

PETER SPENCER FAMILY LIFE FOUNDATION, INC.

REPORT ON FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 and 2021

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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, 2022 and 2021, 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 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 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, 2022 and 2021, 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 19131
July 13, 2023

PETER SPENCER FAMILY LIFE FOUNDATION, INC
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash	\$397,437	\$332,857
Receivables	3,399	27,402
Total Current Assets	<u>400,836</u>	<u>360,259</u>
Total Assets	<u>400,836</u>	<u>360,259</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	19,350	0
Total Liabilities	<u>19,350</u>	<u>0</u>
NET ASSETS		
Without Donor Restrictions	179,905	159,905
With Donor Restrictions	204,581	200,354
Total net Assets	<u>381,486</u>	<u>360,259</u>
Total Liabilities and Net Assets	<u>\$400,836</u>	<u>\$360,259</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>2022</u>	<u>2021</u>
REVENUES		
Grants	\$296,437	\$332,990
Contributions	12,728	24,463
Miscellaneous Income	425	
Total Revenues	309,590	357,453
EXPENSES		
Programs		
Freedom School	278,411	246,411
Ujima	141	3,800
Support Services	9,811	14,338
Total Expenses	288,363	264,549
INCREASE (DECREASE) IN NET ASSETS	21,227	92,904
NET ASSETS BEGINNING OF YEAR	360,259	267,355
NET ASSETS END OF YEAR	\$381,486	\$360,259

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, 2022

	<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	\$159,358		\$159,358	\$7,640	\$500	\$8,140	\$167,498
Books& Prog Fees	59,205		59,205				59,205
Rent	15,000		15,000				15,000
Travel	7,230		7,230				7,230
Catering	2,711		2,711				2,711
Training	4,500		4,500				4,500
Field Trips	6,030		6,030				6,030
Awards	13,370		13,370				13,370
Supplies	10,338	41	10,379	900		900	11,279
Other Expenses	669	100	769	771		771	1,540
Total Expenses	\$278,411	\$141	\$278,552	\$9,311	\$500	\$9,811	\$285,363

**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		3,375				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	\$250,211	\$11,838	\$2,500	\$14,338	\$264,549
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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>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets	\$21,227	\$92,904
Adjustments to reconcile change in Net Assets To net assets used by Operating Activities:		
Change in Accounts Receivable	24,003	(15,307)
Change in Accounts Payable	19,350	
Net Assets Provided (Used) by Operating Activities	<u>64,580</u>	<u>77,597</u>
Cash Flows from Investment Activities	-	-
Cash Flows from Financing Activities	-	-
	<u> </u>	<u> </u>
Net Increase (Decrease) in Cash	64,580	77,597
Cash at Beginning of Year	332,857	255,260
Cash at end of Year	\$397,437	\$332,857

The accompanying notes are an integral part of this statement.

PETER SPENCER FAMILY LIFE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 and 2021

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 a 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 on 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. On May 11, 2023, the Centers for Disease Control and Prevention (CDC) marked the end of the federal COVID-19 PHE declaration...most tools, like vaccines, treatments, and testing, will remain available.

The Foundation has evaluated events and transactions for potential recognition or disclosure through July 13, 2023, 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.