

*PINEVILLE NEIGHBORS PLACE*

*FINANCIAL STATEMENTS*  
*DECEMBER 31, 2020*

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***Pineville Neighbors Place***  
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**December 31, 2020**

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# ***C. DEWITT FOARD & COMPANY, P.A.***

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Pineville Neighbors Place  
Pineville, North Carolina

We have audited the accompanying financial statements of Pineville Neighbors Place (the "Organization" - a nonprofit corporation), which comprise the statement of financial position – modified cash basis as of December 31, 2020, and the related statements of activities – modified cash basis, functional expenses - modified cash basis and cash flows – modified cash basis 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 the modified cash basis of accounting as described in Note 2 to the financial statements; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

### 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 in the first paragraph present fairly, in all material respects, the assets, liabilities, and net assets of Pineville Neighbors Place as of December 31, 2020 and its support, revenue, expenses and changes in net assets and its cash flows for the year then ended in accordance with the modified cash basis of accounting as described in Note 2.

### Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

*C. Dewitt Foard & Company, P.A.*

February 5, 2021

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***Pineville Neighbors Place***  
**Statement of Financial Position - Modified Cash Basis**  
**December 31, 2020**

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**ASSETS**

Cash	\$	121,255
Sales tax receivable		3,980
Certificate of deposit		75,186

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<b><i>TOTAL</i></b>	<b>\$</b>	<b><i>200,421</i></b>
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**LIABILITIES AND NET ASSETS**

Liabilities	\$	-
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Net Assets:

Without Donor Restrictions:

Undesignated		163,628
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<b><i>Total Net Assets Without Donor Restrictions</i></b>		<b><i>163,628</i></b>
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With donor restrictions		36,793
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<b><i>Total Net Assets</i></b>		<b><i>200,421</i></b>
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<b><i>TOTAL</i></b>	<b>\$</b>	<b><i>200,421</i></b>
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***Pineville Neighbors Place***  
**Statement of Activities - Modified Cash Basis**  
**Year Ended December 31, 2020**

	Without Donor Restrictions	With Donor Restrictions	TOTALS
<b><u>SUPPORT AND REVENUE</u></b>			
Contributions and grants	\$ 131,990	\$ 393,493	\$ 525,483
Special events, net of direct benefit to donors of \$4,350	20,292	-	20,292
Net assets released from restriction by payment	374,774	(374,774)	-
<b><i>TOTAL</i></b>	<b><i>527,056</i></b>	<b><i>18,719</i></b>	<b><i>545,775</i></b>
<b><u>EXPENSES</u></b>			
Program services	407,764	-	407,764
Management and general	18,900	-	18,900
Fundraising	865	-	865
<b><i>TOTAL</i></b>	<b><i>427,529</i></b>	<b><i>-</i></b>	<b><i>427,529</i></b>
<b><i>SUPPORT AND REVENUE OVER EXPENSES</i></b>	<b><i>99,527</i></b>	<b><i>18,719</i></b>	<b><i>118,246</i></b>
<b><i>NET ASSETS, BEGINNING</i></b>	<b><i>64,101</i></b>	<b><i>18,074</i></b>	<b><i>82,175</i></b>
<b><i>NET ASSETS, ENDING</i></b>	<b><i>\$ 163,628</i></b>	<b><i>\$ 36,793</i></b>	<b><i>\$ 200,421</i></b>

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***Pineville Neighbors Place*****Statement of Functional Expenses - Modified Cash Basis****Year Ended December 31, 2020**

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	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>TOTALS</u>
<b><u>EXPENSES</u></b>				
Client assistance	\$ 385,141	\$ -	\$ -	\$ 385,141
Community support and outreach events	11,262	-	-	11,262
Occupancy	8,306	1,557	519	10,382
Administration	-	10,112	-	10,112
Office supplies	230	1,908	-	2,138
Professional services	-	3,000	-	3,000
Special events	-	-	4,350	4,350
Technology and communications	1,548	2,209	346	4,103
Travel	1,277	-	-	1,277
Advertising	-	81	-	81
Bank and service fees	-	33	-	33
<b><i>TOTAL EXPENSES</i></b>	<b><i>407,764</i></b>	<b><i>18,900</i></b>	<b><i>5,215</i></b>	<b><i>431,879</i></b>
Less - Amounts deducted directly against revenue	-	-	4,350	4,350
<b><i>NET EXPENSES</i></b>	<b><i>\$ 407,764</i></b>	<b><i>\$ 18,900</i></b>	<b><i>\$ 865</i></b>	<b><i>\$ 427,529</i></b>

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***Pineville Neighbors Place***  
**Statement of Cash Flows - Modified Cash Basis**  
**Year Ended December 31, 2020**

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**OPERATING ACTIVITIES**

Support and revenue over expenses	\$	118,246
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Increase in operating assets:		
Sales tax receivable		(1,211)
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<b><i>Cash Flows from Operating Activities</i></b>		<b><i>117,035</i></b>

