

PETER SPENCER FAMILY LIFE FOUNDATION, INC.

REPORT ON FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 and 2017

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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, 2018 and 2017, 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, 2018 and 2017, 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 cursive and somewhat stylized.

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

Philadelphia, Pennsylvania 19139
November 1, 2019

PETER SPENCER FAMILY LIFE FOUNDATION, INC
STATEMENT OF FINANCIAL POSOTION
DECEMBER 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT ASSETS		
Cash	111,033	16,899
Receivables	11,429	31,703
Total Current Assets	122,462	48,602
Total Assets	122,462	48,602
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	1,000	5,333
Total Liabilities	1,000	5,333
NET ASSETS		
Without Donor Restrictions	112,712	43,269
With Donor Restrictions	8,750	-
Total net Assets	121,462	43,269
Total Liabilities and Net Assets	122,462	48,602

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, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
REVENUES		
Grants	254,328	188,714
Contributions	27,220	5,936
Program Fees	8,376	12,343
Miscellaneous Income	-	290
	<hr/>	<hr/>
Total Revenues	289,924	207,283
	<hr/>	<hr/>
EXPENSES		
Programs	202,991	212,574
Support Services	8,740	5,137
	<hr/>	<hr/>
Total Expenses	211,731	217,711
	<hr/>	<hr/>
INCREASE (DECREASE) IN NET ASSETS	78,193	(10,428)
NET ASSETS BEGINNING OF YEAR	43,269	53,697
NET ASSETS END OF YEAR	121,462	43,269

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, 2018 and 2017

	<u>Program Activities</u>			<u>Support Activities</u>		<u>Total Support</u>	<u>Total Expenses</u>	<u>2017</u>
	<u>Freedom School</u>	<u>Ujima</u>	<u>Total Programs</u>	<u>Management and General</u>	<u>Fundraising</u>			
Professional Fees	99,425	26,971	126,396	6,985		6,985	133,381	123,787
Books	9,939		9,939				9,939	16,566
Rent	13,550	2,500	16,050				16,050	16,500
Travel	4,927		4,927				4,927	11,999
Training	12,148		12,148				12,148	13,122
Field Trips	7,387	114	7,501				7,501	2,680
Stipends	12,700		12,700				12,700	18,765
Ground Transportation	4,182		4,182				4,182	5,695
Supplies	4,155	3,292	7,447	255		255	7,702	4,451
Other Expenses	1,481	220	1,701	1,500		1,500	3,201	4,146
Total Expenses	169,894	33,097	202,991	8,740	0	8,740	211,731	217,711

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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets	78,193	(10,428)
Adjustments to reconcile change in Net Assets To net assets used by Operating Activities:		
Change in Accounts Receivable	20,274	(1,301)
Change in Accounts Payable	(4,333)	2,500
Net Assets Provided (Used) by Operating Activities	<u>94,133</u>	<u>(9,229)</u>
Cash Flows from Investment Activities	-	-
Cash Flows from Financing Activities	-	-
	<u> </u>	<u> </u>
Net Increase (Decrease) in Cash	94,134	(9,229)
Cash at Beginning of Year	16,899	26,128
Cash at end of Year	111,033	16,899

The accompanying notes are an integral part of this statement.

PETER SPENCER FAMILY LIFE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017

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, 2018, 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 November 1, 2019, 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