

**Friends of Wheels, Inc.**

**Financial Report**

**June 30, 2020**

**GRACE NEGGIE**  
CERTIFIED PUBLIC ACCOUNTANT



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**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

**TO THE BOARD OF DIRECTORS OF  
FRIENDS OF WHEELS, INC.  
NEW YORK, NY**

We have reviewed the accompanying financial statements of Friends of Wheels, Inc. (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 the financial statements that are free from material misstatement whether due to fraud or error.

**Accountant's Responsibility**

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

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Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

*Grace Neggie CPA*

New York, New York  
January 29, 2021

**FRIENDS OF WHEELS, INC**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2020 AND 2019**

<b>Assets</b>	<b>June 30, 2020</b>	<b>June 30, 2019</b>
Cash and cash equivalents	\$336,234	\$179,214
Accounts receivable	92,511	7,139
Prepaid expenses	6,050	5,858
Other assets	1,000	2,303
<b>Total assets</b>	<b>\$435,795</b>	<b>\$194,514</b>
<b>Liabilities and net assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$121,071	\$108,017
<b>Total liabilities</b>	<b>121,071</b>	<b>108,017</b>
<b>Net assets</b>		
Without donor restrictions	101,829	41,497
With donor restrictions	212,895	45,000
<b>Total net assets</b>	<b>314,724</b>	<b>86,497</b>
<b>Total liabilities and net assets</b>	<b>\$435,795</b>	<b>\$194,514</b>

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See independent accountant's review report

The accompanying notes are an integral part of these statements



FRIENDS OF WHEELS, INC  
 STATEMENTS OF ACTIVITIES  
 YEAR ENDED JUNE 30, 2020 (WITH COMPARATIVE TOTAL FOR JUNE 30, 2019)

	Without Donor Restrictions	With Donor Restrictions	June 30, 2020 Total	June 30, 2019 Total
<b>Revenues and support</b>				
Institutional support				
Foundations	\$132,000	\$233,750	\$365,750	\$268,738
Corporate sponsors	15,000	13,510	28,510	38,108
Individual support				
Individuals and board givings	68,113	142,387	210,500	33,644
Government grants	22,499		22,499	0
Special Event (Net of event expenses of \$13,029)	73,613		73,613	54,204
In kind contributions	2,206		2,206	10,438
Other revenues	321		321	625
Net assets released from restrictions	221,752	(221,752)	0	0
<b>Total revenues and other support</b>	<b>535,504</b>	<b>167,895</b>	<b>703,399</b>	<b>405,757</b>
<b>Expenses</b>				
Program services	357,086		357,086	324,391
Management and general	70,641		70,641	82,883
Fundraising	47,445		47,445	60,530
<b>Total expenses</b>	<b>475,172</b>	<b>0</b>	<b>475,172</b>	<b>467,804</b>
<b>Change in net assets</b>	<b>60,332</b>	<b>167,895</b>	<b>228,227</b>	<b>(62,047)</b>
<b>Net assets - beginning of year</b>	<b>41,497</b>	<b>45,000</b>	<b>86,497</b>	<b>148,544</b>
<b>Net assets - end of year</b>	<b>\$101,829</b>	<b>\$212,895</b>	<b>\$314,724</b>	<b>\$86,497</b>

See independent accountant's review report

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## FRIENDS OF WHEELS, INC

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## SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2020 (WITH COMPARATIVE TOTAL FOR JUNE 30, 2019)

	Program services	Management and general	Fund raising	June 30, 2020 Total	June 30, 2019 Total
Salaries	\$193,375	\$21,500	\$13,500	\$228,375	\$263,267
Payroll taxes and fringe benefits	51,832	3,720	3,645	59,197	74,359
Subtotal	245,207	25,220	17,145	287,572	337,626
Professional and consulting fees	19,932	30,165	20,687	70,784	55,985
Emergency relief grants	29,967			29,967	0
Scholarships and stipends	6,775			6,775	0
College visits and travel	22,005		82	22,087	18,293
Lodging and meals	773	59	566	1,398	7,254
Program supplies	16,086	5,048	259	21,393	2,565
Student programs, events and workshops	2,861			2,861	1,440
Alumni visits, events and supports	2,265			2,265	1,281
In kind contributions		2,206		2,206	10,438
Technology and software	10,968	1,856	6,389	19,213	12,385
Fundraising expenses			1,291	1,291	11,098
Office expenses	22	1,682	97	1,801	1,580
Insurance		2,285		2,285	618
Student events				0	2,846
Bad debt expenses				0	2,625
Miscellaneous	225	2,120	929	3,274	1,770
<b>Total</b>	<b>\$357,086</b>	<b>\$70,641</b>	<b>\$47,445</b>	<b>\$475,172</b>	<b>\$467,804</b>

FRIENDS OF WHEELS, INC  
 STATEMENTS OF CASH FLOWS  
 YEARS ENDED JUNE 30, 2020 AND 2019

	June 30, 2020	June 30, 2019
Cash flows from operating activities		
Change in net assets	\$228,227	(\$62,047)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Decrease (increase) in assets		
Accounts receivable	(85,372)	2,861
Prepaid expenses	(192)	(5,858)
Other	1,303	(2,303)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	13,054	19,328
Other liabilities	0	(2,924)
Net cash provided (used) by operating activities	157,020	(50,943)
Net Increase (decrease) in cash and cash equivalents	157,020	(50,943)
Cash and cash equivalents - beginning of year	179,214	230,157
Cash and cash equivalents - end of year	\$336,234	\$179,214

See independent accountant's review report  
 The accompanying notes are an integral part of these statements



**FRIENDS OF WHEELS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**NOTE 1 - NATURE AND PURPOSE OF THE ORGANIZATION**

Friends of Wheels, Inc. is a not-for-profit corporation incorporated in the State of New York in 2013. It conducts charitable activities aimed at providing New York City Public School students in underserved communities with life-altering, college-preparation opportunities and other educational programs.

