

Shirley Proctor Puller Foundation, Inc.

Audited Financial Statements

December 31, 2019 and 2018

Shirley Proctor Puller Foundation, Inc.

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Independent Auditors' Report

To the Board of Directors
Shirley Proctor Puller Foundation, Inc.

We have audited the accompanying statements of financial position of Shirley Proctor Puller Foundation, Inc. (Organization) as of December 31, 2019, and the related statements of activities, functional expenses, 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.

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 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 of 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 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 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 Shirley Proctor Puller Foundation, Inc. as of December 31, 2019, and the changes in its net assets, functional expenses and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

Other auditors have previously audited the Organization's 2018 financial statements, and they expressed an unmodified audit opinion on those audited financial statements in their report dated July 5, 2019. In their opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

FRSCPA, PLLC

St. Petersburg, Florida
May 12, 2020

Shirley Proctor Puller Foundation, Inc.

Statements of Financial Position

December 31, 2019 and 2018

<i>December 31,</i>	2019	2018
ASSETS		
Cash	\$27,484	\$11,271
Grants receivable	5,900	–
Prepaid expenses	3,368	–
Total Current Assets	36,752	11,271
Noncurrent Assets:		
Property and equipment, net	56,493	–
Other assets	595	–
Total Assets	\$93,840	\$11,271
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 750	\$ –
Payroll liability	4,624	–
Current portion of vehicle loans payable	10,437	–
Related party loans	70,000	–
Total Current Liabilities	85,811	–
Long-term Liabilities:		
Vehicle loans payable, long term	45,710	–
Total Liabilities	131,521	–
Net Assets		
Net assets without donor restrictions	(37,681)	11,271
Total Liabilities and Net Assets	\$93,840	\$11,271

See accompanying notes to financial statements.

Shirley Proctor Puller Foundation, Inc.

Statements of Activities

Years Ended December 31, 2019 and 2018

	Without Donor Restrictions	With Donor Restrictions	2019	2018
Revenue and Support				
Revenues	\$130,339	\$ –	\$130,339	\$116,278
In-kind donations	7,977	–	7,977	
Grants	17,500	13,792	31,292	7,500
Program income - tuition	8,925	–	8,925	
Other income	–	–	–	2,574
Net assets released from restrictions	13,792	(13,792)	–	–
Total Revenue and Support	178,533	–	178,533	126,352
Expenses:				
Program services:				
Book Program	1,597	–	1,597	265
M.A.S.T.R. Kids	184,809	–	184,809	126,622
Total Program Expenses	186,406		186,406	126,887
Supporting services:				
Management and general	41,079	–	41,079	15,753
Total Expenses	227,485		227,485	142,640
Change in net assets	(48,952)	–	(48,952)	(16,288)
Net assets, beginning of year	11,271	–	11,271	27,559
Net assets, end of year	\$(37,681)	\$ –	\$(37,681)	\$ 11,271

See accompanying notes to financial statements.

Shirley Proctor Puller Foundation, Inc.
Statements of Functional Expenses
Years Ended December 31, 2019 and 2018

	<i>Program Services</i>			<i>Supporting services</i>	<i>Total</i>	
	M.A.S.T.R. Kids	Book Program	Total Program Services	Management and General	2019	2018
Advertising & promotion	\$ -	\$ -	\$ -	\$1,468	\$1,468	\$ 6,900
Book purchases	-	1,519	1,519	-	1,519	260
Field trip cost	7,043	-	7,043	-	7,043	-
Rent	18,016	-	18,016	-	18,016	3,944
Depreciation	954	-	954	-	954	-
Payroll taxes	11,048	-	11,048	-	11,048	-
Personnel costs	106,914	-	106,914	-	106,914	91,548
Equipment rental	1,910	-	1,910	-	1,910	-
Donations	3,594	-	3,594	-	3,594	-
Office	-	78	78	1,265	1,343	32,887
Printing & postage	19,664	-	19,664	1,577	21,241	458
Convention / conference	-	-	-	2,804	2,804	-
Contract services	-	-	-	10,199	10,199	1,675
Accounting	-	-	-	9,475	9,475	-
Legal	-	-	-	2,495	2,495	-
Insurance	812	-	812	1,939	2,751	1,589
Supplies	14,854	-	14,854	1,018	15,872	3,379
Travel	-	-	-	110	110	-
Website	-	-	-	8,729	8,729	-
Total Expenses	\$184,809	\$1,597	\$186,406	\$41,079	\$227,485	\$142,640

See accompanying notes to financial statements.

Shirley Proctor Puller Foundation, Inc.

Statements of Cash Flows

Years Ended December 31, 2019 and 2018

<i>Year ended December 31,</i>	2019	2018
Cash flow from operating activities:		
Change in net assets	\$ (48,952)	\$ (16,288)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	954	–
Change in operating assets and liabilities:		
Grants receivable	(5,900)	–
Prepaid expenses	(3,368)	596
Accounts payable and accrued expenses	750	–
Payroll liabilities	4,624	–
Net cash used in operating activities	(51,892)	(15,692)
Cash flows from investing activities:		
Change in other assets	(595)	–
Purchases of property and equipment	(57,447)	–
Net cash used in investing activities	(58,042)	–
Cash flows from financing activities:		
Proceeds from related party loan	70,000	–
Proceeds from vehicle loans payable	56,147	–
Net cash provided by financing activities	126,147	–
Net change in cash	16,213	(15,692)
Cash, beginning of the year	11,271	26,963
Cash, end of the year	\$ 27,484	\$ 11,271

See accompanying notes to financial statements.

