

**YOUNGMOMS
FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019**

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Independent Auditors' Report

To the Board of Directors
YoungMoms
Kennett Square, Pennsylvania

We have audited the accompanying financial statements of YoungMoms (a non-profit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities 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 auditing 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 from 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 YoungMoms 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.

BLISS & COMPANY

April 12, 2021

YOUNGMOMS

Statements of Financial Position

December 31, 2020 and 2019

(See Independent Auditors' Report)

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
Assets		
Cash and cash equivalents	279,632	215,305
Pledges receivable	16,055	15,900
Prepaid expenses	3,359	3,408
Furniture, net	3,405	903
Deposits	2,000	2,000
	<u>304,451</u>	<u>237,516</u>
Total Assets	<u><u>304,451</u></u>	<u><u>237,516</u></u>
<u>Liabilities and Net Assets</u>		
Liabilities		
Accounts payable	769	4,371
Accrued expenses	838	540
Loan payable	46,200	-
	<u>47,807</u>	<u>4,911</u>
Net Assets		
Net assets without donor restrictions	152,350	135,877
Net assets with donor restrictions	104,294	96,728
	<u>256,644</u>	<u>232,605</u>
Total Liabilities and Net Assets	<u><u>304,451</u></u>	<u><u>237,516</u></u>

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

YOUNGMOMS

Statements of Activities

For the Years Ended December 31, 2020 and 2019

(See Independent Auditors' Report)

	Net assets Without Donor Restrictions	Net assets With Donor Restrictions	2020 Total
Revenue, Gains and Support			
Contributions and grants	244,951	97,055	342,006
Special events	40,011	-	40,011
Interest income	832	-	832
Net assets released from restrictions	89,489	(89,489)	-
Total Revenue, Gains and Support	375,283	7,566	382,849
Expenses and Losses			
Program services	301,460	-	301,460
Management and general	26,972	-	26,972
Fundraising	30,378	-	30,378
Total Expenses and Losses	358,810	-	358,810
Change in Net Assets	16,473	7,566	24,039
Net Assets Beginning of Year	135,877	96,728	232,605
Net Assets at End of Year	152,350	104,294	256,644

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>2019 Total</u>
217,921	80,900	298,821
33,366	-	33,366
2,265	-	2,265
<u>83,032</u>	<u>(83,032)</u>	<u>-</u>
336,584	(2,132)	334,452
277,618	-	277,618
33,742	-	33,742
<u>28,792</u>	<u>-</u>	<u>28,792</u>
<u>340,152</u>	<u>-</u>	<u>340,152</u>
(3,568)	(2,132)	(5,700)
<u>139,445</u>	<u>98,860</u>	<u>238,305</u>
<u><u>135,877</u></u>	<u><u>96,728</u></u>	<u><u>232,605</u></u>

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Statements of Functional Expenses

For the Years Ended December 31, 2020 and 2019

(See Independent Auditors' Report)

	<u>Program</u>	<u>Management & General</u>	<u>Fund Raising</u>	<u>2020 Total</u>
Operating Expenses				
Salaries and wages	187,460	10,459	19,005	216,924
Program activities	54,287	-	-	54,287
Fundraising	-	-	-	-
Occuancy	27,270	1,521	2,765	31,556
Payroll taxes	15,744	878	1,596	18,218
Contractor fees	-	1,267	2,163	3,430
Accounting	-	10,407	-	10,407
Supplies	6,704	926	4,156	11,786
Insurance	4,171	233	423	4,827
Marketing	1,498	-	58	1,556
Professional fees	-	-	-	-
Other	192	1,193	51	1,436
Telecommunications	1,041	58	106	1,205
Travel	2,555	-	-	2,555
Depreciation	538	30	55	623
	<u>301,460</u>	<u>26,972</u>	<u>30,378</u>	<u>358,810</u>
Grant Funded Expenses				
Fund development plan	-	-	-	-
	<u>301,460</u>	<u>26,972</u>	<u>30,378</u>	<u>358,810</u>

