

**YOUNGMOMS  
FINANCIAL STATEMENTS  
DECEMBER 31, 2021 and 2020**

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# BLISS & COMPANY

*certified public accountants | advisors*

## Independent Auditors' Report

To the Board of Directors  
YoungMoms  
Kennett Square, Pennsylvania

### **Opinion**

We have audited the accompanying financial statements of YoungMoms (a non-profit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of YoungMoms as of December 31, 2021 and 2020, 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.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of

not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

  
BLISS & COMPANY

June 1, 2022

# YOUNGMOMS

## Statements of Financial Position

December 31, 2021 and 2020

(See Independent Auditors' Report)

### Assets

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	382,416	279,632
Pledges receivable	19,900	16,055
Other receivables	19,715	-
Prepaid expenses	3,293	3,359
Equipment and furniture, net	2,449	3,405
Deposits	<u>2,000</u>	<u>2,000</u>
Total Assets	<u><u>429,773</u></u>	<u><u>304,451</u></u>

### Liabilities and Net Assets

Liabilities		
Accounts payable	624	769
Accrued expenses	12,485	838
Loan payable	<u>-</u>	<u>46,200</u>
	13,109	47,807
Net Assets		
Net assets without donor restrictions	367,787	152,350
Net assets with donor restrictions	<u>48,877</u>	<u>104,294</u>
	<u>416,664</u>	<u>256,644</u>
Total Liabilities and Net Assets	<u><u>429,773</u></u>	<u><u>304,451</u></u>

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

# YOUNGMOMS

## Statements of Activities

For the Years Ended December 31, 2021 and 2020

(See Independent Auditors' Report)

	Net assets Without Donor Restrictions	Net assets With Donor Restrictions	2021 Total
<b>Revenue, Gains and Support</b>			
Contributions and grants	351,817	113,000	464,817
Special events, net	62,541	-	62,541
Interest income	152	-	152
Net assets released from restrictions	168,417	(168,417)	-
Total Revenue, Gains and Support	582,927	(55,417)	527,510
<b>Expenses and Losses</b>			
Program services	283,296	-	283,296
Management and general	25,101	-	25,101
Fundraising	59,093	-	59,093
Total Expenses and Losses	367,490	-	367,490
Change in Net Assets	215,437	(55,417)	160,020
Net Assets Beginning of Year	152,350	104,294	256,644
Net Assets at End of Year	367,787	48,877	416,664

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

<u>Net assets Without Donor Restrictions</u>	<u>Net assets With Donor Restrictions</u>	<u>2020 Total</u>
244,951	97,055	342,006
40,011	-	40,011
832	-	832
<u>89,489</u>	<u>(89,489)</u>	<u>-</u>
375,283	7,566	382,849
301,460	-	301,460
26,972	-	26,972
<u>30,378</u>	<u>-</u>	<u>30,378</u>
<u>358,810</u>	<u>-</u>	<u>358,810</u>
16,473	7,566	24,039
<u>135,877</u>	<u>96,728</u>	<u>232,605</u>
<u><u>152,350</u></u>	<u><u>104,294</u></u>	<u><u>256,644</u></u>

## YOUNGMOMS

### Statements of Functional Expenses

For the Years Ended December 31, 2021 and 2020

(See Independent Auditors' Report)

	<u>Program</u>	<u>Management &amp; General</u>	<u>Fund Raising</u>	<u>2021 Total</u>
Operating Expenses				
Salaries and wages	182,288	9,981	42,309	234,578
Program activities	44,822	-	-	44,822
Occuancy	25,846	1,415	5,999	33,260
Payroll taxes	15,078	826	3,500	19,404
Employee benefits	7,925	434	1,839	10,198
Contractor fees	-	1,378	-	1,378
Accounting	-	8,636	-	8,636
Supplies	1,771	1,021	2,095	4,887
Insurance	3,717	204	863	4,784
Marketing	505	48	63	616
Professional fees	-	-	2,113	2,113
Other	-	1,084	-	1,084
Telecommunications	600	33	139	772
Travel	-	-	-	-
Depreciation	744	41	173	958
	<u>283,296</u>	<u>25,101</u>	<u>59,093</u>	<u>367,490</u>

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



<u>Program</u>	<u>Management &amp; General</u>	<u>Fund Raising</u>	<u>2020 Total</u>
187,460	10,459	19,005	216,924
54,287	-	-	54,287
27,270	1,521	2,765	31,556
15,744	878	1,596	18,218
-	-	-	-
-	1,267	2,163	3,430
-	10,407	-	10,407
6,704	926	4,156	11,786
4,171	233	423	4,827
1,498	-	58	1,556
-	-	-	-
192	1,193	51	1,436
1,041	58	106	1,205
2,555	-	-	2,555
538	30	55	623
<u>301,460</u>	<u>26,972</u>	<u>30,378</u>	<u>358,810</u>

