

PETER SPENCER FAMILY LIFE FOUNDATION, INC.

REPORT ON FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 and 2016

CONTENTS

	<u>PAGE NO.</u>
Independent Auditors' Report	2
Financial Statements:	
Statement of Financial Condition	4
Statement of Activity and Changes in Net Assets	5
Statement of Expenses by Function and Nature	6
Statement of Cash Flows	7
Notes to Financial Statements	8

ARVELLE C. JONES
CERTIFIED PUBLIC ACCOUNTANT, LLC

5531 MARKET STREET
PHILADELPHIA, PA 19139
TELEPHONE: 215-747-1053
FAX: 215-747-1054
E-MAIL: ARVELJ01@MSN.COM

ARVELLE C. JONES
CERTIFIED PUBLIC ACCOUNTANT, LLC

5531 MARKET STREET
PHILADELPHIA, PA 19139
Phone: 215-747-1053
Fax: 215-747-1054
E-MAIL: ARVELJ01@MSN.COM

Independent Auditors Report

Board of Directors
PETER SPENCER FAMILY LIFE FOUNDATION, INC.
812 N Franklin Street
Wilmington, DE 19805

Report on the Financial Statements

We have audited the accompanying Statement of Financial Condition of PETER SPENCER FAMILY LIFE FOUNDATION, INC., as of December 31, 2017 and 2016, and the related Statements of Activities, Changes in Net Assets and Cash Flows for the years then ended and 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards of 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 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 the accounting policies used and reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of 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 PETER SPENCER FAMILY LIFE FOUNDATION, INC., as of December 31, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read "Arvelle C. Jones", followed by a colon. The signature is written in a cursive, somewhat stylized font.

Member,
FOR: ARVELLE C. JONES, CPA, LLC

Philadelphia, Pennsylvania 19139
August 23, 2018

PETER SPENCER FAMILY LIFE FOUNDATION, INC
STATEMENT OF FINANCIAL POSOTION
DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT ASSETS		
Cash	16,899	26,128
Receivables	31,703	30,402
Total Current Assets	48,602	56,530
Total Assets	48,602	56,530
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	5,333	2,833
Total Liabilities	5,333	2,833
NET ASSETS		
Without Donor Restrictions	43,269	53,697
With Donor Restrictions		
Total net Assets	43,269	53,697
Total Liabilities and Net Assets	48,602	56,530

The accompanying notes are an integral part of this statement

**PETER SPENCER FAMILY LIFE FOUNDATION, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE PERIOD ENDED DECEMBER 31, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
REVENUES		
Grants	188,714	226,519
Contributions	5,936	5,432
Program Fees	12,343	-
Miscellaneous Income	290	
	<hr/>	<hr/>
Total Revenues	207,283	231,951
	<hr/>	<hr/>
EXPENSES		
Programs	212,574	226,527
Support Services	5,137	5,221
	<hr/>	<hr/>
Total Expenses	217,711	231,748
	<hr/>	<hr/>
INCREASE (DECREASE) IN NET ASSETS	(10,428)	203
NET ASSETS BEGINNING OF YEAR	53,697	53,494
NET ASSETS END OF YEAR	43,269	53,697

The accompanying notes are an integral part of this statement

PETER SPENCER FAMILY LIFE FOUNDATION, INC.
STATEMENT OF EXPENSES BY FUNCTION AND NATURE
FOR THE PERIOD ENDED DECEMBER 31, 2017 and 2016

	<u>Program Activities</u>			<u>Support Activities</u>		<u>Total Support</u>	<u>Total Expenses</u>	<u>2016</u>
	<u>Freedom School</u>	<u>Ujima</u>	<u>Total Programs</u>	<u>Management and General</u>	<u>Fundraising</u>			
Professional Fees	98,866	22,555	121,421		2,366	2,366	123,787	127,183
Books	16,566		16,566				16,566	29,500
Office Rent	15,750	750	16,500				16,500	13,225
Travel	11,999		11,999				11,999	16,314
Training	13,122		13,122				13,122	9,025
Stipends	18,765		18,765				18,765	19,766
Ground Transportation	5,695		5,695				5,695	
Supplies	2,874	1,525	4,399		52	52	4,451	8,572
Other Expenses	3,605	502	4,107		2,719	2,719	6,826	8,163
Total Expenses	187,243	25,331	212,574	5,137	0	5,137	217,711	231,748

The accompanying notes are an integral part of this statement.

