

**ORGANIZED NEIGHBORS  
OF EDGEHILL, INC.**

**REVIEW REPORT AND FINANCIAL STATEMENTS**

**June 30, 2007**

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# **HOSKINS & COMPANY**

CERTIFIED PUBLIC ACCOUNTANTS

1900 Church Street, Suite 200 ■ Nashville, TN 37203  
phone 615.321.7333 ■ fax 615.523.1868

## **ACCOUNTANTS' REVIEW REPORT**

**To The Board of Directors  
Organized Neighbors of Edgehill, Inc.  
Nashville, TN**

**We have reviewed the accompanying statement of financial position of Organized Neighbors of Edgehill, Inc. (a non-profit corporation) as of June 30, 2007, and the related statements of activities and cash flows 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 Organized Neighbors of Edgehill, Inc.**

**A review consists principally of inquiries of Company 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 generally accepted accounting principles.**

  
**Hoskins & Company**  
**February 12, 2008**

**ORGANIZED NEIGHBORS OF EDGEHILL, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2007**

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**ASSETS**

Current Assets	
Cash and Cash Equivalents	\$ 275,261
Accounts Receivable	261
Total Current Assets	<u>275,522</u>
Other Assets	
Inventory- House	22,001
Mortgage Receivable	6,397
Total Other Assets	<u>28,398</u>
Total Assets	<u><u>\$ 303,920</u></u>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Current Liabilities	
Payroll Liabilities	1,361
Total Current Liabilities	<u>1,361</u>
Total Liabilities	<u>1,361</u>

**NET ASSETS**

Net Assets	
Unrestricted	87,598
Temporarily Restricted	208,564
Permanently Restricted	6,397
Total Net Assets	<u>302,559</u>
Total Liabilities and Net Assets	<u><u>\$ 303,920</u></u>

**See accountants review report and the accompanying notes.**

**ORGANIZED NEIGHBORS OF EDGEHILL, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
<b>REVENUE AND SUPPORT</b>				
Contributions	\$ 2,209	\$ -	\$ -	\$ 2,209
United Way	2,074	80,434	-	82,508
MDHA Grant	23,208	-	-	23,208
Scholarship Donations	-	33,051	-	33,051
Other income	135	-	-	135
Subtotal	<u>27,626</u>	<u>113,485</u>	<u>-</u>	<u>141,111</u>
Net Asset Released From Restrictions	<u>112,661</u>	<u>(111,594)</u>	<u>(1,067)</u>	<u>-</u>
Total Revenue, Support and Other Income	<u>140,287</u>	<u>1,891</u>	<u>(1,067)</u>	<u>141,111</u>
<b>EXPENSES</b>				
Program Services				
Neighborhood Organizing	81,540	-	-	81,540
Housing	2,504	-	-	2,504
Scholarship	29,825	-	-	29,825
Total Program Services	<u>113,869</u>	<u>-</u>	<u>-</u>	<u>113,869</u>
Support Services				
Management	18,720	-	-	18,720
Fundraising	598	-	-	598
Total Support Services	<u>19,318</u>	<u>-</u>	<u>-</u>	<u>19,318</u>
Total Expenses	<u>133,189</u>	<u>-</u>	<u>-</u>	<u>133,189</u>
Net Increase (Decrease) in Net Asset	7,098	1,891	(1,067)	7,922
Net Assets, Beginning of Year	<u>80,500</u>	<u>206,673</u>	<u>7,464</u>	<u>294,637</u>
Net Assets, End of Year	<u>\$ 87,598</u>	<u>\$ 208,564</u>	<u>\$ 6,397</u>	<u>\$302,559</u>

See accountants review report and the accompanying notes.

**ORGANIZED NEIGHBORS OF EDGEHILL, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>2007</u>
<b>Cash Flows From Operating Activities</b>	
Net increase in net assets	\$ 7,922
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
(Increase) decrease in receivables	1,217
(Increase) decrease in inventory	(21,264)
Increase (decrease) in accounts payable	<u>(600)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (12,725)</u>
 <b>Cash Flows From Investing Activities</b>	
Net Cash Provided (Used) by Investing Activities	<u>-</u>
 <b>Cash Flows From Financing Activities</b>	
Net Cash Provided (Used) by Financing Activities	<u>-</u>
 NET DECREASE IN CASH	(12,725)
CASH AT BEGINNING OF YEAR	<u>287,986</u>
CASH AT END OF YEAR	<u>\$ 275,261</u>

See accountants review report and accompanying notes.