## YOUNGMOMS

### Statements of Cash Flows

For the Years Ended December 31, 2021 and 2020

(See Independent Auditors' Report)

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Change in net assets	160,020	24,039
Depreciation expense	958	623
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Pledges receivable	(3,845)	(155)
Other receivables	(19,715)	-
Prepaid expenses	64	49
Accounts payable	(145)	(3,602)
Accrued expenses	<u>11,647</u>	<u>298</u>
Net Cash Provided by Operating Activities	148,984	21,252
Cash Flows from Investing Activities		
Furniture purchases	-	(3,125)
Cash Flows from Financing Activities		
PPP loan	<u>(46,200)</u>	<u>46,200</u>
Net Change in Cash or Equivalents	102,784	64,327
Cash or Equivalents At Beginning of Year	<u>279,632</u>	<u>215,305</u>
Cash or Equivalents At End of Year	<u><u>382,416</u></u>	<u><u>279,632</u></u>

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

# YOUNGMOMS

## Notes to the Financial Statements

December 31, 2021 and 2020

(See Independent Auditors' Report)

### Notes:

(1) Summary of Organization:

Organization and Objectives:

YoungMoms was incorporated as a nonprofit organization under the laws of the Commonwealth of Pennsylvania. YoungMoms was established to provide the academic/vocational, relational, and parenting support pregnant and parenting young women need to improve their lives and those of their children. YoungMoms is helping clients stay in school, pursue college education or vocational training, gain the skills necessary to parent effectively, and be empowered to make healthy personal decisions. The Organization's primary source of income is contributions and grants from individuals and local organizations.

(2) Summary of Significant Accounting Policies:

Basis of Accounting:

The records of Young Moms are maintained on the accrual basis of accounting whereby receipts are recognized when realized and expenditures are recognized when incurred. The accompanying statements have been prepared on that basis.

Basis of Presentation

Under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-10-65-1, the Organization is required to report information regarding its financial position and activities according to two mutually exclusive classes according to the existence or absence of donor-imposed restrictions. See Net Assets with Donor Restrictions and Net Assets without Donor Restrictions.

Cash Equivalents:

Cash equivalents consist of funds in YoungMoms' checking and savings accounts. For purposes of reporting cash flows, YoungMoms considers investments purchased with an original maturity of three months or less to be cash equivalents.

Promises to Give:

Unconditional promises to give are recognized as revenues or gains in the period in which notification of such promise is received. Unconditional promises to give due in one year or less are recorded at their net realizable value. Unconditional promises to give due in more than one year are recorded at fair value in the year promised using

# YOUNGMOMS

## Notes to the Financial Statements

December 31, 2021 and 2020

(See Independent Auditors' Report)

### (2) Summary of Significant Accounting Policies - continued:

present value techniques. Conditional promises to give are recognized when the conditions on which they depend are substantially met. At December 31, 2021 and 2020, all receivables were expected to be collected within a year.

#### Property & Equipment:

Property and equipment acquisitions are recorded at historical cost and depreciated over their estimated useful lives using the straight-line method. Expenditures that extend the useful life of an asset are capitalized while those considered normal repairs and maintenance are expensed as incurred. It is the Organization's policy to generally expense acquisitions and betterments if they do not exceed \$1,500.

Furniture and equipment is being depreciated over an estimated useful life of five years using the straight-line method.

#### Net Assets:

Net assets without donor restrictions are assets that are not restricted in any manner for use by the Organization to carry out its mission. Net assets with donor restrictions are any assets the donor has restricted by communicating purpose restrictions or time restrictions for when or how the Organization may use the asset to carry out its mission. When a restriction expires, 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.

#### Contributions and Grants:

Contributions received are recorded as either net assets with or without donor restrictions depending on the existence and/or nature of any donor-imposed restrictions. Restricted contributions are reported as restricted support and are reclassified to net assets without donor restrictions upon expiration of the restriction.

#### Revenue Recognition

The Organization recognizes revenue when it satisfies a performance obligation by transferring control of a promised good or service to the customer. The Organization's principal activity resulting in contracts with customers is revenue from fundraising events.

# YOUNGMOMS

## Notes to the Financial Statements

December 31, 2021 and 2020

(See Independent Auditors' Report)

Because the benefit received from fundraising events has an original expected duration of one year or less, the Organization has elected the practical expedient and not disclosed the value of unsatisfied performance obligations and expected timing for completion related to the revenue.

