

**TEACH MY PEOPLE**  
**FINANCIAL STATEMENTS**  
**Year Ended December 31, 2016**

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## INDEPENDENT AUDITOR'S REPORT

To The Board of Trustees  
Teach My People  
Pawleys Island, South Carolina

### **Report on the Financial Statements**

I have audited the accompanying financial statements of Teach My People, which comprise the statement of financial position as of December 31, 2016, 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 U.S. generally accepted accounting principles; 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**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with U.S. generally accepted auditing standards. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Teach My People as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Myrtle Beach, South Carolina  
December 19, 2017

**TEACH MY PEOPLE  
STATEMENT OF FINANCIAL POSITION  
December 31, 2016**

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$	124,315
Contributions receivable		24,035
TOTAL CURRENT ASSETS		<u>148,350</u>
FIXED ASSETS		
Property and equipment		763,446
Less: accumulated depreciation		<u>(135,106)</u>
		<u>628,340</u>
OTHER ASSETS		
Security deposits		<u>1,150</u>
		<u>1,150</u>
TOTAL ASSETS	\$	<u><u>777,840</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$	976
Accrued compensation expense		8,132
Deferred revenue		22,115
Line of credit		9,834
TOTAL CURRENT LIABILITIES		<u>41,057</u>
NET ASSETS		
Unrestricted		<u>736,783</u>
TOTAL NET ASSETS		<u>736,783</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>777,840</u></u>

See accompanying notes and auditor's report.

**TEACH MY PEOPLE  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 2016**

	<u>Unrestricted</u>
SUPPORT	
Public contributions	\$ 155,308
Grants	66,353
	<u>221,661</u>
Special events:	
Special events revenue	166,244
Less: cost of special events	15,164
Net revenue from special events	<u>151,080</u>
TOTAL SUPPORT	<u>372,741</u>
TOTAL SUPPORT AND REVENUES	<u>372,741</u>
EXPENSES	
Program services expense	356,658
Supporting services expense	
Management and general	<u>41,791</u>
TOTAL EXPENSES	<u>398,449</u>
CHANGE IN NET ASSETS	(25,708)
NET ASSETS, BEGINNING OF YEAR	<u>762,491</u>
NET ASSETS, END OF YEAR	<u>\$ 736,783</u>

See accompanying notes and auditor's report.

**TEACH MY PEOPLE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2016

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 209,768	\$ 23,307	\$ 233,075
Payroll taxes	11,232	1,248	12,480
Employee benefits	23,425	2,604	26,029
Travel and conferences	1,063	0	1,063
Supplies and materials	4,235	3,929	8,164
Repairs and maintenance	21,681	1,205	22,886
Utilities	23,817	1,520	25,337
Website	645	0	645
Staff and volunteer development	1,235	137	1,372
Commissions	654	654	1,308
Food	1,676	0	1,676
Insurance	14,632	3,271	17,903
Awards and grants	3,058	0	3,058
Marketing	12,934	0	12,934
Program expenses	5,293	0	5,293
Contract services	4,327	276	4,603
Depreciation	16,983	3,640	20,623
	<u>\$ 356,658</u>	<u>\$ 41,791</u>	<u>\$ 398,449</u>

See accompanying notes and auditor's report.

**TEACH MY PEOPLE  
STATEMENT OF CASH FLOWS  
Year Ended December 31, 2016**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (25,708)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	20,623
(Increase) decrease in assets:	
Contributions receivable	1,340
Increase (decrease) in liabilities:	
Accounts payable	(1,945)
Accrued compensation expense	8,132
Deferred revenue	<u>22,115</u>
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u>24,557</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Disposal of fixed assets	<u>(11,814)</u>
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	<u>(11,814)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES	
Borrowing on line of credit	<u>9,834</u>
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	<u>9,834</u>
NET INCREASE (DECREASE) IN CASH	22,577
 CASH AT BEGINNING OF YEAR	<u>101,738</u>
 CASH AT END OF YEAR	<u><u>\$ 124,315</u></u>

See accompanying notes and auditor's report.

**TEACH MY PEOPLE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A- NATURE OF ORGANIZATION**

Teach My People, a nonprofit corporation, was incorporated on December 29, 1998 in the State of South Carolina. The organization offers Christian, academically oriented, no cost afterschool and summer programs to disadvantaged, at-risk students from grades 1 to 12. The organization serves approximately 120 youths. The program is governed by a volunteer Board of Trustees which oversees the operations of the organization. Revenues to support the programs come primarily through grants and donations. Teach My People is located in Pawleys Island, South Carolina.

The accompanying financial statements have been prepared in accordance with standards for not-for-profit organizations adopted by the Financial Accounting Standards Board.

**NOTE B- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The organization employs the accrual basis of accounting, whereby revenues are recognized when earned, and expenses are recognized when incurred.

Financial Statement Presentation

The organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, as applicable.

Revenue Recognition

Donations are recorded when notice is received, and grant revenues are recorded when earned. Revenues from special events are recognized in the period that the event occurs.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the organization that is, in substance, unconditional. Contributions received are recorded as unrestricted or restricted depending on the existence and/or nature of any donor restrictions. Contributions not subject to donor restrictions are reported as unrestricted support. Expired restrictions are reclassified as unrestricted.

The organization uses the allowance method to determine uncollectible pledged donations.

Allocated Administrative Expenses

The costs of operations have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the services benefitted.

Property and Equipment

Fixed assets are recorded on the basis of cost for purchased assets or fair value at the date of donation for donated assets. Depreciation is recorded using the straight line method over the estimated useful lives of the assets.

**TEACH MY PEOPLE  
NOTES TO FINANCIAL STATEMENTS**

Income Taxes

Teach My People is organized as a nonprofit corporation and has been recognized by the Internal Revenue Service as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The program is also exempt from South Carolina income tax. Contributions to the organization qualify for the charitable contribution deduction. Teach My People is required to file a return of Organization Exempt from Income Tax (Form 990) with the Internal Revenue Service. In addition, the program is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. For the year ended December 31, 2016 the organization had no income tax liability.

The organization believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements.

As of December 31, 2016, the tax years that remain subject to examination by taxing authorities begin with 2013.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires 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 reported period. Actual results could differ from those estimates.

Subsequent Events

These financial statements considered subsequent events through December 22, 2017, the date the financial statements were available to be issued.

Going Concern

The accompanying financial statements have been prepared assuming the organization will continue as a going concern.

**NOTE C- FIXED ASSETS**

Fixed assets at the balance sheet date consist of the following:

<u>Asset</u>	<u>Amount</u>	<u>Depreciable Life</u>
Land	\$ 49,446	
Building	570,890	15 years
Furniture	2,601	5 years
Equipment	70,219	5 years
Playground	22,997	15 years
Vehicles	47,293	5 years
	<u>\$ 763,446</u>	
	=====	

**TEACH MY PEOPLE  
NOTES TO FINANCIAL STATEMENTS**

NOTE D- LINE OF CREDIT

The organization employs a revolving line of credit in the amount of \$15,000. At December 31, 2016, the balance due on this line of credit was \$9,834. The arrangement matures July 19, 2018. A fixed rate of interest of 6% is billed monthly on the outstanding principal balance.

NOTE E- SUPPLEMENTARY INFORMATION

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the School considers cash to consist of amounts on deposit, including interest-bearing deposits, with financial institutions. Certificates of Deposit with a maturity of 90 (ninety) days or less are considered cash equivalents. The Federal Deposit Insurance Corporation (FDIC) insures all deposits up to \$250,000. There were no uninsured balances at December 31, 2016.