

O.N.E. – ORGANIZED NEIGHBORS OF EDGEHILL, INC.
INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS

JUNE 30, 2023 AND JUNE 30, 2022

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To the Board of Directors of
O.N.E. – Organized Neighbors of Edgehill, Inc.
Nashville, TN

We have audited the financial statements of *O.N.E.-Organized Neighbors of Edgehill, Inc.*, which comprise the statement of financial position as of June 30, 2023 and June 30, 2022, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of *O.N.E.-Organized Neighbors of Edgehill, Inc.* as of June 30, 2023 and June 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of *O.N.E.-Organized Neighbors of Edgehill, Inc.* and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about *O.N.E.* -

Organized Neighbors of Edgehill's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 *O.N.E. -Organized Neighbors of Edgehill's* internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about *O.N.E. -Organized Neighbors of Edgehill's* ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal controls related matters that we identified during the audit.



SPD CPA Firm
Nashville, TN
November 16, 2023

O.N.E. - ORGANIZED NEIGHBORS OF EDGEHILL, INC.
STATEMENT OF FINANCIAL POSITION
As of JUNE 30, 2023 AND JUNE 30, 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 81,681	\$ 62,226
Restricted Cash and Cash Equivalents	196,789	201,661
Grants Receivable	7,861	21,503
Total Current Assets	<u>286,331</u>	<u>285,390</u>
Non - Current Assets		
Property and Equipment, net	108,272	112,513
Total Non-Current Assets	<u>108,272</u>	<u>112,513</u>
TOTAL ASSETS	<u><u>\$ 394,603</u></u>	<u><u>\$ 397,903</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable and Rent Deposits	\$ 974	\$ 877
Payroll Liabilities	1,292	1,292
Total Current Liabilities	<u>2,266</u>	<u>2,169</u>
Long-Term Liabilities		
Total Long-Term Liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>2,266</u>	<u>2,169</u>
Net Assets		
With Donor Restrictions	196,790	201,661
Without Donor Restrictions	195,547	194,073
Total Net Assets	<u>392,337</u>	<u>395,734</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 394,603</u></u>	<u><u>\$ 397,903</u></u>

The Accompanying Notes are an Integral Part of These Financial Statements

O.N.E. - ORGANIZED NEIGHBORS OF EDGEHILL, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support			
Scholarship Donations	\$ -	\$ 13,471	\$ 13,471
Donations	1,240	-	1,240
Grant Income	148,695	-	148,695
Rental Income	10,500	-	10,500
Interest	12	343	355
Unrealized Loss on Endowment	-	(119)	(119)
Membership Dues	500	-	500
Net Assets Released from Restrictions	18,566	(18,566)	-
Total Revenues and Support	<u>179,513</u>	<u>(4,871)</u>	<u>174,642</u>
Expenses			
Program Services	156,420	-	156,420
Management & General	21,619	-	21,619
Total Expenses	<u>178,039</u>	<u>-</u>	<u>178,039</u>
Change in Net Assets	1,474	(4,871)	(3,397)
Net Assets, Beginning of Year	194,073	201,661	395,734
Net Assets, End of Year	<u>\$ 195,547</u>	<u>\$ 196,790</u>	<u>\$ 392,337</u>

The accompanying notes are an integral part of these financial statements

O.N.E. - ORGANIZED NEIGHBORS OF EDGEHILL, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support			
Scholarship Donations	\$ -	\$ 17,575	\$ 17,575
Donations	1,735	-	1,735
Grant Income	169,406	-	169,406
Rental Income	9,600	-	9,600
Interest	45	131	176
Unrealized Gain on Endowment	-	1,091	1,091
Net Assets Released from Restrictions	25,100	(25,100)	-
Total Revenues and Support	<u>205,886</u>	<u>(6,303)</u>	<u>199,583</u>
Expenses			
Program Services	172,854	-	172,854
Management & General	15,028	-	15,028
Total Expenses	<u>187,882</u>	<u>-</u>	<u>187,882</u>
Change in Net Assets	18,004	(6,303)	11,701
Net Assets, Beginning of Year	176,069	207,964	384,033
Net Assets, End of Year	<u>\$ 194,073</u>	<u>\$ 201,661</u>	<u>\$ 395,734</u>

