



FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

SIDE BY SIDE INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

TABLE OF CONTENTS

	<u>Page</u>
Independent Accountant’s Review Report	3
Financial Statements:	
Statements of Financial Position	4
Statements of Activities	5-6
Statements of Functional Expenses	7-8
Statements of Cash Flows	9
Notes to Financial Statements	10-13

130 Admiral Cochrane Drive, Suite 200 • Annapolis, MD 21401
Office: 410.224.0343 • Fax: 410.224.0043

Independent Accountant's Review Report

To the Board of Directors of
Side by Side Inc.

We have reviewed the accompanying financial statements of Side by Side Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



October 5, 2016

SIDE BY SIDE INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015

	2016	2015
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 4,888	\$ 27,737
Contributions Receivable	12,000	22,500
Prepaid Expenses	2,836	-
Total Current Assets	19,724	50,237
Furniture and Equipment, Net of Accumulated Depreciation of \$938 and \$567, respectively	793	1,164
Total Assets	\$ 20,517	\$ 51,401
<u>LIABILITES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 1,186	\$ 2,434
Payroll Liabilities	1,051	1,051
Total Current Liabilities	2,237	3,485
Net Assets:		
Unrestricted Net Assets	6,280	25,416
Temporarily Restricted Net Assets	12,000	22,500
Total Net Assets	18,280	47,916
Total Liabilities and Net Assets	\$ 20,517	\$ 51,401

See independent accountant's review report and accompanying notes to financial statements.

SIDE BY SIDE INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUES			
Grants and Contributions	\$ 77,806	\$ 12,000	\$ 89,806
Fundraising Events	30,934	-	30,934
Inkind Donations	7,334	-	7,334
Release from Restrictions	<u>22,500</u>	<u>(22,500)</u>	<u>-</u>
Total Support and Revenues	138,574	(10,500)	128,074
EXPENSES			
Program Services	114,117	-	114,117
Management and General	23,276	-	23,276
Fundraising	<u>20,317</u>	<u>-</u>	<u>20,317</u>
Total Expenses	<u>157,710</u>	<u>-</u>	<u>157,710</u>
Change in Net Assets	(19,136)	(10,500)	(29,636)
Net Assets:			
Beginning of Year	<u>25,416</u>	<u>22,500</u>	<u>47,916</u>
End of Year	<u>\$ 6,280</u>	<u>\$ 12,000</u>	<u>\$ 18,280</u>

See independent accountant's review report and accompanying notes to financial statements.

SIDE BY SIDE INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUES			
Grants and Contributions	\$ 96,501	\$ 22,500	\$ 119,001
Fundraising Events	27,296	-	27,296
Inkind Donations	7,340	-	7,340
Release from Restrictions	<u>8,280</u>	<u>(8,280)</u>	<u>-</u>
Total Support and Revenues	139,417	14,220	153,637
EXPENSES			
Program Services	108,606	-	108,606
Management and General	20,894	-	20,894
Fundraising	<u>23,267</u>	<u>-</u>	<u>23,267</u>
Total Expenses	<u>152,767</u>	<u>-</u>	<u>152,767</u>
Change in Net Assets	(13,350)	14,220	870
Net Assets:			
Beginning of Year	<u>38,766</u>	<u>8,280</u>	<u>47,046</u>
End of Year	<u>\$ 25,416</u>	<u>\$ 22,500</u>	<u>\$ 47,916</u>

See independent accountant's review report and accompanying notes to financial statements.

SIDE BY SIDE INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Accounting Services	\$ 3,847	\$ 1,410	\$ 1,154	\$ 6,411
Advertising and Outreach	4,334	759	616	5,709
Depreciation	-	371	-	371
Fingerprinting	830	-	-	830
Inkind Goods	1,558	-	-	1,558
Instructors and Interpreters	24,365	-	-	24,365
Insurance	3,098	1,094	896	5,088
Miscellaneous	50	60	10	120
Occupancy	4,482	1,554	1,339	7,375
Office	1,211	471	1,062	2,744
Postage and Printing	625	159	578	1,362
Program Meals	11,650	-	-	11,650
Program Supplies	5,470	-	-	5,470
Salary and Related Costs	51,750	17,248	14,207	83,205
Telephone	368	135	110	613
Travel	479	15	345	839
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenses	\$ <u>114,117</u>	\$ <u>23,276</u>	\$ <u>20,317</u>	\$ <u>157,710</u>

See independent accountant's review report and accompanying notes to financial statements.

SIDE BY SIDE INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Accounting Services	\$ 5,470	\$ 1,874	\$ 1,533	\$ 8,877
Advertising and Outreach	480	-	-	480
Depreciation	-	371	-	371
Fingerprinting	611	-	-	611
Inkind Goods	-	-	-	-
Instructors and Interpreters	38,398	-	-	38,398
Insurance	1,875	686	564	3,125
Miscellaneous	-	408	2,315	2,723
Occupancy	7,304	340	278	7,922
Office	2,265	2,444	963	5,672
Postage and Printing	2,671	58	791	3,520
Program Meals	10,505	-	-	10,505
Professional Fees	-	2,200	1,800	4,000
Program Supplies	4,027	-	-	4,027
Salary and Related Costs	33,857	12,408	14,932	61,197
Telephone	213	62	64	339
Travel	930	43	27	1,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenses	<u>\$ 108,606</u>	<u>\$ 20,894</u>	<u>\$ 23,267</u>	<u>\$ 152,767</u>

See independent accountant's review report and accompanying notes to financial statements.

