



NASHVILLE, TENNESSEE

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2018

**COOPER, TRAVIS & COMPANY, PLC**  
CERTIFIED PUBLIC ACCOUNTANTS

**SPRINGBOARD LANDINGS, INC.**  
**AUDITED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

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### Independent Auditors' Report

Board of Directors  
Springboard Landings, Inc.  
Nashville, Tennessee

We have audited the accompanying financial statements of Springboard Landings, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

#### 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.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Springboard Landings, Inc. as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

  
Cooper, Travis & Company, PLC  
Certified Public Accountants

Nashville, Tennessee  
April 23, 2019

**SPRINGBOARD LANDINGS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2018**

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$ 204,829
Investments - securities	59,951
Prepaid expenses	<u>300</u>
Total current assets	<u>265,080</u>

**Other Assets**

Investments - land	<u>2,100,000</u>
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Total assets	<u><u>\$ 2,365,080</u></u>
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**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accrued and withheld payroll taxes	<u>\$ 1,509</u>
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Total liabilities	<u>1,509</u>
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**Net Assets**

Without donor restrictions	<u>2,363,571</u>
Total net assets	<u>2,363,571</u>

Total liabilities and net assets	<u><u>\$ 2,365,080</u></u>
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See accompanying notes to financial statements.

**SPRINGBOARD LANDINGS, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2018**

**Change in Net Assets without Donor Restrictions**

**Public support and other revenue:**

Contributions	\$ 44,690
Interest and dividend income, net investment fee of \$175	3,148
Unrealized loss on investments - securities	<u>(3,144)</u>
Total support and revenue	<u>44,694</u>

**Expenses:**

General supporting expenses	<u>63,940</u>
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**Other decrease in net assets without donor restrictions:**

Unrealized loss on investments - land	<u>1,552,785</u>
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Decrease in net assets without donor restrictions	(1,572,031)
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Net assets, January 1, 2018	<u>3,935,602</u>
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Net assets, December 31, 2018	<u><u>\$ 2,363,571</u></u>
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See accompanying notes to financial statements.

**SPRINGBOARD LANDINGS, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2018**

<b>Cash flows from operating activities:</b>	
Cash received from donors	\$ 44,690
Interest and dividends received, net investment fee	3,148
Cash disbursed for general supporting expenses	<u>(63,616)</u>
Net cash used for operating activities	<u>(15,778)</u>
 <b>Cash flows from investing activities:</b>	
Proceeds from matured certificates of deposit	100,000
Purchase of investments	<u>(1,630)</u>
Net cash provided by investing activities	<u>98,370</u>
 <b>Cash flows from financing activities: None</b>	
 Net increase in cash and cash equivalents	82,592
 Cash and cash equivalents at January 1, 2018	<u>122,237</u>
 Cash and cash equivalents at December 31, 2018	<u><u>\$ 204,829</u></u>
 <b>Reconciliation of decrease in net assets to net cash used for operating activities:</b>	
Decrease in net assets	<u>\$ (1,572,031)</u>
Adjustments to reconcile decrease in net assets to net cash used for operating activities:	
Unrealized loss on investments - land	1,552,785
Unrealized loss on investments - securities	3,144
Effect on cash flows from changes in assets and liabilities:	
Prepaid expenses	(300)
Accrued and withheld payroll taxes	<u>624</u>
Total adjustments	<u>1,556,253</u>
 Net cash used for operating activities	<u><u>\$ (15,778)</u></u>

See accompanying notes to financial statements.

**SPRINGBOARD LANDINGS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**Note 1 – Summary of Significant Accounting Policies**

**a. Nature of Activities**

Springboard Landings, Inc. is a 501(c)(3) public not-for-profit entity. The Organization was formed to provide adults with developmental disabilities above the intellectual disability range an option for independent living in a residential community-centered atmosphere with a limited amount of support.

As of December 31, 2018, the Organization was in the developmental stage and is making efforts to procure resources necessary to build housing that will serve its target demographic.

**b. Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual basis and in accordance with generally accepted accounting principles (GAAP) promulgated in the United States of America for not-for-profit entities.

**c. Basis of Presentation**

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

**Net Assets Without Donor Restrictions** – Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

**Net Assets With Donor Restrictions** – Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

The Organization had no net assets with donor restrictions as of December 31, 2018.

**d. 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.

**e. Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2018.

**f. Investments**

Investments in debt securities and equity securities with readily determinable market values are recorded at fair value. Unrealized and realized gains and losses on these investments are reported in the statement of activities. Securities are held in custodial investment accounts administered by certain financial institutions.

**SPRINGBOARD LANDINGS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**Note 1 – Continued**

**g. Fair Value Measurements**

Generally accepted accounting principles provide a framework for measuring fair value. That framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Assets and liabilities that are required to be recorded at fair value in the statement of financial position are categorized based on the inputs to valuation techniques as follows:

*Level 1.* These are assets and liabilities where values are based on unadjusted quoted prices for identical assets in an active market that the Organization has the ability to access. As of December 31, 2018, these assets include listed exchange traded funds and amounted to \$59,951.

*Level 2.* These are assets and liabilities where values are based on the following inputs:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices those are observable for the asset or liability.
- Inputs which are derived principally from or corroborated by observable market data by correlation or other means.

As of December 31, 2018, *Level 2* assets included land and amounted to \$2,100,000.

*Level 3.* These are assets and liabilities where inputs to the valuation methodology are unobservable and significant to the fair value measurement. As of December 31, 2018, the Organization had no assets or liabilities valued using *Level 3* inputs.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

**h. Contributed Services**

The Organization, at times, may receive services donated in carrying out the Organization's ministry and these services could be substantial. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition.

**i. Contributions In-Kind**

Donated property and other donated goods are recorded at their estimated fair value as of the date of donation.

**j. Income Taxes**

The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and Tennessee Code Annotated Sec. 67-4-2007, respectively.



**SPRINGBOARD LANDINGS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**Note 2 – Management’s Review of Subsequent Events**

The Organization’s management has performed a review of subsequent events through the date of the audit report, which is the date the financial statements were available to be issued. Subsequent to December 31, 2018, the Organization entered into a contract to sell land held for investment to an unrelated third party. The contracted sale price has been used by the Organization as a *Level 2* valuation input to determine the land value at December 31, 2018 (See Note 4).

**Note 3 – Investments - Securities**

The following are the major categories of security investments measured at fair value at December 31, 2018 based on *Level 1* valuation inputs (See Note 1(g)).

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Loss</u>
Exchange traded funds	<u>\$ 61,101</u>	<u>\$ 59,951</u>	<u>\$ 1,150</u>

**Note 4 – Investments – Land**

On December 28, 2016 the Organization received a contribution of land without donor restriction. The land was recorded at the appraised value at the time of contribution of \$3,630,000, plus legal and closing costs related to transferring the deed of \$22,785, resulting in a carrying value of \$3,652,785.

Subsequent to December 31, 2018, the Organization entered into a contract to sell the land for \$2,100,000 to an unrelated party (See Note 2). The Organization believes the subsequent sale price, as a *Level 2* valuation input (See Note 1(g)), is the best valuation input available and has reduced the carrying value of the land at December 31, 2018 to \$2,100,000 with a corresponding unrealized loss of \$1,552,785 included in the Statement of Activities. Due to the nonrecurring nature of the loss, the Organization included it in the Statement of Activities under the caption, “Other decrease in net assets without donor restrictions”.

**Note 5 – Lease**

The Organization leases office space from an unrelated party on a month-to-month basis. Total rent expense for the year ended December 31, 2018 amounted to \$3,600.