**INVESTING ACTIVITIES**

Purchase of certificate of deposit		(75,186)
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<b><i>Cash Flows from Investing Activities</i></b>		<b><i>(75,186)</i></b>

<b><i>CHANGE IN CASH</i></b>		<b><i>41,849</i></b>
<b><i>CASH, BEGINNING</i></b>		<b><i>79,406</i></b>
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<b><i>CASH, ENDING</i></b>	\$	<b><i>121,255</i></b>

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***Pineville Neighbors Place***  
**Notes to Financial Statements**  
**December 31, 2020**

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**NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS**

Pineville Neighbors Place (the Organization) is a North Carolina nonprofit organization incorporated in 2016. The Organization's mission is to connect its neighbors to available services, empower these neighbors to make life sustaining changes, and unify the churches of Pineville. The Organization's primary sources of funding are contributions and grants from individuals, churches, businesses, foundations, and governmental entities, and special events revenue.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Basis of accounting*

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a special purpose framework other than U.S. generally accepted accounting principles. Pursuant to the cash basis of accounting, revenue and the related assets are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. In addition, all other amounts received are recorded as cash receipts and all other amounts expended are recorded as cash disbursements. The Organization has elected to adopt the following modifications to the cash basis of accounting:

- The payment and refund of sales tax are shown as changes in an asset rather than as receipts and disbursements. The balance at year-end is expected to be collected in full in the following year.
- Purchases and disposals of investments are shown as increases and decreases in an asset account rather than as receipts and disbursements.

The significant difference between the basis of accounting employed by the Organization and generally accepted accounting principles, in addition to the timing of the recognition of revenue and expenses, is that no amounts have been reflected in the financial statements for services contributed to the Organization.

*Basis of presentation*

The Organization is required to report information regarding its financial position and activities according to two classes of net assets:

*Net assets without donor restrictions* – Net assets without donor restrictions are not subject to any donor-imposed stipulations. Net assets without donor restrictions can be designated by the Organization's Board of Directors for certain purposes. However, these funds have not been restricted by donors. During the year, the Organization had no designated net assets.

*Net assets with donor restrictions* – These amounts consist of temporarily restricted net assets, which are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization or the passage of time. Permanently restricted net assets are those amounts subject to donor-imposed stipulations that they be maintained permanently by the Organization. During the year, the Organization had no permanently restricted net assets.



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***Pineville Neighbors Place***  
**Notes to Financial Statements**  
**December 31, 2020**

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Income tax status

The Organization is a nonprofit organization and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. It is not a private foundation as defined by Section 509(a) of the Internal Revenue Code.

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures 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.

Functional allocation of expenses

The Organization's activities are focused in three functional areas. Program services represent the primary focus of the Organization's activities. Management and general activities and fundraising activities represent supporting services. All expenses are directly allocated to the function to which they pertain, except as follows. Occupancy expenses and technology and communications expenses are allocated to the functions based on an estimate of how much of the volunteers' time is spent on each function.

**NOTE 3 – CERTIFICATE OF DEPOSIT**

Investments at year-end consist entirely of a certificate of deposit with a local bank with an original maturity exceeding three months. This investment is carried at historical cost plus accrued interest, which approximates fair value. It matured and was renewed for another six months on January 22, 2021, and bears interest at 0.01 percent.

**NOTE 4 – NET ASSETS**

Net assets with donor restrictions available at year-end are to be used for the following purposes:

Food bank	\$ 16,175
Shop with a Cop	16,713
Beds for Kids	1,956
Emergency Food and Shelter Program	1,195
Other (individually less than \$400)	<u>754</u>
TOTAL	<u><u>\$ 36,793</u></u>

**NOTE 5 – CONCENTRATIONS OF CREDIT RISK**

Support and revenue

During the year, the Organization received approximately 66 percent of its total support and revenue from three grantors. This concentration of revenue represents a significant risk that operations could be impacted should these grantors reduce or discontinue their funding of the Organization.

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***Pineville Neighbors Place***  
**Notes to Financial Statements**  
**December 31, 2020**

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**NOTE 6 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization has \$200,421 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$121,255, sales tax receivable of \$3,980 which is expected to be collected within a year, and investments of \$75,186 which are scheduled to mature within a year. Of this total, \$36,793 of the financial assets are subject to donor restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Organization structures its financial assets to be available as its general expenditures come due.

**NOTE 7 – UNCERTAINTY**

The COVID-19 pandemic has resulted in significant changes in the economy. At this point, the full impact of this pandemic on the Organization is unknown, but management believes that it could negatively impact its support and revenue for the foreseeable future.

**NOTE 8 – SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events from the date of the statement of financial position through the date of the audit report, which is the date the financial statements were available to be issued. During this period, no material recognizable subsequent events were identified.