SIDE BY SIDE INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (29,636)	\$ 870
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Donated Fixed Assets	-	(750)
Depreciation	371	371
(Increase) Decrease in Contributions Receivable	10,500	(14,220)
Increase in Prepaid Expenses	(2,836)	-
Decrease in Accounts Payable	(1,248)	(1,838)
Decrease in Payroll Liabilities	-	(1,926)
	<u> </u>	<u> </u>
Net Cash Used by Operating Activities	(22,849)	(17,493)
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	<u> </u>	<u> </u>
Net Decrease in Cash	(22,849)	(17,493)
Cash Balance, Beginning of Year	<u>27,737</u>	<u>45,230</u>
Cash Balance, End of Year	\$ <u><u>4,888</u></u>	\$ <u><u>27,737</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for:		
Income Taxes	\$ <u><u> </u></u>	\$ <u><u> </u></u>
Interest	\$ <u><u> </u></u>	\$ <u><u> </u></u>

See independent accountant's review report and accompanying notes to financial statements.

SIDE BY SIDE INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Side by Side Inc. (the Organization) is a faith-based nonprofit organization that works to strengthen Prince George's County elementary schools in Laurel, Maryland. We are convinced that we and others in the community can and should build up local public schools into a source of pride and the best possible launching pads for children's bright futures. Side by Side Inc. provides its Great Start program at five elementary schools. This is a series of free workshop evenings in English and Spanish for pre-kindergarten to second grade parents. The parents find out what their children are expected to learn in the current year, and are given home activities to help in that learning. Topics include behavior, reading, and math. The evenings include a meal for the entire family and children's activities. The partner schools are Bond Mill, Deerfield Run, James Harrison, Laurel, and Scotchtown Hills. The Organization is primarily supported by contributions, grants, and special events.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting whereby revenue is recognized when earned and expenses are recognized when incurred.

Basis of Presentation

The Organization's financial reporting classifies resources, for accounting and reporting purposes, into three net asset categories according to externally (donor) imposed restrictions. The Organization records unconditional promises to give (pledges) as receivables and revenues and distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions. A description of the three net asset categories follows.

- Permanently Restricted - the portion of the net assets resulting from contributions and other inflows of assets whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled and removed by actions of the Organization pursuant to those stipulations.
- Temporarily Restricted - the portion of the net assets resulting from contributions or other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.
- Unrestricted - the portion of the net assets that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

If a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted. There were no permanently restricted net assets as of June 30, 2016 and 2015, respectively.

SIDE BY SIDE INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is, however, subject to tax on business income unrelated to the Organization's exempt purpose. No provision for income taxes is reflected in the accompanying financial statements for the years ended June 30, 2016 and 2015, since the Organization has no taxable income from unrelated business activities.

The Organization's informational filings are subject to audit by the Internal Revenue Service, generally for three years after filing.

Cash and Cash Equivalents

The Organization considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Pledges and Grants Receivable

Pledges and grants receivable consist of unconditional promises to give as of June 30, 2016 and 2015, respectively. All pledges and grants are expected to be collected in the subsequent year. All amounts are considered to be fully collectible as of June 30, 2016 and 2015, respectively.

Property and Equipment

Equipment is recorded at cost if purchased, or fair market value at time of donation if donated. Acquisition of property and equipment with a useful life of one year or greater is capitalized. The costs of maintenance and repairs are charged to expense as incurred; significant renewals and betterments are capitalized. Depreciation is calculated using the straight line method over the estimated useful lives of the assets as follows:

Equipment 5 Years

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation or amortization are removed from the accounts and any resulting gain or loss is recognized in income for the period.

SIDE BY SIDE INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Goods

Donations of materials are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Donated Facilities

The Organization receives donated facility space from multiple sources. The Organization recognizes the market value of this space as an inkind contribution and reflects revenue and rent expense in the statements of activities and functional expenses.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Advertising

All advertising costs are expensed as incurred.

Subsequent Events

The Organization evaluated subsequent events through the date that the financial statements were available to be issued. The Organization is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to October 5, 2016 that would have a material impact on the financial statements.

SIDE BY SIDE INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

NOTE 2 - DONATED FACILITIES

The value of donated facilities included as contributions in the financial statements and the corresponding expenses for the years ended June 30, 2016 and 2015 are as follows:

<u>2016</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Donated Facilities	\$ <u>4,482</u>	\$ <u>1,554</u>	\$ <u>1,339</u>	\$ <u>7,375</u>
<u>2015</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Donated Facilities	\$ <u>6,377</u>	\$ <u>---</u>	\$ <u>---</u>	\$ <u>6,377</u>

NOTE 3 - TEMPORARILY RESTRICTED NET ASSETS

At June 30, 2016 and 2015, temporarily restricted net assets were available for the following purposes:

	<u>2016</u>	<u>2015</u>
Time Restricted	\$ <u>12,000</u>	\$ <u>22,500</u>