

PETER SPENCER FAMILY LIFE FOUNDATION, INC.

REPORT ON FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 and 2020

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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, 2021 and 2020, 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, 2021 and 2020, 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
March 22, 2022

PETER SPENCER FAMILY LIFE FOUNDATION, INC
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS		
Cash	332,857	255,260
Receivables	27,402	12,095
Total Current Assets	<u>360,259</u>	<u>267,355</u>
Total Assets	<u>360,259</u>	<u>267,355</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	0	0
Total Liabilities	<u>0</u>	<u>0</u>
NET ASSETS		
Without Donor Restrictions	159,905	144,905
With Donor Restrictions	200,354	122,450
Total net Assets	<u>360,269</u>	<u>267,355</u>
Total Liabilities and Net Assets	<u>360,269</u>	<u>267,355</u>

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,**

	<u>2021</u>	<u>2020</u>
REVENUES		
Grants	\$332,990	\$225,974
Contributions	24,463	10,498
Program Fees	-	-
Miscellaneous Income		99
Total Revenues	<u>357,453</u>	<u>236,571</u>
EXPENSES		
Programs		
Freedom School	246,980	132,341
Ujima	4,199	29,609
Support Services	13,369	12,041
Total Expenses	<u>264,549</u>	<u>173,991</u>
INCREASE (DECREASE) IN NET ASSETS	<u>92,904</u>	<u>62,550</u>
NET ASSETS BEGINNING OF YEAR	267,355	204,805
NET ASSETS END OF YEAR	\$360,259	\$267,355

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, 2021

	<u>Program Activities</u>			<u>Support Activities</u>		<u>Total Support</u>	<u>Total Expenses</u>
	<u>Freedom School</u>	<u>Ujima</u>	<u>Total Programs</u>	<u>Management and General</u>	<u>Fundraising</u>		
Professional Fees	\$179,962		\$179,962	\$7,425	\$2,500	\$9,925	\$189,887
Books	18,525		18,525				18,525
Rent	11,250	3,750	15,000				15,000
Travel	3,970		3,970				3,970
Training	10,136		10,136				10,136
Field Trips	3,375		3,376				3,375
Awards	7,776		7,776				7,776
Supplies	8,457		8,457	3,012		3,012	11,469
Other Expenses	2,960	50	3,010	1,401		1,401	4,411
	<hr/>			<hr/>		<hr/>	<hr/>
Total Expenses	\$246,411	\$3,800	\$250,212	\$11,838	\$2,500	\$14,338	\$264,549
	<hr/>			<hr/>		<hr/>	<hr/>

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, 2020

	<u>Program Activities</u>			<u>Support Activities</u>		<u>Total Support</u>	<u>Total Expenses</u>
	<u>Freedom School</u>	<u>Ujima</u>	<u>Total Programs</u>	<u>Management and General</u>	<u>Fundraising</u>		
Professional Fees	82,261	29,392	111,653	2,928	5,285	8,213	119,865
Books	6,400		6,400				6,400
Rent	15,000		15,000				15,000
Travel	3,076		3,076				3,076
Training	7,904		7,904				7,904
Field Trips	800	218	1,018				1,018
Awards	11,388		11,388				11,388
Supplies	3,900		3,900	815		815	4,715
Other Expenses	1,612		1,612	3,013		3,013	4,625
Total Expenses	132,341	29,609	161,950	6,756	5,285	12,041	173,991

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

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets	\$92,904	\$62,450
Adjustments to reconcile change in Net Assets To net assets used by Operating Activities:		
Change in Accounts Receivable	15,307	(13,443)
Change in Accounts Payable		(3,342)
Net Assets Provided (Used) by Operating Activities	<u>77,597</u>	<u>72,552</u>
Cash Flows from Investment Activities	-	-
Cash Flows from Financing Activities	-	-
Net Increase (Decrease) in Cash	<u>77,597</u>	<u>72,552</u>
Cash at Beginning of Year	255,260	182,609
Cash at end of Year	\$332,857	\$255,260

The accompanying notes are an integral part of this statement.

PETER SPENCER FAMILY LIFE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 and 2020

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 (c)(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 deliver)/ 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.

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 - RELATED PARTIES

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

NOTE 5 - SUBSEQUENT EVENTS

The COVID-19 outbreak in the United States has significantly impacted Foundation's operations. New travel restrictions and global pandemic control initiatives have caused in person activities and related travel and program costs to decrease significantly. In addition, developments such as social distancing and shelter-in-place directives have impacted the Foundation's ability to conduct its operations as normal. While the disruption is expected to be temporary, there is considerable uncertainty around the duration and financial impact of this outbreak. The related financial impact and duration cannot be reasonably estimated at this time,

NOTE 5 - SUBSEQUENT EVENTS

The Foundation has evaluated events and transactions for potential recognition or disclosure Through March 22, 2022, 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.