Shirley Proctor Puller Foundation, Inc.

Notes to Financial Statements

December 31, 2019 and 2018

1) SUMMARY OF ACCOUNTING POLICIES

a) Nature of Organization

The Shirley Proctor Puller Foundation, Inc., is a Florida non-profit corporation incorporated on January 24, 2014. The Organization was named in honor of the late Shirley Proctor Puller, a dedicated Pinellas County teacher and educator, who was a passionate advocate of children's literacy.

The mission of The Shirley Proctor Puller Foundation, Inc., ("Organization") is to eradicate math, reading, and science illiteracy in south St. Petersburg, FL. The vision is a fully engaged, highly literate youth population in St. Petersburg who have achieved excellence in reading, math and science, resulting in unlimited post-graduate opportunities.

The Organization gives out over 1,000 new books to children each year primarily through community events and partners with other organizations to promote reading. It provides enhanced learning opportunities thru its M.A.S.T.R. KIDS® Programs consisting of one-to-one tutoring, educational enrichment and a STEM (science, technology, engineering, and mathematics) summer camp program.

The Organization is governed by an independent, volunteer Board of Directors who oversees the Organization's operations. Revenues to support the Organization are primarily received from donations of cash, materials, and services.

b) Financial Statement Presentation

The Organization's financial statements are presented in accordance with the guidance issued by FASB as codified in ASC Topic 958-210. The financial statements of the Organization have been prepared on the accrual basis. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. In the accompanying financial statements, net assets that have similar characteristics have been combined into similar categories as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing

Shirley Proctor Puller Foundation, Inc.

Notes to Financial Statements

December 31, 2019 and 2018

board may designate, from net assets without donor restrictions, net assets for reserves and board-designated endowments.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Expenses are summarized on a functional basis. Salaries and related payroll expenses are allocated based on estimated proportions of time spent for each function. All other expenses are allocated based on management's estimate of the benefit derived by each activity.

The statement of functional expenses includes certain prior-year summarized comparative information in total but not by functional category. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

c) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

d) Expense Allocation

The costs of providing the various programs and other activities have been summarized

Shirley Proctor Puller Foundation, Inc.

Notes to Financial Statements

December 31, 2019 and 2018

on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on analysis of program utilization.

e) **Cash & Cash Equivalents**

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents

f) **Income Taxes**

The Organization is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under similar provisions of the Florida Statutes. Accordingly, no provision for income taxes has been included in the accompanying financial statements. The Organization has adopted FASB guidance regarding Uncertainty in Income Taxes as codified in FASB ASC Topic 740-10. At December 31, 2019, management does not believe it has taken any tax positions that are subject to a significant degree of uncertainty. The Organization's income tax filings for periods after fiscal year 2016 remain subject to examination.

g) **Contributed Services**

The Organization received a substantial amount of services donated by its members in carrying out the non-profit organization's mission. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under generally accepted accounting principles.

2) **FINANCIAL INSTRUMENTS**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of temporary cash balances. The Organization maintains a majority of their cash and investments in financial institutions that maintain FDIC insurance up to \$250,000. At December 31, 2019, the Organization had no deposits with

Shirley Proctor Puller Foundation, Inc.

Notes to Financial Statements December 31, 2019 and 2018

financial institutions that exceeded FDIC insurance. The Organization's Board members do not believe it is exposed to any significant credit risk related to its cash position.

3) PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2019 and 2018 consists of the following:

<i>December 31,</i>	Estimated Useful Lives	2019	2018
Leasehold Improvements	3 years	\$ 1,300	\$ –
Vehicles	5 years	56,147	–
		57,447	–
Less: accumulated depreciation		(954)	–
		\$56,493	\$ –

Depreciation expense for the years ended December 31, 2019 and 2018 was \$954 and \$0, respectively.

4) RELATED PARTY LOAN

During 2019, the Organization secured a loan with the an individual related to an officer of the Organization in the amount of \$70,000. The loan is due in 2020 and has no stated interest rate. The loan was repaid in full subsequent to December 31, 2019.

Shirley Proctor Puller Foundation, Inc.

Notes to Financial Statements

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5) VEHICLE LOANS PAYABLE

Vehicle loans payable at December 31, 2019 and 2018 consist of the following:

<i>December 31,</i>	2019	2018
(2) Vehicle loans payable in monthly installments, interest at rate 3.69%, maturing in December 2024. Secured by two vehicles.	\$56,147	\$ –
	56,147	–
Less: current portion	(10,437)	–
	\$ 45,710	\$ –

Principal payments on notes payable are due as follows:

<i>Year ended December 31,</i>	
2020	\$10,437
2021	10,809
2022	11,214
2023	11,635
2024	12,052
	\$56,147

6) LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

<i>December 31,</i>	2019
Cash	\$27,484
Grants receivable	5,900
	\$33,384

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The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

7) SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 12, 2020, which is the date the financial statements were available to be issued.