

***PROJECT FOR NEIGHBORHOOD
AFTERCARE, INC.
(A Nonprofit Organization)***

Financial Statements

**With Independent Accountants' Review Report Thereon
For The Years Ended June 30, 2014 and 2013**

H A Beasley & Company, PC
Certified Public Accountants
Murfreesboro, Tennessee

PROJECT FOR NEIGHBORHOOD AFTERCARE, INC.

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

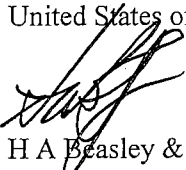
To the Board of Directors of
Project for Neighborhood Aftercare, Inc.

We have reviewed the accompanying statements of financial position of Project for Neighborhood Aftercare, Inc. (a nonprofit organization) as of June 30, 2014 and 2013, and the related statements of activities, functional expenses and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization 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 is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America 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 review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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 accounting principles generally accepted in the United States of America.



H A Beasley & Company, PC
July 17, 2014

A Positive Difference Through Professional Accounting Service

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Project for Neighborhood Aftercare, Inc.
Statements of Financial Position
As of June 30, 2014 and 2013

ASSETS		2014	2013
CURRENT ASSETS			
Cash and equivalents	\$	100,479	\$ 52,933
Grants receivable		18,493	37,330
Accounts receivable		2,854	7,028
Prepaid expenses		1,017	1,135
Total current assets		122,843	98,426
PROPERTY AND EQUIPMENT			
Office furniture and equipment		-	4,517
Computer equipment		30,771	41,796
		30,771	46,313
Less: accumulated depreciation		(30,052)	(43,522)
Total property and equipment		719	2,791
TOTAL ASSETS	\$	123,562	\$ 101,217
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	\$	961	\$ 6,303
Accrued liabilities		5,048	1,978
Deferred revenue		2,900	150
Total current liabilities		8,909	8,431
NET ASSETS			
Unrestricted		114,653	92,786
TOTAL LIABILITIES AND NET ASSETS	\$	123,562	\$ 101,217

See accompanying notes to financial statements and independent accountants' report.

Project for Neighborhood Aftercare, Inc.
Statements of Activities
For the Years Ended June 30, 2014 and 2013

	2014	2013
	<u>Unrestricted</u>	<u>Unrestricted</u>
REVENUE AND PUBLIC SUPPORT		
Grant income	\$ 221,770	\$ 247,660
Contributions	24,007	29,776
Program fees	236,407	261,192
Miscellaneous income	<u>1,382</u>	<u>1,155</u>
Total revenue and public support	483,566	539,783
EXPENSES		
Program services	371,448	433,967
Management and general	69,867	77,443
Fundraising	<u>20,384</u>	<u>15,623</u>
Total expenses	<u>461,699</u>	<u>527,033</u>
CHANGE IN NET ASSETS	21,867	12,750
Net assets at beginning of year	<u>92,786</u>	<u>80,036</u>
NET ASSETS AT END OF YEAR	<u>\$ 114,653</u>	<u>\$ 92,786</u>

See accompanying notes to financial statements and independent auditors' report.

Project for Neighborhood Aftercare, Inc.
Statements of Functional Expenses
For the Years Ended June 30, 2014 and 2013

	2014			2013		
	Program Services	Management & General	Fund- raising	Total Expenses	Program Services	Management & General
Payroll	\$ 243,619	\$ 25,923	\$ 4,869	\$ 274,411	\$ 291,215	\$ 54,340
Payroll taxes	18,150	2,316	435	20,901	20,024	2,864
Retirement plan	1,355	946	256	2,557	3,033	2,022
Health insurance	2,797	1,952	528	5,277	6,422	4,281
Total compensation	265,921	31,137	6,088	303,146	320,694	63,507
Bank charges	3,903	984	-	4,887	655	917
Depreciation	663	224	62	949	3,295	189
Dues and subscriptions	218	400	-	618	225	285
Food - Program	27,578	-	-	27,578	31,971	-
Insurance	6,971	853	135	7,959	7,740	620
Licenses and permits	400	340	-	740	1,600	250
Miscellaneous	-	21	-	21	-	75
Office supplies	1,469	1,066	444	2,979	1,507	1,000
Printing and reproduction	229	229	-	458	286	256
Professional fees	7,040	29,159	11,733	47,932	-	4,500
Program supplies	9,849	-	-	9,849	14,817	-
Facility fees	22,101	-	-	22,101	26,311	-
Special events	581	-	-	581	1,517	-
Staff training	251	-	-	251	2,048	-
Storage	-	1,319	-	1,319	-	1,248
Telephone	6,071	1,649	394	8,114	6,569	2,924
Meals and entertainment	9	573	-	582	884	104
Travel and entertainment	2,420	879	122	3,421	4,009	1,568
Contract Labor	15,740	900	1,350	17,990	9,839	-
Loss on disposal of assets	34	134	56	224	-	-
Total Expenses	\$ 371,448	\$ 69,867	\$ 20,384	\$ 461,699	\$ 433,967	\$ 77,443
					\$ 15,623	\$ 527,033

