1,649.00</u>
<b>Rental Income</b>		
Rental Income	<u>800.00</u>	<u>9,600.00</u>
	<u>800.00</u>	<u>9,600.00</u>
<b>Miscellaneous Income</b>		
Miscellaneous Income	27.85	8,359.95
United Way of Metropolitan Nash	-	64.32
	<u>27.85</u>	<u>8,424.27</u>
<b>Investment Income</b>		
Interest Income	0.54	6.85
Dividend Income	1,080.02	4,342.40
Long-Term Cap Gains	781.78	852.12
Short Term Cap Gains	<u>277.64</u>	<u>277.64</u>
Unrealized Gains(Losses)	<u>(159.74)</u>	<u>2,278.06</u>
	<u>1,980.24</u>	<u>7,757.07</u>
<b>Total Revenue, Gains &amp; Other Support</b>	<u><b>50,513.09</b></u>	<u><b>216,448.46</b></u>