

**PRINCE GEORGE'S TENNIS AND  
EDUCATION FOUNDATION, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2016 AND 2015**

**NWABUKWU, LIMERICK & ASSOCIATES, CPA'S, LLC  
CERTIFIED PUBLIC ACCOUNTANTS  
7411 RIGGS ROAD, SUITE 400  
ADELPHI, MD 20783**

Prince George's Tennis & Education Foundation, Inc.

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7411 RIGGS ROAD, SUITE 400  
ADELPHI, MD. 20783  
(301) 445-5088 FAX (301) 445-4365

INDEPENDENT AUDITORS' REPORT

To The Board of Directors  
Prince Georges Tennis and Education Foundation, Inc..  
Upper Marlboro, MD.

We have audited the accompanying financial statements of Prince George's Tennis and Education Foundation, Inc. (PGTEF) which comprise the statement of financial position as of December 31, 2016 and 2015, 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 audit. We conducted our audit in accordance with audit 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.

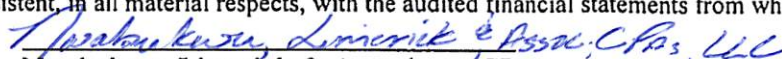
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the Financial Statements referred to above present fairly, in all material respects, the financial position of Prince George's Tennis and Education Foundation, Inc. as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited Prince George's Tennis and Education Foundation, Inc.'s 2015 financial statements, and our report dated September 15, 2016, expressed an unmodified audit opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for year ended December 31, 2015 is consistent in all material respects, with the audited financial statements from which it has been derived.

  
Nwabukwu, Limerick & Associates, CPAs  
Adelphi, Maryland. October 13, 2017

PRINCE GEORGE'S TENNIS AND EDUCATION FOUNDATION, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2016 AND 2015

<u>ASSETS</u>	2016	31-Dec 2015
<u>Current Assets</u>		
Cash	\$ 62,462	\$ 41,132
Investments - Mutual Funds	31,261	51,266
Dividend W/H Receivable		
Prepaid Expenses		
Current Assets	\$ 93,723	\$ 92,398
<u>Fixed Assets</u>		
Property & Equipment	13,572	13,572
Automobile	23,931	23,931
	37,503	37,503
Less: Accumulated Depreciation	36,934	36,792
Net Fixed Assets	569	711
Total Assets	\$ 94,292	\$ 93,109

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Credit Card Payable	\$ 2,227	\$ 742
Payable Taxes	3,129	2,367
Pension Payable	949	
Current Portion of Long-Term debt	-	1,232
Total Current Liabilities	\$ 6,305	\$ 4,341
<u>Long-Term Liabilities</u>		
Car Note Payable	-	-
Total Long-Term Liabilities	-	-
Total Liabilities	6,305	4,341
<u>Net Assets</u>		
temporarily Restricted	-	-
Unrestricted	87,987	88,768
Total Net Assets	87,987	88,768
Total Liabilities and Net Assets	\$ 94,292	\$ 93,109

The accompanying notes are an integral part of these financial statements

**PRINCE GEORGE'S TENNIS AND EDUCATION FOUNDATION, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

<b>UNRESTRICTED NET ASSETS</b>	<b>31-Dec</b>	
Support	<u>2016</u>	<u>2015</u>
Direct Contributions	\$ 15,045	\$ 18,985
Indirect Contributions	7,624	
Grants	46,543	47,000
Program Services Fees	51,839	77,128
Interest Income		2
Fundraising Activities	150	-
Miscellaneous Income	254	3,060
<b>Total Unrestricted Net assets</b>	<u>121,455</u>	<u>146,175</u>
<b>Net assets released from restrictions</b>		
Foundation Grant / Dir. Contribution	30,000	14,918
<b>Total Unrestricted Support and Reclassification</b>	<u>151,455</u>	<u>161,093</u>
<b>EXPENSES</b>		
<b>Program Services</b>		
Instructional Services/Prevention Education	127,672	112,385
Academic Services	8,349	15,886
Women's Wellness	1,560	14,918
<b>Supporting Services</b>		
Fundraising		
Management and General	14,340	18,710
<b>Total Expenses</b>	<u>151,921</u>	<u>161,899</u>
<b>Increase (Decrease) in unrestricted net assets</b>	<u>(466)</u>	<u>(806)</u>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Foundation Grant / Direct Contributions	30,000	
<b>Net assets released from restrictions</b>	<u>(30,000)</u>	<u>(14,918)</u>
<b>Increase (Decrease) in temporary Restricted Net assets</b>	<u>-</u>	<u>(14,918.00)</u>
<b>Decrease in Net Assets</b>	<u>(466)</u>	<u>(15,724)</u>
<b>Net assets - Beginning of Year</b>	88,768	104,492
<b>Prior Period Adjustment (Write off Stale-Dated Checks)</b>	(315)	
<b>Net Assets - End of Year</b>	<u>\$ 87,987</u>	<u>\$ 88,768</u>

The accompanying notes are an integral part of these financial statements

**PRINCE GEORGE'S TENNIS AND EDUCATION FOUNDATION, INC**  
**STATEMENT OF FUNCTIONAL EXPENSES.**  
**FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015**