See accompanying notes to financial statements and independent accountants' report.

Project for Neighborhood Aftercare, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2014 and 2013

CASH FLOWS FROM OPERATING ACTIVITIES	2014	2013
Change in net assets	\$ 21,867	\$ 12,750
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	949	3,534
Loss on disposal of equipment	224	-
Decrease (increase) in operating assets		
Grants receivable	18,837	(37,330)
Accounts receivable	4,174	1,151
Prepaid expenses	118	524
Increase (decrease) in operating liabilities		
Accounts payable	(5,342)	2,547
Accrued liabilities	3,070	98
Deferred revenue	2,750	(300)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	46,647	(17,026)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of equipment	899	-
NET CHANGE IN CASH AND EQUIVALENTS	47,546	(17,026)
CASH AND EQUIVALENTS AT BEGINNING OF YEAR	52,933	69,959
CASH AND EQUIVALENTS AT END OF YEAR	\$ 100,479	\$ 52,933
<u>Supplemental schedule of noncash operating activities:</u>		
In-kind contributions of supplies for program services	\$ -	\$ 200
In-kind contributions of food for program services	\$ 23,907	\$ 28,452

See accompanying notes to financial statements and independent accountants' report.

PROJECT FOR NEIGHBORHOOD AFTERCARE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 and 2013

NOTE A—NATURE OF OPERATIONS, BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING PRINCIPLES

Nature of operations

Project for Neighborhood Aftercare, Inc. (the “Organization”) is a nonprofit after-school program in Metro schools and other community facilities located in Davidson County, Tennessee for children in kindergarten through eighth grade. The Organization’s mission is to provide expanded opportunities to students in need in Davidson County through a meaningful and enriching after-school program. The programs charge a weekly fee as well as a per-semester registration fee and are neighborhood-based and academically-enriched. The Organization strives to create an environment that will allow each child to grow socially and academically, while fostering a sense of belonging and increased self-esteem.

Basis of accounting

The financial statements of the Organization have been prepared on the accrual basis.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 the reported amounts of revenue and other support and expenses during the reporting period. Actual results could differ from those estimates.

Financial statement presentation

The Organization presents its financial statements in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958, *Financial Statements for Not-for-Profit Organizations*. Accordingly, the Organization reports information regarding its financial position and activities according to the three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

Unrestricted net assets

Unrestricted net assets include unrestricted resources which represent the portion of funds that are available for the operating objectives of the Organization.

Temporarily restricted net assets

Temporarily restricted net assets consist of donor restricted contributions and grants. Amounts restricted by donors for a specific purpose are deemed to be earned and reported as temporarily restricted revenue, when received, and such unexpended amounts are reported as temporarily restricted net assets at year-end. When the donor restriction expires, that is, when a stipulated time or purpose restriction is accomplished, 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 had no temporarily restricted net assets as of June 30, 2014 and 2013.

Permanently restricted net assets

Permanently restricted net assets consist of donor restricted contributions, which are required to be held in perpetuity. Income from the assets held is available for either general operations or specific purposes, in accordance with donor stipulations. The Organization had no permanently restricted net assets as of June 30, 2014 and 2013.

