

BUILDING FOR TOMORROW

***Financial Statement and Independent
Accountants' Compilation Report***

December 31, 2018

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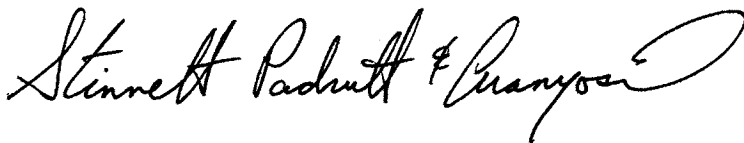
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Independent Accountants' Compilation Report

To the Board of Directors
Building for Tomorrow

Management is responsible for the accompanying financial statements of Building For Tomorrow (a non-profit corporation), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The supplementary information contained in the Statement of Functional Expenses is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

A handwritten signature in cursive script that reads "Stinnett Padrutt & Aranyosi".

Stinnett, Padrutt & Aranyosi
Akron, Ohio
May 28, 2019

**BUILDING FOR TOMORROW
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018**

	2018		
	Unrestricted Fund	Temporarily Restricted Fund	Total All Funds
ASSETS			
Current Assets			
Cash	\$ 326,518	\$ 219,894	\$ 546,412
Pledges receivable - federated giving campaign	-	92	92
Grants receivable	-	87,500	87,500
Prepaid insurance	1,000	4,294	5,294
Total Current Assets	<u>327,518</u>	<u>311,780</u>	<u>639,298</u>
TOTAL ASSETS	<u>\$ 327,518</u>	<u>\$ 311,780</u>	<u>\$ 639,298</u>
LIABILITIES			
Current Liabilities			
Accounts payable - AMHA	\$ 218,161	\$ -	\$ 218,161
Operating advance - AMHA	20,000	-	20,000
Total Current Liabilities	<u>238,161</u>	<u>-</u>	<u>238,161</u>
NET ASSETS	<u>89,357</u>	<u>311,780</u>	<u>401,137</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 327,518</u>	<u>\$ 311,780</u>	<u>\$ 639,298</u>

See independent accountants' compilation report
The accompanying notes are an integral part of these financial statements

BUILDING FOR TOMORROW
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2018

	2018		
	Unrestricted Fund	Temporarily Restricted Fund	Total All Funds
CONTRIBUTIONS & SUPPORT			
Grants and contributions	\$ 17,656	\$ 963,578	\$ 981,234
In-kind support - AMHA	87,791	31,088	118,879
Investment income	455	15,470	15,925
Net assets released from restrictions	926,754	(926,754)	-
Total Contributions & Support	<u>1,032,656</u>	<u>83,382</u>	<u>1,116,038</u>
EXPENSES			
Program service expenses			
Early Childhood Initiative	412,447	-	412,447
Early Childhood Initiative - SPARK	222,428	-	222,428
Community Cares: Self Sufficiency Coach	27,156	-	27,156
Group Connections	27,310	-	27,310
Reach Opportunity Center	245,421	-	245,421
Other Programs	1,200	-	1,200
Management and General	64,440	-	64,440
Fundraising	40,482	-	40,482
Total operating expenses	<u>1,040,884</u>	<u>-</u>	<u>1,040,884</u>
Change in Net Assets	(8,228)	83,382	75,154
NET ASSETS - BEGINNING OF YEAR			
	<u>97,585</u>	<u>228,398</u>	<u>325,983</u>
NET ASSETS - END OF YEAR	<u>\$ 89,357</u>	<u>\$ 311,780</u>	<u>\$ 401,137</u>

See independent accountants' compilation report
The accompanying notes are an integral part of these financial statements

**BUILDING FOR TOMORROW
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2018**

	2018		
	Unrestricted Fund	Temporarily Restricted Fund	Total All Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Change in net assets	\$ (8,228)	\$ 83,382	\$ 75,154
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:			
(Increase) decrease in operating assets:			
Pledges receivable - federated giving campaign	364	4,913	5,277
Grants receivable	-	(39,588)	(39,588)
Prepaid insurance	-	860	860
Increase (decrease) in operating liabilities			
Accounts payable - AMHA	93,714	-	93,714
Accrued expenses - AMHA	(202)	-	(202)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>85,648</u>	<u>49,567</u>	<u>135,215</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	85,648	49,567	135,215
CASH AND EQUIVALENTS - BEGINNING OF YEAR	<u>240,870</u>	<u>170,327</u>	<u>411,197</u>
CASH AND EQUIVALENTS - END OF YEAR	<u>\$ 326,518</u>	<u>\$ 219,894</u>	<u>\$ 546,412</u>

See independent accountants' compilation report
The accompanying notes are an integral part of these financial statements

Building for Tomorrow
Notes to the Financial Statements
December 31, 2018

Note A – Nature of Organization

Building for Tomorrow (the “Organization”) is a not-for-profit Ohio corporation formed for the exclusive purpose of providing educational programming, social services, and financial assistance concerning basic necessities to low income persons residing in Akron Metropolitan Housing Authority (AMHA) (a political subdivision of the State of Ohio) properties, participating in federal, state and/or local housing voucher programs administered by AMHA, or other low-income individuals residing in Summit County. The Organization is considered an instrumentality of AMHA. During the fiscal year ending December 31, 2018, the Organization generated substantially all of its support from program grants and contributions from various charitable organizations, individuals, corporations, and in-kind support from AMHA. During 2018, the Organization expended substantially all of its efforts on the following programs:

Reach Opportunity Center: The Reach Opportunity Center is an educational facility for all residents of the Summit Lake Neighborhood. The center helps families to rise above poverty by providing a comprehensive system of education, training, support and resources that are keys to improving personal opportunities and achieving self-sufficiency.