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

<u>Program</u>	<u>Management & General</u>	<u>Fund Raising</u>	<u>2019 Total</u>
171,832	16,402	16,272	204,506
51,689	-	-	51,689
-	-	3,200	3,200
22,577	2,163	2,298	27,038
14,733	1,488	1,580	17,801
-	-	4,162	4,162
-	8,352	-	8,352
2,971	285	302	3,558
3,466	332	353	4,151
3,474	1,313	354	5,141
-	1,239	-	1,239
-	1,914	-	1,914
2,184	209	222	2,615
4,215	-	-	4,215
477	45	49	571
<u>277,618</u>	<u>33,742</u>	<u>28,792</u>	<u>340,152</u>
-	-	-	-
<u><u>277,618</u></u>	<u><u>33,742</u></u>	<u><u>28,792</u></u>	<u><u>340,152</u></u>

YOUNGMOMS

Statements of Cash Flows

For the Years Ended December 31, 2020 and 2019

(See Independent Auditors' Report)

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Change in net assets	24,039	(5,700)
Depreciation expense	623	571
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Pledges receivable	(155)	48,843
Prepaid expenses	49	(2,076)
Deposits	-	(2,000)
Accounts payable	(3,602)	(1,428)
Accrued expenses	298	(71)
	<u>21,252</u>	<u>38,139</u>
Net Cash Provided by Operating Activities	21,252	38,139
Cash Flows from Investing Activities		
Furniture purchases	(3,125)	-
Cash Flows from Financing Activities		
PPP loan proceeds	<u>46,200</u>	<u>-</u>
Net Change in Cash or Equivalents	64,327	38,139
Cash or Equivalents At Beginning of Year	<u>215,305</u>	<u>177,166</u>
Cash or Equivalents At End of Year	<u><u>279,632</u></u>	<u><u>215,305</u></u>

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

YOUNGMOMS

Notes to the Financial Statements

December 31, 2020 and 2019

(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.

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 present value techniques. Conditional promises to give are recognized when the conditions on which they depend are substantially met. At December 31, 2020 and 2019, all receivables were expected to be collected within a year.

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Notes to the Financial Statements

December 31, 2020 and 2019

(See Independent Auditors' Report)

(2) Summary of Significant Accounting Policies - continued:

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 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.

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.

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, 2020 and 2019, in-kind contributions were \$28,987 and \$30,193, respectively.

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Notes to the Financial Statements

December 31, 2020 and 2019

(See Independent Auditors' Report)

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 year ended December 31, 2019, \$1,050 was contributed in services. During the years ended December 31, 2020 and 2019, volunteers contributed over 1,520 and 2,630 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.

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.

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.

YOUNGMOMS

Notes to the Financial Statements

December 31, 2020 and 2019

(See Independent Auditors' Report)

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, April 12, 2021.

(3) Loan Payable:

During the year, 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.

(4) Restrictions on Assets:

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

	<u>2020</u>	<u>2019</u>
Capacity building	\$ 4,467	22,616
Driver's education and counseling	1,520	-
Emergency food, clothing and shelter	3,502	3,378
Furniture and equipment	784	-
Grant writing	3,438	-
Mentoring & advocacy program	22,842	28,000
Pledges receivable	16,055	15,900
Salaries for expanded staff	-	1,196
Strategic planning	-	2,000
YoungDads	51,686	23,638
	<u>\$ 104,294</u>	<u>\$ 96,728</u>

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Notes to the Financial Statements

December 31, 2020 and 2019

(See Independent Auditors' Report)

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

	<u>2020</u>	<u>2019</u>
Capacity building	\$ 18,148	27,384
Case management	725	-
Driver's education and counseling	480	-
Emergency food, clothing and shelter	18,876	1,622
English as a second language	4,000	-
Furniture and office equipment	9,216	-
Grant writing	563	-
Marketing	1,196	-
Mentor program	4,433	-
Pledges receivable	15,900	14,744
Salaries for expanded staff	-	22,921
Strategic plan	2,000	-
Thriving futures	8,000	-
Time restriction	-	10,000
Virtual programming	4,000	-
YoungDads	1,952	6,361
	<u>\$ 89,489</u>	<u>\$ 83,032</u>

(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 \$24,000 for the year ending December 31, 2021 and \$6,000 for 2022.

(6) Liquidity:

YoungMoms has \$295,687 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 \$279,632, and pledges receivable of \$16,055.

(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.