### Concentrations of Credit Risk:

Cash deposits that potentially subject YoungMoms to concentrations of credit risk consist of checking and savings accounts held at a local bank. During the year, account balances did not exceed FDIC insurance limits.

### Noncash Donations:

Noncash donations are recorded at fair market value at the date of donation and are included in revenues and expenses for the year. The estimated fair value of donated supplies and services are recorded as contribution revenue. For the year ending December 31, 2021 and 2020, in-kind contributions were \$19,367 and \$28,987, respectively.

Directors, officers, and advisors have made a significant contribution of their time to develop YoungMoms and its programs. Amounts for volunteered services are recognized in the accompanying statement of activities when the criteria for recognition of such efforts under generally accepted accounting principles have been satisfied. During the years ended December 31, 2021 and 2020, volunteers contributed over 1,000 and 1,520 hours, respectively, of their time in support of YoungMoms.

### Allocation of Functional Expenses:

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Certain costs have been allocated among the programs and supporting services benefited. Expenses are allocated to program and supporting services on the following bases:

- (a) Management and general expenses, occupancy, supplies, and depreciation are allocated based on time and expense studies.
- (b) Legal expenses were allocated based on an estimate of time spent between program benefits and administration.
- (c) Personnel expenses are allocated based on direct salaries.

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## Notes to the Financial Statements

December 31, 2021 and 2020

(See Independent Auditors' Report)

### Income Tax Status:

YoungMoms has been granted tax-exempt status as a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, files federal tax Form 990 (Return of Organization Exempt from Income Tax) annually.

In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

### 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.

### Uncertain Tax Positions:

YoungMoms is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. YoungMoms believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements. Form 990 and all related state filings remain subject to examination generally for three years from the date of the filing.

### Date of Managements' Review:

Management has evaluated subsequent events for possible disclosure in the notes to the financial statements through the date of the report, June 1, 2022.

### (3) Loan Payable:

During the year ended December 31, 2020, the Organization received a Small Business Administration Paycheck Protection Program loan of \$46,200. The loan has been forgiven as of January 2021 and will be recorded as a government grant for the year ended December 31, 2021.

## YOUNGMOMS

### Notes to the Financial Statements

December 31, 2021 and 2020

(See Independent Auditors' Report)

(4) Restrictions on Assets:

Net assets with donor restrictions include funds restricted for the following uses:

	2021	2020
Capacity building	\$ 19,167	4,467
Driver's education and counseling	520	1,520
Emergency food, clothing and shelter	4,830	3,502
Furniture and equipment	-	784
Grant writing	-	3,438
Mentoring & advocacy program	-	22,842
Pledges receivable	19,900	16,055
Website	4,460	-
YoungDads	-	51,686
	\$ 48,877	\$ 104,294

Net assets were released from donor restrictions by incurring expenses satisfying restricted purposes as follows:

	2021	2020
Capacity building	\$ 35,300	18,148
Case management	25,275	725
Direct client assistance	1,200	-
Driver's education and counseling	1,000	480
Emergency food, clothing and shelter	3,672	18,876
English as a second language	-	4,000
Furniture and office equipment	784	9,216
Grant writing	3,438	563
Legal assistance	2,000	-
Marketing	-	1,196
Mentor program	7,567	4,433
Pledges receivable	16,055	15,900
Strategic plan	-	2,000
Thriving futures	-	8,000
Time restriction	19,900	-
Virtual programming	-	4,000
Website	540	-
YoungDads	51,686	1,952
	\$ 168,417	\$ 89,489

## YOUNGMOMS

### Notes to the Financial Statements

December 31, 2021 and 2020

(See Independent Auditors' Report)

(5) Leases:

The Organization signed a new three-year agreement for office space on April 1, 2019, at \$2,000 per month. Future minimum lease payments are \$6,000 for the year ending December 31, 2022.

(6) Liquidity:

YoungMoms has \$422,031 of financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenditures, consisting of cash of \$382,416, and receivables of \$39,615.

(7) Conflict of Interest Policy:

Included in YoungMoms Board of Directors and Officers are volunteers from the community who provide valuable assistance to the Organization. YoungMoms has adopted a conflict-of-interest policy so that board members are disqualified from participating in decisions regarding any action affecting their related company or organization.

(8) COVID-19 Impact:

As a result of the COVID-19 pandemic, the Organization has seen an increase in demand for its program services. The Organization applied for and received relief grants and government loans. There was also an increase in donations due to the awareness in the community of the Organization. Future potential impacts may include continued increased demand for services, but decreased contributions. The future effects of these issues are unknown.