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

Accounting basis

The accompanying financial statements of Friends of Wheels have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit entities.

Income taxes

Friends of Wheels is exempt from federal taxes under Section 501(c) (3) of the U.S. Internal Revenue Code and from state and local taxes under comparable laws. The organization adopted the provisions of FASB ASC 740, Income Taxes, which requires that a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. Friends of Wheels does not believe its financial statements include any uncertain income tax positions. The organization's tax return for the fiscal year 2017 and forward are subject to the usual review by the appropriate taxing authorities.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statement and the reported amounts of revenue and expenses and disclosure of contingencies during the reporting period. Actual results may differ from those estimates.

Cash and cash equivalents

For the purpose of the accompanying statements, highly liquid investments purchased with original maturities of three months or less are considered to be cash equivalents.

Contributions and receivables

Unconditional promises to give are recorded as receivables and revenues and are recognized when the promises are made. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Receivables are reported at their



**FRIENDS OF WHEELS, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2020**

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

outstanding unpaid principal balances reduced by an allowance for uncollectible accounts, which is based on management's experience, the aging of the receivables, subsequent receipts and current economic conditions.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Functional expenses

The costs of providing the programs and supporting services have been summarized on a functional basis in the accompanying statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services in reasonable ratios determined by management.

Employee agreement

Friends of Wheels has an agreement with a not-for-profit organization to pay its employees payroll, payroll taxes and employee fringe benefits. The total amount paid under this agreement is reflected in the statement of functional expenses as salary compensation and related payroll taxes and fringe benefits.

Net assets

The net assets of Friends of Wheels are classified and reported as follows:

Net assets without donor restrictions

Net assets without donor restrictions represent those financial resources that are not subject to donor restrictions.

Net assets with donor restrictions

Net assets with donor restrictions represent those financial resources that may be utilized only in accordance with donor stipulations that will be met by either actions of the organization and/or the passage of time. Net assets released from restrictions represent the satisfaction of the restricted purposes.

Prior-year Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

**FRIENDS OF WHEELS, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2020**

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**NOTE 3 - CONCENTRATIONS OF CREDIT RISK**

Financial instruments that potentially subject Friends of Wheels to concentration of credit risk consist principally of cash and cash equivalent amounts in financial institution, which, from time to time, exceed federal insurance limits.

**NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS**

As of June 30, 2020, net assets with donor restrictions consists of the following:

	July 1, 2019	Received	Released	June 30, 2020
The Charles Hayden Foundation	\$ 15,000	\$ 71,250	\$ 51,160	\$ 35,090
Meringoff Family Foundation	25,000	75,000	48,250	51,750
Heckscher Foundation for Children	5,000	50,000	37,445	17,555
Bill & Leslie Frank and Various Donors	0	101,150	0	101,150
National Fish and Wildlife Foundation	0	35,000	35,000	0
Community Relief Funds - Various Donors	0	37,317	29,967	7,350
Hispanic Federation	0	13,510	13,510	0
Critical Theory and Social Justice Club				
- Various Donors	0	3,920	3,920	0
New York Presbyterian	0	2,500	2,500	0
	<u>\$ 45,000</u>	<u>\$ 389,647</u>	<u>\$ 221,752</u>	<u>\$ 212,895</u>

**NOTE 5 - IN KIND CONTRIBUTIONS**

During the year ended June 30, 2020 and 2019, the value of in-kind contributions meeting the requirements for recognition in the financial statements were \$2,206 and \$10,438 respectively. The in-kind contributions for the years ended June 30, 2020 and 2019 are summarized as follows:

	June 30, 2020	June 30, 2019
Donated Services	\$ 2,206	\$ 10,438



**FRIENDS OF WHEELS, INC.**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**JUNE 30, 2020**

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

The organization's financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash and Cash Equivalents	\$	336,234
Accounts Receivable		92,511
	\$	<u>428,745</u>

None of the financial assets in the amount of \$428,745 are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The accounts receivable is subject to implied time restrictions but are expected to be collected within one year.

**NOTE 7 - SUBSEQUENT EVENTS**

Friends of Wheels evaluated subsequent events through January 29, 2021, which was the date the financial statements were available to be issued. In early 2020, COVID-19 Coronavirus spread in the United States. As a result, this may cause the organization to experience disruptions that could impact its ability to carry out its activities. The impact of the outbreak of the COVID-19 Coronavirus continues to rapidly evolve. The extent to which the COVID-19 Coronavirus may impact the organization is uncertain. On June 10, 2020, U.S. Small Business Administration authorized a SBA loan to Friends of Wheels in the amount of \$150,000 and the organization received the loan proceeds in August 2020. Friends of Wheels cannot reasonably estimate the COVID-19 Coronavirus impact to its operations but believes it has adequate funds to mitigate such risks if any.