PETER SPENCER FAMILY LIFE FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets	(10,428)	203
Adjustments to reconcile change in Net Assets To net assets used by Operating Activities:		
Change in Accounts Receivable	(1,301)	(8,005)
Change in Accounts Payable	2,500	-
Net Assets Provided (Used) by Operating Activities	<u>(9,229)</u>	<u>(7,802)</u>
Cash Flows from Investment Activities	-	-
Cash Flows from Financing Activities	-	-
	<u> </u>	<u> </u>
Net Increase (Decrease) in Cash	(9,229)	(7,802)
Cash at Beginning of Year	26,128	33,930
Cash at end of Year	16,899	26,128

The accompanying notes are an integral part of this statement.

PETER SPENCER FAMILY LIFE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 and 2016

NOTE 1 - ORGANIZATION AND MISSION

PETER SPENCER FAMILY LIFE FOUNDATION, INC. was incorporated under the General Corporation Law of the State of Delaware for Non-Profit Corporations. The organization's purpose is to promote a community of prosperous, empowered and productive people using the principles of Peter Spencer to eradicate the disparities and inequities that exist, particularly in the African American Community. The mission is to offer educational and cultural programs that enhance the quality of life for families within our communities using the legacy and principles of Peter Spencer, which are Community, Hope, Liberation, Salvation, and Self-Determination.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

PETER SPENCER FAMILY LIFE FOUNDATION, INC. maintains its records on the accrual basis of accounting. Major assets are depreciated over their useful life.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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

Income Taxes

PETER SPENCER FAMILY LIFE FOUNDATION, INC. is Not-for-Profit organization exempt from income taxes under Section 501 © (3) of the Internal Revenue Code.

Donated Services

A substantial number of volunteers have donated significant amounts of time to the Foundation's program services. Although the value of these services is significant, the Foundation does not record such value in its financial statements since the criteria for recognition is not met in accordance with FASB ASC Topic 958-605-25, *Not-For-Profit Entities—Revenue Recognition*.

Functional Allocation of Expenses

The costs of providing various programs and supporting services have been summarized on a functional basis in the accompanying statements of activities. The Foundation performs four functions: Freedom School, Ujima afterschool care, fund-raising, and management and general. Definitions of these functions are as follows:

Freedom School

Activities performed by the Foundation that provide a reading based program in the format of the Children's Defense Fund Freedom School curriculum. The program is conducted during the summer months and caters to 100 children on average.

Ujima Afterschool Care

Activities performed by the Foundation related to the family life program including the provision of mentoring homework assistance and tutoring after school. It also includes parent engagement and the delivery of family support and is largely staffed by volunteers.

Fund Raising

Activities performed by the Foundation to generate funds and/or resources to support its programs and operations. During the fiscal years ended December 31, 2017, the Foundation incurred no significant joint costs for activities that include fund raising appeals.

Management and General

All costs not identifiable with a single-program or fund-raising activity, but indispensable to the conduct of such programs and activities and to the Foundation's existence, are included as management and general expenses. This includes expenses for the overall direction of the Foundation, business management, general record-keeping, budgeting, financial reporting, and activities relating to these functions such as salaries, rent, supplies, equipment, and other expenses.

Expenses that benefit more than one function of the Foundation are allocated among the functions based generally on the amount of time spent by employees/volunteers on each function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 3 - LEASE ARRANGEMENTS

The facilities presently occupied are by written memorandum of understanding with Mother African Union Church for a monthly fee.

NOTE 4 ó RELATED PARTIES

Most of the organization's Board Members are also Officials and members of the Mother African Union Church.

NOTE 5 ó SUBSEQUENT EVENTS

The Foundation has evaluated events and transactions for potential recognition or disclosure through August 23, 2018, the date the financial statements were available to be issued. The Foundation is not aware of any subsequent events that would require recognition or disclosure in the financial statements.