Programs and services are designed to strengthen the whole family and support Summit Education Initiative’s Cradle to Career Alliance by:

- Preparing children for kindergarten
- Ensuring children are reading at proficiency by 3rd grade
- Delivering adult learning and job readiness services

Early Childhood Initiative: Early Childhood Initiative (ECI) operates under the premise that investments in early care and education deliver economic returns and provide a foundation for success later in life. ECI’s unique design maximizes scarce resources to provide programs that address children’s developmental needs and support families. Through home visitation, Family Outreach Events, and maternal depression services, AMHA has found an effective and efficient way to provide high quality care and education to a very hard-to-reach population.

ECI strives to empower parents/caregivers to be their child’s first and most important teacher by building trusting relationships. ECI’s trained professionals work directly with vulnerable families and also connect children and adults to community resources in order to provide a continuum of care.

Building for Tomorrow
Notes to the Financial Statements
December 31, 2018

Note A – Nature of Organization (continued)

SPARK: (Supporting Partnerships to Assure Ready Kids), a component of the Early Childhood Initiative, is a family-focused kindergarten-readiness home visitation program designed to prepare children ages 3 and 4 for kindergarten by helping families help their children succeed in school. SPARK engages participating families in structured lessons and activities aligned with Ohio's Early Learning and Development Standards, administers developmental assessments and screenings, and initiatives referrals to needed community resources.

Group Connections: Group Connections assists residents of Edgewood Village and Eastland Woods to achieve their education, health and wellness, and employment goals. The program and services elements include: (1) Youth empowerment and education focuses on early childhood programming and school age youth programming. The early childhood initiative assists families with pre-school aged children, focusing on parent/child interaction and developing skills through the home visitation program, as well as engaging elementary school aged children in developing healthy eating habits and promoting physical activities.(2) The adult advancement initiative provides programs and services that assist job seeking adults and seniors. Enriching the lives of seniors provides the tools to manage chronic disease, identify and support extended health and wellness concerns. (3) The summer camp scholarship program encourages and provides children a means to attend summer camps. These services fill the educational gaps and extend education during the summer months.

Community CARES: Self Sufficiency Coach: Community CARES: Self Sufficiency Coach addresses gaps in services and knowledge that impede low-income families in achieving financial and life stability. Coordinated program elements include: 1) Educational and community events supporting the Bridges Summit County Collaborative to address motivation, change, communication skills, planning, self-assessment, overcoming barriers, while complementing community building and increasing successful outcomes. Workshops in partnership with community agencies on financial education/empowerment, credit repair, debt reduction, and workforce development skills are offered to residents; 2) Residents receive stipends for leadership training opportunities and to serve as Resident Volunteers at group events designed to empower residents and aid them in self-sufficiency and community engagement/leadership; and 3) financial assistance (stipends to address barriers to employment, job-search, education, or self-help efforts, down payment assistance for homeowners and incentives for accomplishments) addresses impediments to successful use of opportunities to work, learn and participate.

Building for Tomorrow
Notes to the Financial Statements
December 31, 2018

Note B – Summary of Significant Accounting Policies

Financial Statement Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board of Accounting Standards Codification 958 (ASC 958), *Financial Statement of Not-For-Profit Organizations*. In accordance with ASC 958, the Organization is required to report contributions as restricted support if they are received with donor stipulations that limit the use of the funds. When a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets in the accompanying statements of activities.

The Organization is also required to report information regarding its assets, liabilities, revenues, support and expenses according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

A description of these categories follows:

Unrestricted Net Assets: Includes net assets with no donor imposed restrictions.

Temporarily Restricted Net Assets: Includes net assets with donor imposed restrictions that can be fulfilled and removed by actions of the Organization.

Permanently Restricted Net Assets: Includes net assets with donor imposed restrictions that cannot be fulfilled or removed by actions of the Organization. At December 31, 2018 the Organization had no permanently restricted net assets.

Income Taxes

Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 740 requires management to evaluate its tax positions to determine if any might be considered uncertain. Management reviews its tax positions on an annual basis and when necessary, consults outside parties, to evaluate the risk that all of its tax positions would be sustained upon examination. Management is of the opinion that all of its tax positions are sustainable as of December 31, 2018.

