

**PROJECT FOR NEIGHBORHOOD  
AFTERCARE, INC.**

**Financial Statements**

**For the Years Ended June 30, 2019 and 2018**

**With Independent Accountant's  
Review Report Thereon**



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***Project for Neighborhood Aftercare, Inc.***

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## Independent Accountant's Review Report

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

We have reviewed the accompanying financial statements of Project for Neighborhood Aftercare, Inc. which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company 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'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.

### Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read 'S. Miller CPA, PLLC'.

Miller CPA, PLLC  
Murfreesboro, Tennessee  
August 15, 2019

**PROJECT FOR NEIGHBORHOOD AFTERCARE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

ASSETS		2019	2018
		<u>2019</u>	<u>2018</u>
<b>CURRENT ASSETS</b>			
Cash and equivalents	\$	229,483	\$ 229,910
Grant receivable		8,848	21,779
Accounts receivable		9,145	1,094
Prepaid expenses		<u>1,311</u>	<u>1,619</u>
Total current assets		248,787	254,402
 <b>PROPERTY AND EQUIPMENT, NET</b>			
Computer equipment		1,451	29,593
Less: Accumulated depreciation		<u>(1,149)</u>	<u>(29,000)</u>
Property and equipment, net		<u>302</u>	<u>593</u>
 TOTAL ASSETS		 <u>\$ 249,089</u>	 <u>\$ 254,995</u>
 <b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$	8,232	\$ 8,702
Accrued liabilities		8,811	9,295
Deferred revenue		<u>-</u>	<u>300</u>
Total current liabilities		17,043	18,297
 <b>NET ASSETS</b>			
Net assets without donor restrictions		232,046	236,698
Net assets with donor restrictions		<u>-</u>	<u>-</u>
Total net assets		<u>232,046</u>	<u>236,698</u>
 TOTAL LIABILITIES AND NET ASSETS		 <u>\$ 249,089</u>	 <u>\$ 254,995</u>

See accompanying notes to financial statements and independent accountant's review report.

**PROJECT FOR NEIGHBORHOOD AFTERCARE, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
	Net assets without donor <u>restrictions</u>	Net assets without donor <u>restrictions</u>
REVENUE AND PUBLIC SUPPORT		
Grant income	\$ 207,578	\$ 163,855
Contributions	9,284	20,603
Program fees	382,890	365,106
Miscellaneous income	<u>-</u>	<u>4,431</u>
TOTAL REVENUE AND PUBLIC SUPPORT	599,752	553,995
EXPENSES		
Program services	481,775	419,096
Management and general	84,033	82,449
Fundraising	<u>38,596</u>	<u>22,850</u>
TOTAL EXPENSES	<u>604,404</u>	<u>524,395</u>
CHANGE IN NET ASSETS	(4,652)	29,600
Net Assets at Beginning of Year	<u>236,698</u>	<u>207,098</u>
NET ASSETS AT END OF YEAR	<u>\$ 232,046</u>	<u>\$ 236,698</u>

See accompanying notes to financial statements and independent accountant's review report.

**PROJECT FOR NEIGHBORHOOD AFTERCARE, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	2019				2018			
	Program Services	Management & General	Fund- raising	Total Expenses	Program Services	Management & General	Fund- raising	Total Expenses
Payroll	\$ 355,474	\$ 34,596	\$ 19,422	\$ 409,492	\$ 295,974	\$ 37,454	\$ 5,675	\$ 339,103
Payroll taxes	28,096	3,013	457	31,566	23,007	2,545	385	25,937
Retirement plan	1,699	904	137	2,740	1,612	858	130	2,600
Total compensation	385,269	38,513	20,016	443,798	320,593	40,857	6,190	367,640
Bank charges	10,142	22	23	10,187	8,675	104	109	8,888
Depreciation	-	291	-	291	165	110	15	290
Dues and subscriptions	857	1,417	53	2,327	359	239	32	630
Food - program	11,163	-	-	11,163	22,419	-	-	22,419
Insurance	10,196	182	174	10,552	8,629	168	176	8,973
Licenses and permits	408	260	-	668	400	260	-	660
Miscellaneous	870	917	870	2,657	253	402	-	655
Office supplies	2,065	793	830	3,688	1,616	620	649	2,885
Printing and reproduction	142	55	57	254	-	-	-	-
Professional fees	8,762	36,646	14,603	60,011	8,425	35,856	14,041	58,322
Program supplies	4,690	-	-	4,690	5,874	-	-	5,874
Facility fees	32,676	-	-	32,676	31,090	-	-	31,090
Special events	1,179	-	-	1,179	1,100	-	-	1,100
Staff training	2,789	-	-	2,789	131	-	-	131
Storage	641	2,562	1,067	4,270	1,889	1,435	598	3,922
Telephone	3,781	790	827	5,398	4,890	940	983	6,813
Meals and entertainment	51	426	-	477	15	397	-	412
Travel and entertainment	1,750	502	76	2,328	910	375	57	1,342
Employee screening	-	-	-	-	40	-	-	40
Contract labor	1,245	-	-	1,245	1,065	-	-	1,065
Incentives and awards	3,099	657	-	3,756	362	686	-	1,048
Enrichment activities	-	-	-	-	196	-	-	196
Total expenses	<u>\$ 481,775</u>	<u>\$ 84,033</u>	<u>\$ 38,596</u>	<u>\$ 604,404</u>	<u>\$ 419,096</u>	<u>\$ 82,449</u>	<u>\$ 22,850</u>	<u>\$ 524,395</u>

See accompanying notes to financial statements and independent accountant's review report.

