



FRIENDS OF DINSMORE ELEMENTARY, INC.
(A NOT-FOR-PROFIT ORGANIZATION)
INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
MAY 31, 2020 AND MAY 31, 2019



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Friends of Dinsmore Elementary, Inc.
Jacksonville, Florida

Report on the Financial Statements

I have audited the accompanying financial statements of Friends of Dinsmore Elementary, Inc. (a non-profit organization), which comprise the statements of financial position as of May 31, 2020 and May 31, 2019, and the related statements of activities and changes in net assets and cash flows for the year ended May 31, 2020 and the period beginning January 23, 2019 (date of incorporation) to period ended May 31, 2019, 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 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 auditing standards generally accepted in the United States of America. 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 Friends of Dinsmore Elementary, Inc. as of May 31, 2020 and May 31, 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



DAVE. V. JOHN, LLC

Tamarac, Florida

July 25, 2020

FRIENDS OF DINSMORE ELEMENTARY, INC.

(A NOT-FOR-PROFIT ORGANIZATION)

STATEMENT OF FINANCIAL POSITION

MAY 31, 2020 AND MAY 31, 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ <u>12,739</u>	\$ <u>500</u>
Total assets	\$ <u><u>12,739</u></u>	\$ <u><u>500</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Total liabilities	\$ <u>-</u>	\$ <u>-</u>
NET ASSETS		
Without donor restrictions	3,079	500
With donor restrictions	<u>9,660</u>	<u>-</u>
Total net assets	<u>12,739</u>	<u>500</u>
Total liabilities and net assets	\$ <u><u>12,739</u></u>	\$ <u><u>500</u></u>

The accompanying notes are an integral part of these financial statements

FRIENDS OF DINSMORE ELEMENTARY INC.

(A NOT-FOR-PROFIT ORGANIZATION)

STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS

FOR THE YEAR BEGINNING JUNE 1, 2019 TO THE YEAR ENDED MAY 31, 2020

AND FOR THE PERIOD BEGINNING JANUARY 23, 2019 (date of incorporation) TO THE PERIOD ENDED MAY 31, 2019

	May 31, 2020			January 23, 2019
	Without Donor Restrictions	With Donor Restrictions	Total	to May 31, 2019
REVENUE AND SUPPORT				
Contributions	\$ 4,631	\$ -	\$ 4,631	\$ 1,622
Grant	-	10,000	10,000	-
Other income	699	-	699	200
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues and other support	5,330	10,000	15,330	1,822
EXPENSES				
Literacy program	1,093	-	1,093	-
School beautification	253	340	593	-
Science program	727	-	727	1,073
Other program expenses	678	-	678	249
Total expenses	<hr/> 2,751	<hr/> 340	<hr/> 3,091	<hr/> 1,322
Change in net assets	2,579	9,660	12,239	500
Net assets, beginning of year	<hr/> 500	<hr/> -	<hr/> 500	<hr/> -
Net assets, end of year	\$ <hr/> 3,079	\$ <hr/> 9,660	\$ <hr/> 12,739	\$ <hr/> 500

The accompanying notes are an integral part of these financial statements

FRIENDS OF DINSMORE ELEMENTARY INC.

(A NOT-FOR-PROFIT ORGANIZATION)

STATEMENTS OF CASH FLOWS

FOR THE YEAR BEGINNING JUNE 1, 2019 TO THE YEAR ENDED MAY 31, 2020

AND FOR THE PERIOD BEGINNING JANUARY 23, 2019 (date of incorporation) TO THE PERIOD ENDED MAY 31, 2019

	<u>May 31, 2020</u>	January 23, 2019 to <u>May 31, 2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 12,239	\$ 500
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net cash provided by operating activities	<u>12,239</u>	<u>500</u>
Net increase in cash and cash equivalents	12,239	500
Cash and cash equivalents, beginning of year	<u>500</u>	<u>-</u>
Cash and cash equivalents, end of year	<u>\$ 12,739</u>	<u>\$ 500</u>

The accompanying notes are an integral part of these financial statements

FRIENDS OF DINSMORE ELEMENTARY, INC.