The accompanying notes are an integral part of these financial statements

O.N.E. - ORGANIZED NEIGHBORS OF EDGEHILL, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS JUNE 30, 2023 AND JUNE 30, 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Decrease in net assets	\$ (3,397)	\$ 11,701
Adjustments to reconcile change used in net assets to used net cash provided by (used in) operating activities:		
Depreciation	4,241	3,978
(Increase) Decrease in grants receivable	13,642	(21,503)
Increase in accounts payable	97	-
(Decrease) Increase in payroll liabilities	-	(8)
Net cash provided by operating activities	<u>\$ 14,583</u>	<u>(5,832)</u>
Cash flows from investing activities		
Purchase of fixed assets	<u>-</u>	<u>(17,358)</u>
	-	(17,358)
Cash flows from financing activities	-	-
Net increase (decrease) in cash and cash equivalents	14,583	(23,190)
Cash and cash equivalents, beginning of year	263,887	287,077
Cash and cash equivalents, end of year	<u><u>\$ 278,470</u></u>	<u><u>\$ 263,887</u></u>

The accompanying notes are an integral part of these financial statements.

O.N.E. - ORGANIZED NEIGHBORS OF EDGEHILL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	Program Services	Management & General	Total
Salaries	\$ 82,662	\$ -	\$ 82,662
Payroll Taxes	6,324	-	6,324
Contract Services	-	2,860	2,860
Professional Services	-	10,000	10,000
Assistance to Individuals	19,660	-	19,660
Depreciation	4,241	-	4,241
Bank Charges	-	96	96
Business Fees	-	284	284
Housing Project Expenses	3,601	-	3,601
Information Technology	-	1,704	1,704
Insurance	-	2,079	2,079
Meeting Expense	-	2,298	2,298
Rent Expense	15,045	-	15,045
Utilities	3,600	-	3,600
Postage	236	-	236
Printing	1,253	-	1,253
Scholarships Given	20,300	-	20,300
Supplies	1,572	1,603	3,175
Telephone and Internet	-	495	495
Unrealized Gain on Endowment	(2,114)	-	(2,114)
Miscellaneous	40	200	240
Total Expenses	<u>\$ 156,420</u>	<u>\$ 21,619</u>	<u>\$ 178,039</u>

The accompanying notes are an integral part of these financial statements

O.N.E. - ORGANIZED NEIGHBORS OF EDGEHILL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	Program Services	Management & General	Total
Salaries	\$ 83,663	\$ -	\$ 83,663
Payroll Taxes	6,400	-	6,400
Contract Services	-	4,798	4,798
Assistance to Individuals	30,087	-	30,087
Depreciation	3,978	-	3,978
Dues and Subscriptions	250	-	250
Bank Charges	-	75	75
Business Fees	-	184	184
Housing Project Expenses	3,714	-	3,714
Information Technology	-	1,524	1,524
Insurance	-	1,919	1,919
Meeting Expense	-	4,644	4,644
Rent Expense	14,736	-	14,736
Utilities	3,300	-	3,300
Postage	166	-	166
Printing	1,222	-	1,222
Scholarships Given	19,900	-	19,900
Supplies	453	1,074	1,527
Telephone and Internet	-	810	810
Unrealized Loss on Endowment	4,985	-	4,985
Total Expenses	<u>\$ 172,854</u>	<u>\$ 15,028</u>	<u>\$ 187,882</u>

The accompanying notes are an integral part of these financial statements

O.N.E. - ORGANIZED NEIGHBORS OF EDGEHILL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND JUNE 30, 2022

NOTE 1---NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

O.N.E. - Organized Neighbors of Edgehill, Inc. (the "Organization") was established on June 15, 1993 in Nashville, Tennessee. The Organization was incorporated for the purpose of having a central headquarters available to all residents and to provide activities and projects that benefit the Edgehill Community. The Organization formed a Neighborhood Network that includes reporting crime, having monthly meetings for residents, growing a community garden, providing leadership training events, awarding scholarships to deserving student residents, promoting other educational programs outside the Organization, and providing space for the Juvenile Justice Center to offer services to delinquent youth and others in need of counseling.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly, revenue is recognized when earned, support and promises to give are recognized when received, and expenses are recorded when incurred.

The financial statement presentation follows the recommendations of the Financial Accounting Standard Board's Accounting Standard Codification 958 (FASB ASC 958). Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions, and net assets without donor restrictions.

Financial position and activities are classified based on the existence or absence of donor restrictions as follows:

Net Assets without donor restrictions — Net assets that are not restricted by purpose or time either temporarily or perpetually by explicit donor stipulations or by law. Board designation does not constitute a donor restriction.

