



FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

SIDE BY SIDE INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2017 (AUDITED) AND 2016 (REVIEWED)

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Independent Auditor's Report

To the Board of Directors of
Side by Side Inc.

We have audited the accompanying financial statements of Side by Side Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and 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 the 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 from 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 Side by Side Inc. as of June 30, 2017, 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.

Prior Period Financial Statements

The 2016 financial statements were reviewed by us, and our report thereon, dated October 5, 2016, stated we were not aware of any material modifications that should be made to those financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements.

Alta CPA Group, LLC

December 15, 2017

SIDE BY SIDE INC.
 STATEMENTS OF FINANCIAL POSITION
 JUNE 30, 2017 (AUDITED) AND 2016 (REVIEWED)

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 39,312	\$ 4,888
Contributions Receivable	-	12,000
Prepaid Expenses	<u>2,706</u>	<u>2,836</u>
Total Current Assets	42,018	19,724
Furniture and Equipment, Net of Accumulated Depreciation of \$1,323 and \$938, Respectively	<u>600</u>	<u>793</u>
Total Assets	<u>\$ 42,618</u>	<u>\$ 20,517</u>
<u>LIABILITES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 385	\$ 1,186
Payroll Liabilities	<u>1,051</u>	<u>1,051</u>
Total Current Liabilities	1,436	2,237
Net Assets:		
Unrestricted Net Assets	35,182	6,280
Temporarily Restricted Net Assets	-	12,000
Permanently Restricted Net Assets	<u>6,000</u>	<u>-</u>
Total Net Assets	<u>41,182</u>	<u>18,280</u>
Total Liabilities and Net Assets	<u>\$ 42,618</u>	<u>\$ 20,517</u>

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

SIDE BY SIDE INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017 (AUDITED)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT AND REVENUES				
Grants and Contributions	\$ 132,129	\$ -	\$ 6,000	\$ 138,129
Fundraising Events	25,128	-	-	25,128
Inkind Donations	7,862	-	-	7,862
Release from Restrictions	<u>12,000</u>	<u>(12,000)</u>	<u>-</u>	<u>-</u>
Total Support and Revenues	177,119	(12,000)	6,000	171,119
EXPENSES				
Program Services	107,629	-	-	107,629
Management and General	17,116	-	-	17,116
Fundraising	<u>23,472</u>	<u>-</u>	<u>-</u>	<u>23,472</u>
Total Expenses	<u>148,217</u>	<u>-</u>	<u>-</u>	<u>148,217</u>
Change in Net Assets	28,902	(12,000)	6,000	22,902
Net Assets:				
Beginning of Year	<u>6,280</u>	<u>12,000</u>	<u>-</u>	<u>18,280</u>
End of Year	<u>\$ 35,182</u>	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ 41,182</u>

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

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

	<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 auditor's report and accompanying notes to financial statements.

SIDE BY SIDE INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017 (AUDITED)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Accounting Services	\$ 2,229	\$ 549	\$ 2,451	\$ 5,229
Advertising and Outreach	4,907	56	1,070	6,033
Depreciation	-	385	-	385
Fingerprinting	170	-	-	170
Instructors and Interpreters	21,300	-	-	21,300
Insurance	3,468	341	403	4,212
Miscellaneous	92	8	8	108
Occupancy	6,482	246	290	7,018
Office	992	452	1,783	3,227
Postage and Printing	189	80	756	1,025
Program Meals	6,917	-	-	6,917
Salary and Related Costs	54,104	14,872	16,459	85,435
Supplies	6,323	64	123	6,510
Telephone	229	26	64	319
Travel	227	37	65	329
	<u>227</u>	<u>37</u>	<u>65</u>	<u>329</u>
Total Expenses	<u>\$ 107,629</u>	<u>\$ 17,116</u>	<u>\$ 23,472</u>	<u>\$ 148,217</u>

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

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

	<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 auditor's report and accompanying notes to financial statements.

SIDE BY SIDE INC.
 STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED JUNE 30, 2017 (AUDITED) AND 2016 (REVIEWED)

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 22,902	\$ (29,636)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Donated Fixed Assets	(192)	-
Depreciation	385	371
Decrease in Contributions Receivable	12,000	10,500
(Increase) Decrease in Prepaid Expenses	130	(2,836)
Decrease in Accounts Payable	<u>(801)</u>	<u>(1,248)</u>
Net Cash Provided (Used) by Operating Activities	34,424	(22,849)
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash	34,424	(22,849)
Cash Balance, Beginning of Year	<u>4,888</u>	<u>27,737</u>
Cash Balance, End of Year	<u>\$ 39,312</u>	<u>\$ 4,888</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for:		
Income Taxes	<u>\$ -</u>	<u>\$ -</u>
Interest	<u>\$ -</u>	<u>\$ -</u>

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

SIDE BY SIDE INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 (AUDITED) AND 2016 (REVIEWED)

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 six 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, Calverton, 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 \$6,000 and \$0 of permanently restricted net assets as of June 30, 2017 and 2016, respectively.

SIDE BY SIDE INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 (AUDITED) AND 2016 (REVIEWED)

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, 2017 and 2016, 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. All pledges and grants are expected to be collected in the subsequent year. All amounts were received in 2017.

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, 2017 (AUDITED) AND 2016 (REVIEWED)

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 December 15, 2017 that would have a material impact on the financial statements.

SIDE BY SIDE INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED JUNE 30, 2017 (AUDITED) AND 2016 (REVIEWED)

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, 2017 and 2016 are as follows:

<u>2017</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Donated Facilities	\$ <u>5,777</u>	\$ <u>---</u>	\$ <u>---</u>	\$ <u>5,777</u>
<u>2016</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Donated Facilities	\$ <u>3,310</u>	\$ <u>1,145</u>	\$ <u>1,322</u>	\$ <u>5,777</u>

The remainder of inkind revenue is comprised of donated assets and supplies.

NOTE 3 - TEMPORARILY RESTRICTED NET ASSETS

At June 30, 2017 and 2016, temporarily restricted net assets were available for the following purposes:

	<u>2017</u>	<u>2016</u>
Time Restricted	\$ <u>---</u>	\$ <u>12,000</u>

NOTE 4 - PERMANENTLY RESTRICTED NET ASSETS

During the year ended June 30, 2017, the Organization established the David Myers Scholarship Fund, the income of which is used to provide tuition assistance for teachers taking continuing education courses on parent engagement.