(A NOT-FOR-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2020 AND MAY 31, 2019

NOTE 1 – DESCRIPTION OF THE ORGANIZATION

Friends of Dinsmore Elementary, Inc. is a not-for-profit organization incorporated under the laws of Florida on January 23, 2019. The organization's mission is to provide every student the opportunity to be empowered as lifelong learners in a safe and academically rich environment and be prepared for college and career. The Vision Statement of the organization is that every student will be provided learning experiences that guarantee opportunities for success and social responsibility.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation – The financial statements of Friends of Dinsmore Elementary, Inc. have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require Friends of Dinsmore Elementary, Inc. to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Friends of Dinsmore Elementary, Inc.'s management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Friends of Dinsmore Elementary, Inc. or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Measure of operations – The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to Friends of Dinsmore Elementary, Inc.'s program expenses. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Cash and cash equivalents – Friends of Dinsmore Elementary, Inc.'s cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase, except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

FRIENDS OF DINSMORE ELEMENTARY, INC.

(A NOT-FOR-PROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2020 AND MAY 31, 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Concentrations of credit risk – Financial instruments that potentially subject Friends of Dinsmore Elementary, Inc. to concentrations of credit risk consist principally of cash and cash equivalents and contributions receivable. Friends of Dinsmore Elementary, Inc. maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. Friends of Dinsmore Elementary, Inc.'s cash and cash equivalent accounts have been placed with high credit quality financial institutions. Friends of Dinsmore Elementary, Inc. has not experienced, nor does it anticipate, any losses with respect to such accounts.

Contributions – Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Functional expenses – The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among animal services and supporting services benefited. Such allocations are determined by management on an equitable basis.

Use of estimates – The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Income taxes – Friends of Dinsmore Elementary, Inc. is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. Friends of Dinsmore Elementary, Inc. has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. Friends of Dinsmore Elementary, Inc. has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

FRIENDS OF DINSMORE ELEMENTARY, INC.

(A NOT-FOR-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2020 AND MAY 31, 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

New Accounting Pronouncement – On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Friends of Dinsmore Elementary, Inc. has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

NOTE 3 – DATE OF MANAGEMENT REVIEW

In preparing the financial statements, the organization has evaluated events and transactions for potential recognition or disclosures through July 25, 2020 the date that the financial statements were available to be issued.

NOTE 4 – CONCENTRATIONS AND CREDIT RISK

Financial Instruments, which potentially subject the organization to concentrations of credit risk, consist principally of cash and cash equivalents. Cash on deposit with one financial institution at May 31, 2020 and May 31, 2019 was approximately \$12,739 and \$500, respectively and was insured up to \$250,000 by the U.S Federal Deposit Insurance Corporation. At May 31, 2020 and May 31, 2019, the organization had no amount in excess of FDIC insured limits.

NOTE 5– AVAILABILITY AND LIQUIDITY

The following represents Friends of Dinsmore Elementary, Inc.’s financial assets at May 31, 2020 and May 31, 2019:

Financial assets at year end:	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 12,739	\$ 500
Total financial assets	12,739	500
Less amounts not available to be used within one year:		
Net assets with donor restrictions	9,660	-
Less net assets with purpose restrictions to be met in less than a year	-	-
Board-designated funds for future use	-	-
	<u>9,660</u>	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 3,079</u>	<u>\$ 500</u>

FRIENDS OF DINSMORE ELEMENTARY, INC.

(A NOT-FOR-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2020 AND MAY 31, 2019

NOTE 6 – COMMITMENTS AND CONTINGENCIES

The organization could be party to various legal actions normally associated in the course of its operation, the aggregate effect of which, in management's opinion would not be material to the future financial condition of the organization.

NOTE 7 – RELATED PARTY TRANSACTION

In accordance with the bylaws of the organization, the president shall personally pay all management, general and administrative, and fundraising expenses of the organization, therefore guaranteeing that all donations and grants go toward program services.

NOTE 8 – UNCERTAINTIES IN INCOME TAXES

The FASB ASC 740-10 interpretation prescribes a recognition threshold and measurement attribute for the financial statements' recognition and measurement of a tax position taken in a tax return. This interpretation also provides guidance on recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transaction. This interpretation must be applied to all existing tax positions.

The cumulative effect, if any, is to be reported as an adjustment to opening net assets. This interpretation will require management of the organization to analyze all open tax years, as defined by the statute of limitations, for all major jurisdictions, which includes federal and certain states. Open tax years are those that are open for examination taxing authorities (i.e., generally the last three tax year ends and the interim tax period since then). The organization has no examinations in progress. Management believes that this does not have a material effect on its financial statements.

NOTE 9 – SUBSEQUENT EVENTS

Under FASB ASC 855, subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued or ready to be issued. The Organization recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the financial statements.

Organization's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date and before financial statements are issued. The Organization is not aware of any material subsequent events.