Net Assets with donor restrictions — Net assets that are restricted by purpose or time either temporarily or perpetually by explicit donor stipulations or by law.

At June 30, 2023 and June 30, 2022, the Organization had \$196,790 and \$201,661 in net assets with donor restrictions respectively.

Donated Services

The Organization 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 these services since they do not meet the criteria for recognition under the FASB ASC 958.

O.N.E. - ORGANIZED NEIGHBORS OF EDGEHILL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND JUNE 30, 2022

**NOTE 1---NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Revenue, Support, and Expenses

Contributions received are recorded as with donor restriction, or without donor restriction support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as an increase in with donor 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.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with the accrual basis of accounting 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Income Taxes

The Organization is a tax-exempt entity under Section 501 (c)(3) of the Internal Revenue Code. Accordingly, no provision for income tax is considered necessary.

Fixed Assets

Disbursements for property and equipment, consisting of office equipment and building, are reflected in the statement of financial position at cost. Donated assets with donor stipulations as to specific purpose(s) are reported as restricted contributions until it is placed in the service for which it is restricted. Depreciation, which is reflected as an expense in the statement of activities, is computed on the straight-line method over the following estimated useful lives:

	<u>Years</u>
Machinery and equipment	3—10
Building	10—27

O.N.E. - ORGANIZED NEIGHBORS OF EDGEHILL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND JUNE 30, 2022

**NOTE 1---NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Functional Expenses

Management allocates expenses on a functional basis among its various programs, including support services and fundraising activities. Expenses and support services that can be identified with a specific program are allocated directly to their natural expenditure classification. Other expenses that are common to several programs are allocated based on various relationships.

NOTE 2---SCHOLARSHIP PROGRAM

One of the major objectives of the Organization is to provide educational assistance to Edgehill residents who have the scholastic ability to attend college or technical school. The Organization provided \$20,300 and \$19,900 in scholarships during the fiscal years ended June 30, 2023 and June 30, 2022 respectively.

Net assets restricted for scholarships totaled \$84,490 and \$89,373 as June 30, 2023 and June 30, 2022, respectively.

NOTE 3---PROPERTY AND EQUIPMENT

Depreciation expense as of June 30, 2023 and June 30, 2022 was \$4,241 and \$3,978 respectively. A summary of property and equipment as of June 30, 2023 and June 30, 2022 was as follows:

	<u>2023</u>	<u>2022</u>
Equipment	\$ 14,889	\$ 14,889
Greenhouse	2,325	2,325
House	116,631	116,631
Land	35,336	35,336
Accumulated depreciation	<u>(60,909)</u>	<u>(56,668)</u>
Total property and equipment	<u>\$108,272</u>	<u>\$112,513</u>

NOTE 4---RENTAL HOUSE AND LOAN PAYABLE

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

O.N.E. - ORGANIZED NEIGHBORS OF EDGEHILL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND JUNE 30, 2022

NOTE 4---RENTAL HOUSE AND LOAN PAYABLE (CONTINUED)

On July 25, 2006, the Organization purchased property located at 922 14th Avenue South, Nashville, Tennessee at a cost of \$100,000. The funds to purchase the property were obtained through a loan from MDHA in the amount of \$100,000. As part of its operations, the Organization purchases, rehabs and sells houses. The proceeds from the sales of the houses are deposited in the Organization's Home Fund bank account. As long as the Organization is operational, no amount is owed to MDHA. In the event the Organization goes out of business, any amount remaining in the Organization's Home Fund bank account is owed to MDHA. The cash amount remaining in the Home Fund accounts was \$112,288 and \$112,288 as of June 30, 2023 and June 30, 2022 respectively.

NOTE 5---LEASE AGREEMENT

On October 1, 2008, the Organization entered into an agreement with MDHA, whereby MDHA leases the property occupied by the Organization for a term of one year at no cost to the Organization with no requirement that the Organization sign a new lease each year. Each year the lease is "continued" based on a vote taken at the Residents Association meeting. The lease agreement requires the Organization to only use the property for a central meeting place. On October 1, 2015, the Organization came to an agreement with MDHA that they would pay \$50 per month, and a 2% rent escalation will occur each subsequent year with an automatic renewal. The lease agreement will only be terminated with thirty days' notice being given. Rent expense was \$648 and \$636 as of June 30, 2023 and June 30, 2022 respectively.

NOTE 6---SUBSEQUENT EVENTS

There were no subsequent events requiring disclosure as of November 16, 2023, the date management evaluated such events. The financial statements were available to be issued on November 16, 2023.