No provision for income taxes is necessary since the Organization qualifies for tax exempt status under section 501(c)(3) of the Internal Revenue Code. There were no interest or penalties to the Internal Revenue Service included in these financial statements. The Organization's federal and Ohio information returns are subject to examination by the IRS and the State of Ohio for a period of three years from the date they are to be filed.

Building for Tomorrow
Notes to the Financial Statements
December 31, 2018

Note B – Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents consists of cash, bank checking, and savings accounts. These accounts are maintained in various banks and are secured by the Federal Deposit Insurance Corporation up to \$250,000 per bank. At December 31, 2018 no balances were in excess of FDIC limits.

Contributions

Contributions received, including unconditional promises to give, are recognized as receivables when the donor's commitment is received. Revenues are recognized in the period when they are earned and deferred revenues represent revenues and pledges which pertain to the following fiscal year. Promises that are restricted by the donor for a specific purpose are recorded as temporarily restricted contributions. The Organization evaluates the likelihood of collectability of all receivables based upon historical analysis and current available information that provides for an allowance for doubtful pledges, if necessary. At December 31, 2018, the Organization deemed no allowance necessary.

Functional Allocation of Expenses

Expenses are charged to program services, general and administrative or fundraising based on a combination of specific identification and allocation by management.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Building for Tomorrow
Notes to the Financial Statements
December 31, 2018

Note C – Temporarily Restricted Net Assets

Temporarily restricted net assets were available for the following purposes at December 31, 2018:

Early Childhood Initiative	\$ 83,120
Community CARES	0
SPARK	108,756
Group Connections	15,692
Reach Opportunity Center	104,212
Other	0
Total	<u>\$ 311,780</u>

Note D – Related Party Transactions

Every member of the Organization’s Board of Directors is either affiliated with AMHA or appointed by AMHA and thus the Organization is also considered an AMHA blended component unit.

The Organization utilizes AMHA staff, its administrative offices and other AMHA resources. Other than in-kind support discussed in Note A, the Organization reimburses AMHA for all costs incurred on its behalf. During the year ending December 31, 2018, those reimbursements amounted to \$760,665. Of this amount, \$218,161 was due to AMHA at December 31, 2018.

On September 29, 2016 AMHA advanced the organization \$20,000. The advance is payable to the extent of available cash flow on a calendar year basis until September 29, 2046 when the outstanding balance shall be due and payable.

Note E – Restricted Support

During the year ending December 31, 2018, the Organization received grants and contributions for the following programs:

Early Childhood Initiative	\$ 495,567
SPARK	265,758
Group Connections	43,002
Community CARES	0
Reach Opportunity Center	159,251
Other	0
Total	<u>\$ 963,578</u>

Building for Tomorrow
Notes to the Financial Statements
December 31, 2018

Note F – Endowment

The Organization is the beneficiary of an endowment managed by the Akron Community Foundation. The annual income of the endowment is distributed to the Organization for any or all of its charitable purposes as determined by management. The Akron Community Foundation maintains variance power over these funds and may redirect the use of these funds at its discretion.

Under ASC 958, the Organization does not record the endowment as an asset on the accompanying statement of financial position as a result of the explicit variance power granted to the Akron Community Foundation by the donor.

All amounts received from the endowment are recorded as endowment income in the accompanying statement of activities. During the year ending December 31, 2018 donors contributed to the endowment totaling \$100,150. The endowment had a fair market value of \$333,348 at December 31, 2018.

Note G – Management's Review

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 28, 2019, the date that the financial statements were available to be issued.

Supplementary Information

**BUILDING FOR TOMORROW
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018**

Expenses	Program Services					Supporting Services					
	Community Cares	Early Childhood Initiative	Spark	Reach Opportunity Center	Group Connections	Other Programs	Total Program Services	Management and General	Fundraising	Total Support Services	
Other administrative expenses	\$ -	\$ 10,539	\$ 5,524	\$ 21,846	\$ -	\$ -	\$ 37,909	\$ 16,131	\$ -	\$ 16,131	\$ 54,040
Tenant services (including salary and benefits)	22,658	401,908	216,904	53,985	27,310	1,200	723,965	-	-	-	723,965
Utilities	-	-	-	10,323	-	-	10,323	-	-	-	10,323
Maintenance and protective services	-	-	-	27,523	-	-	27,523	-	-	-	27,523
Insurance	-	-	-	5,154	-	-	5,154	1,000	-	1,000	6,154
Endowment contribution	-	-	-	100,000	-	-	100,000	-	-	-	100,000
Personnel: in-kind	3,758	-	-	-	-	-	3,758	39,527	33,823	73,350	77,108
Rent: in-kind	-	-	-	-	-	-	-	7,782	6,659	14,441	14,441
Occupancy: in-kind	740	-	-	26,590	-	-	27,330	-	-	-	27,330
Total expenses	\$ 27,156	\$ 412,447	\$ 222,428	\$ 245,421	\$ 27,310	\$ 1,200	\$ 935,962	\$ 64,440	\$ 40,482	\$ 104,922	\$ 1,040,884

See independent accountants' compilation report