	Instructional Services	Academic Services	Women's Wellness	Total	General & Administrative	2016	2015
Compensation	\$ 80,352	\$ 3,366		\$ 83,718	\$ 6,008	\$ 89,726	78,832
Payroll Taxes	6,349	282		6,631	424	7,055	6,196
Fringe Benefits	3,180	106		3,286	247	3,533	10,390
<b>Total Personnel Costs</b>	<b>89,881</b>	<b>3,754</b>	<b>-</b>	<b>93,635</b>	<b>6,679</b>	<b>100,314</b>	<b>95,218</b>
Court Rental	\$ 23,412	\$ -		\$ 23,412		\$ 23,412	26,000
Supplies / Activities	2,226			2,226	179	2,405	1,848
Advertising				-	1,053	1,053	480
Insurance	3,002	450		3,452	301	3,753	3,753
Professional Fees	5,400	338		5,738	1,012	6,750	6,000
Insurance				-	940	940	303
Postage & Delivery	64			64	276	340	602
Marketing	-	-	1,580	1,580	-	1,580	-
Telephone	1,140			1,140	1,553	2,693	2,712
Travel & Entertainment	1,590	265		1,855	795	2,650	13,743
Scholarships		3,250		3,250	-	3,250	-
Office Expense				-	910	910	3,308
Office Supplies	256			256	324	580	1,225
Program Activities	701	292		993	176	1,169	3,177
Depreciation Expense				-	142	142	3,732
<b>Total</b>	<b>\$ 127,672</b>	<b>\$ 8,349</b>	<b>\$ 1,580</b>	<b>\$ 137,581</b>	<b>\$ 14,340</b>	<b>\$ -</b>	<b>\$ 151,821</b>
							<b>161,899</b>

The accompanying notes are an integral part of these financial statements

**PRINCE GEORGE'S TENNIS AND EDUCATION FOUNDATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015**

	2016	31-Dec <u>2015</u>
<b><u>Cash Flows From Operating Activities</u></b>		
Decrease in Net Assets	\$ (466.00)	\$ (15,724.00)
Adjustments to Reconcile Decrease in Net Assets to Net Cash Flows provided by Operating Activities:		
Depreciation	142	3,732
Write off Long Outstanding Checks	(314)	
Decrease in Receivables	-	169
Increase in Accounts Payable	1,489	(940)
Increase in Payroll Taxes	762	(539)
Increase in Pension Payable	949	
Net Cash Flow Provided By Operating Activities	2,562	(13,302)
Cash Flows Provided By Investing Activities		
Purchase of Fixed Asset		(855)
Net Transfers from investments	<u>20,000</u>	
Net Cash Flows Provided By Investing activities	20,000	(855)
Cash Flows Provided By Financing Activities		
Payments Against Note Payable	<u>(1,232)</u>	<u>(4,947)</u>
Net Cash Flows Provided By Investing activities	(1,232)	(4,947)
Net Increase in Cash	21,330	(19,104)
Cash and Cash Equivalents - Beginning of Year	<u>41,132</u>	<u>60,236</u>
Cash and Cash Equivalents - End of year	<u>\$ 62,462</u>	<u>\$ 41,132</u>

The accompanying notes are an integral part of these financial statements

PRINCE GEORGE'S TENNIS AND EDUCATION FOUNDATION, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

OPERATIONS

Prince George's Tennis and Education Foundation, Inc. is a volunteer organization dedicated to enriching the lives of Prince George's County's youth through tennis. Its purpose is to support athletic excellence, academic achievement, and civic duty of county youth by providing organized programs for academics, scholarships, tennis instruction and competition.

BASIS OF ACCOUNTING

The foundation participates in certain grants and contracted services with municipalities and foundations that have imposed restrictions that permit the Foundation to use up or expand these resources as specified under those agreements. Once the requirements have been satisfied by actions of the Foundation, the restrictions end. During year 2016 there were no resources or restrictions that were not satisfied.

The Foundation utilizes the accrual method of accounting for financial statement presentation. The accompanying statements reflect this basis, therefore, revenues are recognized when earned and expenses are recognized when the obligations are incurred.

BASIS OF PRESENTATION

Financial Statement presentation follows the requirements of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Non-Profit Organizations. Under SFAS No. 117, the Foundation is required to report 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. The Foundation had no temporarily or permanently restricted net assets at December 31, 2016

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include highly liquid short-term investments with original maturities of 90 days. Cash equivalents include investments in money market funds that are carried at cost plus accrued interest which approximates fair value. There were no cash equivalents at December 31, 2016.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

PRINCE GEORGE'S TENNIS AND EDUCATION FOUNDATION, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

CONCENTRATIONS OF CREDIT AND MARKET RISKS

Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash equivalents and investments. Cash equivalents are maintained at high-quality financial institutions and credit exposure is not limited to any one institution. The Organization has not experienced any losses on its cash equivalents. The Organization's investments do not represent significant concentrations for market risk inasmuch as the Organization's investment portfolio is adequately diversified among issuers.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost and are depreciated over their estimated service lives using the straight-line method of depreciation for financial statement presentation. Property and equipment additions in excess of \$500 are capitalized. Total depreciation expense for the year was \$142.

INCOME TAX

The Foundation is incorporated under the laws of the State of Maryland and meets the requirements for tax exempt status under Section 501 © (3) of the Internal Revenue Code. It is required, under federal law to file an Annual Information Return (Form 990), which has been filed through December 31, 2014

NOTE 2: COMMITMENTS AND CONTINGENCIES

Note Payable

In September 2010, the Organization purchased a minivan for \$23,930.82. The full amount was financed through Carmax Auto Finance. According to the financing agreement, the term of the note is 66 months with a fixed interest rate of 7.75% per annum. The monthly installment is \$447.55. The note was paid in full as of December 31, 2016.

PRINCE GEORGE'S TENNIS AND EDUCATION FOUNDATION, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

Facilities

The Foundation's office facilities are provided as an in kind contribution by its executive director. There are no plans to lease or purchase permanent facilities.

Legal Contingencies

There are no material claims, suits or complaints neither filed nor pending against the Foundation. In the opinion of management any legal matters which are asserted or not asserted are without merit and would not have a significant effect on financial position or results of operations if they were disposed of unfavorably.