PROJECT FOR NEIGHBORHOOD AFTERCARE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 and 2013

NOTE A—NATURE OF ACTIVITIES, BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Contributions

Contributions are recognized as revenues when received or unconditionally pledged. All contributions are available for unrestricted use unless specially restricted by the donor. Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted contributions are reported as an increase in temporarily restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Cash and equivalents

Cash and equivalents include cash on hand and short-term investments with original maturities of three months or less.

Accounts and grants receivable

Accounts and grants receivable consist of accounts and grants due in less than one year, recorded at their realizable value upon receipt. Accounts greater than 30 days old are considered past due accounts. The Organization does not charge interest or a finance charge on past due receivable balances. Uncollectible receivable balances are charged-off through the allowance for doubtful accounts when management determines the account or grant receivable will not be collected and all methods of collection have been exhausted. An allowance for doubtful accounts is provided based on management's evaluation of potential uncollectible accounts and grants receivable at year-end. As of June 30, 2014 and 2013, management has estimated the allowance for doubtful accounts to be \$-0-.

Property and equipment

The Organization capitalizes all property and equipment expenditures with a cost of \$1,500 or more and having estimated useful lives of more than one year. Property and equipment are recorded at cost or, for donated items, at fair value as of the date received. Expenditures for major additions and improvements are capitalized and minor replacements, maintenance and repairs are charged to expense when incurred.

When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the statement of activities for the respective period. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets ranging from 3-7 years.

Deferred revenue

The organization at times receives funds prior to services performed or reimbursements before expenses are incurred. Such amounts are accounted for as deferred revenue and are recognized as revenue over the period the services are provided. Deferred revenue as of June 30, 2014 and 2013 totaled \$2,900 and \$150, respectively.

Functional expenses

Presentation of operating expenses includes production costs directly incurred for program activities and supporting expense activity classifications of management and general as well as fundraising.

PROJECT FOR NEIGHBORHOOD AFTERCARE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 and 2013

NOTE A—NATURE OF ACTIVITIES, BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Income taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and did not conduct unrelated business activities. Therefore, the Organization has made no provision for federal income taxes in the accompanying financial statements. The Organization has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509 (a) (2) of the Internal Revenue Code.

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and did not conduct unrelated business activities. Therefore, the Organization has made no provision for federal income taxes in the accompanying financial statements. The Organization has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509 (a) (2) of the Internal Revenue Code.

The Organization has evaluated its tax positions for all open tax years. Currently, the tax years open and subject to examination by the Internal Revenue Service are the 2011, 2012 and 2013. However, the Organization is not currently under audit nor has the Organization been contacted by any jurisdiction. Based on the evaluation of the Organization’s tax positions, management believes all tax positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions have been recorded for the years ended June 30, 2014 and 2013.

NOTE B—DONATED FOOD & SUPPLIES

Metro Nashville Public Schools and Second Harvest Food Bank donated food to the Organization during the years ended June 30, 2014 and 2013. Tennessee State University donated supplies to the Organization during the year ended June 30, 2013.

Donated food is used in the ongoing operations of the Organization and is reflected as contributions in the statements of activities at its fair value at the date of receipt. The value of donated food totaled \$23,907 and \$28,452 for the years ended June 30, 2014 and 2013, respectively, and is included in the statement of functional expenses as part of “food – program”. Supplies donated to the Organization totaled \$200 for the year ended June 30, 2013 and is included in the statement of functional expenses as part of “program supplies”. No supplies were donated to the Organization during the year ended June 30, 2014.

NOTE C—FUNCTIONAL EXPENSES

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

For the year ended June 30, 2014 and 2013 the Organization incurred expenses amounting to \$371,448 and \$433,967, respectively, related to program services and \$69,867 and \$77,443, respectively, related to management and general, and \$20,384 and \$15,623, respectively, to fundraising.

PROJECT FOR NEIGHBORHOOD AFTERCARE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 and 2013

NOTE E—RISK CONCENTRATION

At times throughout the year, the Company may maintain cash balances in certain accounts in excess of Federal Deposit Insurance Corporation (“FDIC”) limits which have been established to be \$250,000 for substantially all depository accounts. The Company as of June 30, 2014 and 2013 had no funds in excess of the FDIC limit.

NOTE F—SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 17, 2014 which is the date the financial statements were available to be issued. There have been no adjustments to the financial statements to include any subsequent transactions or events.