**PROJECT FOR NEIGHBORHOOD AFTERCARE, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

CASH FLOWS FROM OPERATING ACTIVITIES	2019	2018
Change in net assets	\$ (4,652)	\$ 29,600
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	291	290
Changes in operating assets and liabilities:		
Grant receivable	12,931	(1,206)
Accounts receivable	(8,051)	(976)
Prepaid expenses	308	(409)
Accounts payable	(470)	5,478
Accrued liabilities	(484)	6,017
Deferred revenue	(300)	(4,100)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(427)	34,694
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(427)	34,694
CASH AT BEGINNING OF YEAR	229,910	195,216
CASH AT END OF YEAR	\$ 229,483	\$ 229,910
<u>Supplemental schedule of noncash operating activities:</u>		
In-kind contributions of food for program services	\$ 9,183	\$ 20,403

See accompanying notes to financial statements and independent accountant's review report.

**PROJECT FOR NEIGHBORHOOD AFTERCARE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

**NOTE A—NATURE OF ACTIVITIES, 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 a meaningful and enriching after-school program for Davidson County children, providing expanded learning opportunities to students in need. 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 the 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 two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions

Net assets without donor restrictions include unrestricted resources which represent the portion of funds that are available for the operating objectives of the Organization.

Net Assets with Donor Restrictions

Net assets with donor restrictions consist of donor restricted contributions. Amounts restricted by donors for a specific purpose are deemed to be earned and reported as revenue within net assets with donor restrictions when received, and such unexpended amounts are reported as net assets with donor restrictions at year-end. As of June 30, 2019 and 2018, there were no net assets with donor restrictions. When the donor restriction expires, that is, when a stipulated time or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as “released from restrictions”.

Net assets with donor restrictions also consist of donor restricted contributions, which are required to be held in perpetuity. As of June 30, 2019 and 2018, there were no net assets with donor restrictions 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.



**PROJECT FOR NEIGHBORHOOD AFTERCARE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

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

Contributions and Grant Income

Contributions are recognized as revenue when received or unconditionally pledged. All contributions and grant income is available for unrestricted use unless specifically restricted by the donor. Contributions and grant income that is restricted by the donor are reported as an increase in net assets without donor restrictions 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 net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. The Organization reports gifts of land, buildings and equipment as net assets without donor restrictions at the estimated fair value. Gifts of long-lived assets with explicit restrictions that specify how the assets are reported as net assets with donor restrictions. Absent donor stipulations regarding how long those donated long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service as instructed by the donor.

Cash and Equivalents

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

Accounts and Grant Receivable

Accounts and grant receivable consist of accounts and a grant due in less than one year, recorded at their realizable value upon receipt. An allowance for doubtful collectability is provided based on management's evaluation of potential uncollectible accounts and grants receivable at year-end. As of June 30, 2019 and 2018, management has estimated the allowance for doubtful collectability is \$8,451 and \$-0-, respectively.

Property and Equipment, net

The Organization capitalizes all property and equipment expenditures with a cost of \$2,500 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 statements 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. As of June 30, 2019 and 2018 deferred revenue totaled \$-0- and \$300, respectively.

Functional Expenses

Expenses are summarized and categorized based upon their functional classification as either program, management and general or fundraising. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, the expenses require allocation on a reasonable basis that is consistently applied.

**PROJECT FOR NEIGHBORHOOD AFTERCARE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

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

Functional Expenses (continued)

The Organization has determined the allocation based on estimates of time and effort within the salaries and compensation expense; which in turn created a percent allocation that was used to determine the allocation of certain other expenses.

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 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 years ended June 30, 2016, 2017 and 2018. 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, 2019 and 2018.

**NOTE B—DONATED FOOD & SUPPLIES**

Metro Nashville Public Schools donated food to the Organization during the years ended June 30, 2019 and 2018. Second Harvest Food Bank donated food to the Organization during the year ended June 30, 2018. 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 is \$9,183 and \$20,403 for the years ended June 30, 2019 and 2018, respectively, and is included in the statements of functional expenses as food expense.

**NOTE C—AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Organization’s financial assets as of June 30, 2019 and 2018, reduced by amounts not available for general use because of donor imposed restrictions within one year of June 30, 2019 and 2018.

	2019	2018
Financial assets, at year-end	\$ 229,483	\$ 229,910
Less those unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	-	-
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 229,483</u>	<u>\$ 229,910</u>

**PROJECT FOR NEIGHBORHOOD AFTERCARE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

**NOTE C—AVAILABILITY OF FINANCIAL ASSETS (CONTINUED)**

The Organization is substantially supported by unrestricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it sends out cash as the restricted contributions and grants come in and maintains a level of cash related to contributions without donor restrictions.

**NOTE D—RETIREMENT PLAN**

The Organization adopted a retirement plan for the Executive Director. The Organization contributes \$110 for each pay period. During the years ended June 30, 2019 and 2018, the Organization contributed \$2,740 and \$2,600 respectively.

**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, 2019 and 2018 has no cash balances in excess of the FDIC limit.

**NOTE F—SUBSEQUENT EVENTS**

Subsequent events have been evaluated through August 15, 2019 which is the date the financial statements were available to be issued. There have been no adjustments to the financial statement to include any subsequent transactions or events.