**ORGANIZED NEIGHBORS OF EDGEHILL, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	Program Services				Support Services			
	Neighborhood Organizing	Housing	Scholarships	Program Services Total	Management and General	Fundraising	Support Services Total	Total
Salaries	\$ 54,350	-	-	54,350	12,490	340.00	12,830	\$ 67,179
Employee Benefits	4,158	-	-	4,158	955	26.00	981	5,139
Total Salaries and Benefits	58,508	-	-	58,508	13,445	366	13,811	72,319
Communication	2,315	-	-	2,315	257	-	257	2,572
Professional Fees	-	-	-	-	3,090	-	3,090	3,090
Supplies	658	-	-	658	110	-	110	768
Postage	329	-	-	329	36	-	36	365
Contract Services	13,500	-	-	13,500	-	-	-	13,500
Scholarships	-	-	29,825	29,825	-	-	-	29,825
Building Repairs and Maintenance	-	1,077	-	1,077	-	-	-	1,077
Special Events	-	-	-	-	-	-	-	-
Licenses	-	-	-	-	-	-	-	-
Equipment maintenance and rental	118	-	-	118	13	-	13	131
Printing	578	-	-	578	64	-	64	642
Travel	483	-	-	483	-	-	-	483
Conferences and Meetings	4,397	359	-	4,756	-	232	232	4,988
Insurance	-	-	-	-	854	-	854	854
Dues and Subscriptions	-	-	-	-	851	-	851	851
Miscellaneous	597	3	-	600	-	-	-	600
Bad Debt	-	1,067	-	1,067	-	-	-	1,067
Total	\$ 81,484	2,504	29,825	113,813	18,720	598	19,317	\$ 133,133

See accountants review report and the accompanying notes.

**ORGANIZED NEIGHBORS OF EDGEHILL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

Organized Neighbors of Edgehill, Inc. (ONE) was established at 1001 Edgehill Avenue, Nashville, Tennessee on June 15, 1991. ONE was incorporated for the purpose of having a central headquarters that would be available to all residents and to provide activities and projects that would benefit the Edgehill Community.

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**NATURE OF ACTIVITIES**

ONE formed a Neighborhood Network that includes reporting crime, having monthly meeting for residents, starting a community garden, providing leadership training events, awarding scholarships to deserving resident students, promoting educational programs that are provided by other organizations and providing space for the Juvenile Justice Center to offer their services to delinquent youth and others who need counseling.

**BASIS OF ACCOUNTING**

The financial statements of ONE have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**BASIS OF PRESENTATION**

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for Profit Organizations. Under SFAS No. 117, the Organization 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.

**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 and disclosures. Accordingly, actual results could differ from those estimates.

**PROPERTY AND EQUIPMENT**

Acquisitions of property and equipment are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight line method. As of June 30, 2007, all property and equipment has been fully depreciated.



# **ORGANIZED NEIGHBORS OF EDGEHILL, INC.**

## **NOTES TO FINANCIAL STATEMENTS (continued)**

### **REVENUE RECOGNITION**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends 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.

### **CONTRIBUTED SERVICES**

ONE receives a substantial amount of services donated by its members in carrying out the organization's functions. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under SFAS No. 116, Accounting for Contributions Received and Contributions Made.

### **TAXATION**

ONE qualifies as a tax exempt organization under Section 501 [c] [3] of the Internal Revenue Code and therefore, there is no provision for Federal Income Taxes. ONE has complied with Tennessee Charitable Solicitations Act and has a Metropolitan Government of Davidson County Charitable Solicitation Permit.

### **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include all liquid investments with maturity of three months or less when purchased.

### **NOTE 2 – SCHOLARSHIP PROGRAM**

One of the major objectives of ONE is to provide educational assistance to Edgehill residents who have the scholastic ability to attend college or technical school. During the fiscal year ended June 30, 2007, ONE provided \$29,825 in scholarships.

# **ORGANIZED NEIGHBORS OF EDGEHILL, INC.**

## **NOTES TO FINANCIAL STATEMENTS (continued)**

### **NOTE 3 – MORTGAGE RECEIVABLE**

The non-interest bearing third mortgage was acquired on July 28, 1997, from the sale of property located at 1310 Grand Avenue, Nashville, Tennessee. The instrument represents an agreed term of fifteen years from the original date, decreasing the principal by 1/15<sup>th</sup> of the original amount per year, so that by July 28, 2012, this note will have been reduced to a zero balance.

### **NOTE 4 – REAL ESTATE OWNED**

ONE increased its community involvement by providing affordable homes through the Community Housing Development Organization, (CHDO), a program that is sponsored by the Metropolitan Development and Housing Agency, which receives federal funds from the Department of Housing and Urban Development.

### **NOTE 6 – OTHER INFORMATION**

#### **LEASE AGREEMENT**

On October 1<sup>st</sup> of each year, ONE enters into an agreement with MDHA, whereby, MDHA leases to ONE, the property located at 1001 Edgehill Avenue, Unit 17108, Nashville, Tennessee, for a term of one year at no cost to ONE.

#### **FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services based on estimates by management.