

Shirley Proctor Puller Foundation, Inc.

Audited Financial Statements

December 31, 2020 and 2019

Shirley Proctor Puller Foundation, Inc.

Contents

Independent Auditors' Report	3
Financial Statements	
Statements of Financial Position	5
Statements of Activities and Changes in Net Assets	6
Statements of Functional Expenses	7
Statements of Cash Flows	8
Notes to Financial Statements	9

Independent Auditors' Report

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

Opinion

We have audited the accompanying financial statements of Shirley Proctor Puller Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Shirley Proctor Puller Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Shirley Proctor Puller Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that,

individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Shirley Proctor Puller Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Shirley Proctor Puller Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Shirley Proctor Puller Foundation, Inc.'s 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 12, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

FRSCPA, PLLC

St. Petersburg, Florida
April 9, 2021

Shirley Proctor Puller Foundation, Inc.

Statements of Financial Position

December 31, 2020 and 2019

<i>December 31,</i>	2020	2019
ASSETS		
Cash	\$ 55,676	\$27,484
Investments	5,071	–
Grants receivable	5,584	5,900
Prepaid expenses	22,143	3,368
Total Current Assets	83,403	36,752
Noncurrent Assets:		
Property and equipment, net	44,830	56,493
Other assets	–	595
Total Assets	\$128,233	\$93,840
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 1,300	\$ 750
Payroll liability	2,621	4,624
Current portion of vehicle loans payable	11,085	10,437
Related party loans	–	70,000
Total Current Liabilities	15,006	85,811
Long-term Liabilities:		
Vehicle loans payable, long term	6,458	45,710
Total Liabilities	21,464	131,521
Net Assets		
Net assets without donor restrictions	106,769	(37,681)
Total Liabilities and Net Assets	\$128,233	\$93,840

See accompanying notes to financial statements.

Shirley Proctor Puller Foundation, Inc.
Statements of Activities
Years Ended December 31, 2020 and 2019

	Without Donor Restrictions	With Donor Restrictions	2020	2019
Revenue and Support				
Revenues	\$312,909	\$ –	\$312,909	\$130,339
In-kind donations	78,900	–	78,900	7,977
Grants	349,139	–	349,139	31,292
Program income - tuition	4,200	–	4,200	8,925
Paycheck Protection Program	21,480	–	21,480	–
Other income	86	–	86	–
Total Revenue and Support	766,714	–	766,714	178,533
Expenses:				
Program services:				
Book Program	–	–	–	1,597
M.A.S.T.R. Kids	536,985	–	536,985	184,809
Total Program Expenses	536,985	–	536,985	186,406
Supporting services:				
Management and general	81,618	–	81,618	41,079
Fundraising	3,661	–	3,661	–
Total Expenses	622,264	–	622,264	227,485
Change in net assets	144,450	–	144,450	(48,952)
Net assets, beginning of year	(37,681)	–	(37,681)	11,271
Net assets, end of year	\$106,769	\$ –	\$106,769	\$(37,681)

See accompanying notes to financial statements.

Shirley Proctor Puller Foundation, Inc.
Statements of Functional Expenses
Years Ended December 31, 2020 and 2019

	<i>Program Services</i>			<i>Supporting Services</i>		<i>Total</i>	
	M.A.S.T.R. Kids	Management and General	Fundraising	2020	2019		
Advertising & promotion	\$ 200	\$ 73	\$ –	\$273	\$1,468		
Book purchases	650	–	–	650	1,519		
Field trip cost	1,377	–	–	1,377	7,043		
Rent	13,857	–	–	13,857	18,016		
Depreciation	–	11,663	–	11,663	954		
Payroll taxes	27,480	–	–	27,480	11,048		
Personnel costs	340,186	–	–	340,186	106,914		
Equipment rental	196	–	–	196	1,910		
Donations	–	–	–	–	3,594		
Office	561	1,663	721	2,945	1,343		
Printing & postage	22,379	2,338	2,880	27,597	21,241		
Repair and maintenance	824	–	–	824	–		
Convention / conference	–	–	–	–	2,804		
Contract services	12,080	17,813	–	29,893	10,199		
Accounting	–	18,425	–	18,425	9,475		
Legal	–	–	–	–	2,495		
Insurance	17,805	8,875	–	26,680	2,751		
Interest	–	2,493	–	2,493	–		
In-kind donations	63,900	15,000	–	78,900	–		
Supplies	32,857	1,287	60	34,204	15,872		
Travel	862	–	–	862	110		
Website	1,771	1,988	–	3,759	8,729		
Total Expenses	\$536,985	\$81,618	\$3,661	\$622,264	\$227,485		

See accompanying notes to financial statements.

