

New Beginnings Educational Center

Financial Statements

December 31, 2020 and 2019

Index

New Beginnings Educational Center As of December 31, 2020 and 2019

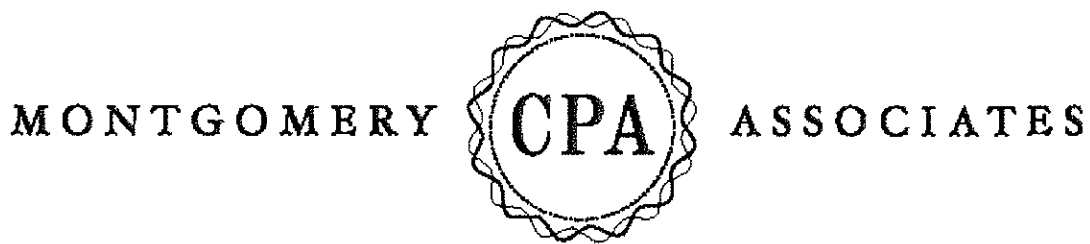
Independent Auditor's Report

Statements of Financial Position **Page 1**

Statements of Activities and Changes in Net Assets **Page 2**

Statements of Cash Flows **Page 3**

Notes to Financial Statements **Page 4**



Independent Auditor's Report

Board of Directors
New Beginnings Educational Center
Montgomery, AL

We have audited the accompanying financial statements of the New Beginnings Educational Center (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets, and cash flows for the years 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 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 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 the New Beginnings Educational Center as of December 31, 2020 and 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

Montgomery CPA Associates

Montgomery, Alabama
February 10, 2022

Statements of Financial Position

New Beginnings Educational Center As of December 31,

	2019	2020
Assets		
<i>Current assets:</i>		
Cash & cash equivalents	12,520	10,280
Total current assets	12,520	10,280
Total Assets	\$ 12,520	\$ 10,280
Liabilities and Net Assets		
<i>Liabilities:</i>		
Payroll liabilities	\$ 106	\$ 106
Total Liabilities	106	106
<i>Net Assets:</i>		
Unrestricted net assets	12,414	10,174
Total Net Assets	12,414	10,174
Total Liabilities & Net Assets	\$ 12,520	\$ 10,280

The accompanying notes are an integral part of these financial statements.

Statements of Activities and Changes in Net Assets

New Beginnings Educational Center Montgomery, Alabama As of December 31,

	2019	2020
Revenue and support		
Contributions	\$ 8,363	\$ 12,138
Grants	52,000	39,500
SBA / PPP loan forgiveness	-	5,250
Total revenue and other support	60,363	56,888
Expenses and losses		
Contract labor	6,657	600
Fundraising	1,086	773
General and administrative	1,047	1,063
Payroll taxes	1,928	1,928
Professional fees	3,000	3,000
Program expenses	5,439	14,231
Rent	5,200	6,000
Repairs and maintenance	675	429
Salaries and wages	25,200	25,200
Utilities	6,631	5,904
Total expenses	56,863	59,128
Change in Net Assets	3,500	(2,240)
Net Assets - Beginning of Year	8,914	12,414
Net Assets - End of Year	\$ 12,414	\$ 10,174

See Independent Auditor's Report. The accompanying notes are an integral part of these financial staten

Statements of Cash Flows

New Beginnings Educational Center As of December 31,

	2019	2020
Cash Flows from Operating Activities:		
Change in net assets	\$ 3,500	\$ (2,240)
Adjustments to reconcile change in net assets to cash from operating activities:		
Changes on operating assets and liabilities:		
Payroll liabilities	(1,051)	
Net cash flows from operating activities	2,449	(2,240)
Net change of cash and cash equivalents	2,449	(2,240)
Cash and cash equivalents - beginning of year	10,071	12,520
Cash and cash equivalents - end of year	\$ 12,520	\$ 10,280

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements
New Beginnings Educational Center
December 31, 2020 and 2019

Note 1 – Summary of Significant Accounting Policies

Nature of Activities – New Beginnings Educational Center (“Organization”) was started in 2002 as an outreach ministry of South Decatur Missionary Baptist Church. The Center later became an extension of Hale County Community Enrichment Society and received its independent 501(c)(3) designation in September 2012. New Beginnings currently provides after-school tutoring, and mentoring programs for students enrolled in pre-K through 12th grades, family wellness, summer enrichment camps, and G.E.D. preparatory classes in conjunction with Trenholm State Technical College.

New Beginnings works to break the cycle of poverty through education in Montgomery County and surrounding areas. The Center believes education is the great equalizer. Therefore, it seeks to increase student academic achievement, decrease drop-out rates, raise graduation rates and give access to postsecondary credentials which ultimately, closes achievement gaps within Montgomery’s most under-served and impoverished children, adults, and low-income communities.

Basis of Accounting – The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation – Professional standards establish guidelines for external financial reporting by not-for-profit organizations and require resources to be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. The three classes of net assets are:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization (e.g., performing program services) and/or the passage of time. The Organization has no temporarily restricted net assets.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that may be maintained permanently by the Organization. The Organization has no permanently restricted net assets.

Cash and Cash Equivalents – For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments – Investments in marketable securities with readily determinable fair values are reported at their fair values in the Statement of Financial Position. Gains and losses are included in the Statement of Activities and Changes in Net Assets.

Notes to Financial Statements
New Beginnings Educational Center
December 31, 2020 and 2019

Contributions – Any contributions received are recoded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or the nature of any donor restrictions. All contributions for the year ended December 31, 2020 and 2019 are unrestricted. The Organization does not have any significant in-kind contributions

Functional Allocation of Expenses – The Organization’s mission is to promote additional educational enhancements and opportunities for kids. All expenses are directly related to this purpose. Therefore, the Organization has not provided a schedule of functional expenses, as all expenses are categorized as program services. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Estimates – In preparing financial statements in conformity with U.S. generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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 a not-for-profit Organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization has adopted the provisions of *FASB ASC (Accounting Standards Codification) No. 740, Accounting for Uncertainty in Income Taxes*. As a result of the implementation of ASC No. 740, the Organization has not recognized any respective liability for unrecognized tax benefits, as it has no known tax positions that would subject the Organization to any material income tax exposure. The tax years that remain subject to examination are the periods ending on December 31, 2015 for all major tax jurisdictions.

Subsequent events – Management has reviewed all subsequent events through February 10, 2022, which is the date the financial statements were available to be issued.

Reclassification – Management has made certain reclassifications to prior year balances to conform to the presentation of the current period financial statements.

Note 2 – Fair Value Instruments

The fair value accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels:

Level 1 – Quoted market prices in active markets for identical assets or liabilities.

Level 2 – Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3 – Unobservable inputs that are not corroborated by market data.

Notes to Financial Statements
New Beginnings Educational Center
December 31, 2020 and 2019

The Company uses appropriate valuation techniques based on the observable inputs to measure the fair value of its assets and liabilities.

The fair value of the Company's cash equivalents, accounts receivable and current liabilities approximate their carrying values because of the short maturity of the instruments.

Note 3 – Concentration of Credit Risk

The Organization maintains cash deposits at one financial institutions and deposits which is not in excess of the \$250,000 Federal Deposit Insurance Corporation (FDIC) limitations. The Organization has never experienced any losses in such bank accounts. Management believes that it is not subject to significant concentrations of credit risk with respect to cash deposits.

The Organization relies substantially on funding granting organizations and contributors primarily located in the Montgomery, Alabama geographic area