Shirley Proctor Puller Foundation, Inc.

Statements of Cash Flows

Years Ended December 31, 2020 and 2019

<i>Year ended December 31,</i>	2020	2019
Cash flow from operating activities:		
Change in net assets	\$ 144,450	\$ (48,952)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	11,663	954
Change in operating assets and liabilities:		
Grants receivable	316	(5,900)
Prepaid expenses	(18,775)	(3,368)
Accounts payable and accrued expenses	550	750
Payroll liabilities	(2,003)	4,624
Net cash provided by (used in) operating activities	136,201	(51,892)
Cash flows from investing activities:		
Change in other assets	595	(595)
Purchases of property and equipment	–	(57,447)
Net cash provided by (used in) investing activities	595	(58,042)
Cash flows from investing activities:		
Proceeds from related party loan	–	70,000
Repayment of related party loan	(70,000)	–
Proceeds from vehicle loans payable	–	56,147
Repayment of vehicle loans payable	(38,604)	–
Net cash (used in) provided by financing activities	(108,604)	126,147
Net change in cash	28,192	16,213
Cash, beginning of the year	27,484	11,271
Cash, end of the year	\$ 55,676	\$ 27,484

See accompanying notes to financial statements.

Shirley Proctor Puller Foundation, Inc.

Notes to Financial Statements

December 31, 2020 and 2019

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, Florida. 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 by grants through the Juvenile Welfare Board, as well as 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:

Shirley Proctor Puller Foundation, Inc.

Notes to Financial Statements

December 31, 2020 and 2019

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

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) Functional Allocation of Expenses

The costs of providing the various program and other activities have been summarized on a functional basis in the statement of functional expenses. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated include in-kind donations, which are allocated on the basis of estimates of time

Shirley Proctor Puller Foundation, Inc.

Notes to Financial Statements

December 31, 2020 and 2019

and effort. Certain other expenses are allocated based on the program or supporting function benefitting from the expenditure, including supplies and printing & postage.

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, 2020, 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 2017 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, 2020, the Organization had no deposits with 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.

Shirley Proctor Puller Foundation, Inc.

Notes to Financial Statements

December 31, 2020 and 2019

3) PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2020 and 2019 consists of the following:

<i>December 31,</i>	Estimated Useful Lives	2020	2019
Leasehold Improvements	3 years	\$ 1,300	\$ 1,300
Vehicles	5 years	56,147	56,147
		57,447	57,447
Less: accumulated depreciation		(12,617)	(954)
		\$44,830	\$56,493

Depreciation expense for the years ended December 31, 2020 and 2019 was \$11,663 and \$954, 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 was repaid in full in 2020.

5) VEHICLE LOANS PAYABLE

Vehicle loans payable at December 31, 2020 and 2019 consist of the following:

<i>December 31,</i>	2020	2019
(2) Vehicle loans payable in monthly installments, interest at rate 3.69%, maturing in December 2024. Secured by two vehicles.	\$17,543	\$56,147
	17,543	56,147
Less: current portion	(11,085)	(10,437)
	\$ 6,458	\$ 45,710

Shirley Proctor Puller Foundation, Inc.

Notes to Financial Statements

December 31, 2020 and 2019

Principal payments on notes payable are due as follows:

<i>Year ended December 31,</i>	
2021	\$11,085
2022	6,458
	<hr/>
	\$17,543

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>	2020
Cash	\$50,605
Investments	5,071
Grants receivable	5,584
	<hr/>
	\$61,260

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

7) PAYCHECK PROTECTION PROGRAM (PPP)

On April 28, 2020, the Company received loan proceeds of \$21,480 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loan and accrued interest are forgivable after 8 weeks or 24 weeks, as elected by the Company, as long as the borrower uses the loan proceeds for eligible purposes including payroll, benefits, rent and utilities, and maintains its payroll levels.

Shirley Proctor Puller Foundation, Inc.
Notes to Financial Statements
December 31, 2020 and 2019

The Company's use of the loan proceeds met the conditions for forgiveness of the loan. The Company applied for loan forgiveness and received notice that the note was forgiven on December 30, 2020. The forgiveness of the PPP note is presented as Revenue and Support on the accompanying Statements of Activities.

8) SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 9, 2021, which is the date the financial statements were available to be issued.