

**YOUNGMOMS
FINANCIAL STATEMENTS
DECEMBER 31, 2019 and 2018**

CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	4
Statements of Cash Flows	5
Notes to Financial Statements	6



810 Downingtown Pike | West Chester PA 19380-1935
TEL | 610 696 1012 FAX | 610 696 2291
www.blisscpas.com

BLISS & CO, LTD.

certified public accountants | advisors

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, 2019 and 2018, 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, 2019 and 2018, 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
BLISS & COMPANY

April 17, 2020

YOUNGMOMS

Statements of Financial Position

December 31, 2019 and 2018

(See Independent Auditors' Report)

	<u>2019</u>	<u>2018</u>
<u>Assets</u>		
Assets		
Cash and cash equivalents	215,305	177,166
Pledges receivable	15,900	64,743
Prepaid expenses	3,408	1,332
Furniture, net	903	1,474
Deposits	<u>2,000</u>	<u>-</u>
Total Assets	<u><u>237,516</u></u>	<u><u>244,715</u></u>
<u>Liabilities and Net Assets</u>		
Liabilities		
Accounts payable	4,371	5,799
Accrued expenses	<u>540</u>	<u>611</u>
	4,911	6,410
Net Assets		
Net assets without donor restrictions	135,877	139,445
Net assets with donor restrictions	<u>96,728</u>	<u>98,860</u>
	<u>232,605</u>	<u>238,305</u>
Total Liabilities and Net Assets	<u><u>237,516</u></u>	<u><u>244,715</u></u>

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

YOUNGMOMS

Statements of Activities

For the Years Ended December 31, 2019 and 2018

(See Independent Auditors' Report)

	Net assets Without Donor Restrictions	Net assets With Donor Restrictions	2019 Total
Revenue, Gains and Support			
Contributions and grants	217,921	80,900	298,821
Special events	33,366	-	33,366
Interest income	2,265	-	2,265
Net assets released from restrictions	83,032	(83,032)	-
Total Revenue, Gains and Support	336,584	(2,132)	334,452
Expenses and Losses			
Program services	277,618	-	277,618
Management and general	33,742	-	33,742
Fundraising	28,792	-	28,792
Total Expenses and Losses	340,152	-	340,152
Change in Net Assets	(3,568)	(2,132)	(5,700)
Net Assets Beginning of Year	139,445	98,860	238,305
Net Assets at End of Year	135,877	96,728	232,605

<u>Net assets Without Donor Restrictions</u>	<u>Net assets With Donor Restrictions</u>	<u>2018 Total</u>
243,073	74,743	317,816
31,275	-	31,275
179	-	179
<u>38,271</u>	<u>(38,271)</u>	<u>-</u>
312,798	36,472	349,270
250,153	-	250,153
30,642	-	30,642
<u>30,104</u>	<u>-</u>	<u>30,104</u>
<u>310,899</u>	<u>-</u>	<u>310,899</u>
1,899	36,472	38,371
<u>137,546</u>	<u>62,388</u>	<u>199,934</u>
<u><u>139,445</u></u>	<u><u>98,860</u></u>	<u><u>238,305</u></u>

YOUNGMOMS

Statements of Functional Expenses

For the Years Ended December 31, 2019 and 2018

(See Independent Auditors' Report)

	<u>Program</u>	<u>Management & General</u>	<u>Fund Raising</u>	<u>2019 Total</u>
Operating Expenses				
Salaries and wages	171,832	16,402	16,272	204,506
Program activities	55,904	-	-	55,904
Fundraising	-	-	3,200	3,200
Rent	22,577	2,163	2,298	27,038
Payroll taxes	14,733	1,488	1,580	17,801
Contractor fees	-	-	4,162	4,162
Accounting	-	8,352	-	8,352
Supplies	2,971	285	302	3,558
Insurance	3,466	332	353	4,151
Marketing	3,474	1,313	354	5,141
Professional fees	-	1,239	-	1,239
Other	-	1,914	-	1,914
Telecommunications	2,184	209	222	2,615
Depreciation	477	45	49	571
	<u>277,618</u>	<u>33,742</u>	<u>28,792</u>	<u>340,152</u>
Grant Funded Expenses				
Fund development plan	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>277,618</u>	<u>33,742</u>	<u>28,792</u>	<u>340,152</u>

<u>Program</u>	<u>Management & General</u>	<u>Fund Raising</u>	<u>2018 Total</u>
134,324	7,968	11,322	153,614
83,603	-	-	83,603
-	-	2,805	2,805
8,711	452	673	9,836
11,588	602	895	13,085
-	-	5,613	5,613
-	8,003	-	8,003
1,962	102	152	2,216
3,340	173	258	3,771
4,535	1,479	350	6,364
-	10,554	-	10,554
-	1,201	-	1,201
1,584	82	122	1,788
506	26	39	571
<u>250,153</u>	<u>30,642</u>	<u>22,229</u>	<u>303,024</u>
<u>-</u>	<u>-</u>	<u>7,875</u>	<u>7,875</u>
<u><u>250,153</u></u>	<u><u>30,642</u></u>	<u><u>30,104</u></u>	<u><u>310,899</u></u>

YOUNGMOMS

Statements of Cash Flows

For the Years Ended December 31, 2019 and 2018

(See Independent Auditors' Report)

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities		
Change in net assets	(5,700)	38,371
Depreciation expense	571	571
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Pledges receivable	48,843	(53,364)
Prepaid expenses	(2,076)	928
Deposits	(2,000)	-
Accounts payable	(1,428)	3,612
Accrued expenses	(71)	(944)
	<u>38,139</u>	<u>(10,826)</u>
Net Cash Provided (Used) by Operating Activities		
	38,139	(10,826)
Cash or Equivalents At Beginning of Year	<u>177,166</u>	<u>187,992</u>
Cash or Equivalents At End of Year	<u><u>215,305</u></u>	<u><u>177,166</u></u>

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

YOUNGMOMS

Notes to the Financial Statements

December 31, 2019 and 2018

(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, 2019 and 2018, all receivables were expected to be collected within a year.

YOUNGMOMS

Notes to the Financial Statements

December 31, 2019 and 2018

(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, 2019 and 2018, in-kind contributions were \$30,193 and \$80,309, respectively. Included in the noncash donations for the year ended December 31, 2018 were legal services of \$39,216 valued at market rates for similar services.

YOUNGMOMS

Notes to the Financial Statements

December 31, 2019 and 2018

(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 and 2018, \$1,050 and \$40,841, respectively, were contributed in services. During the years ended December 31, 2019 and 2018, volunteers contributed over 2,630 and 2,400 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, 2019 and 2018

(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 17, 2020.

(3) Restrictions on Assets:

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

	<u>2019</u>	<u>2018</u>
Capacity building	\$ 22,616	-
Emergency food, clothing and shelter	3,378	-
Mentoring & advocacy program	28,000	-
Pledges receivable	15,900	64,743
Salaries for expanded staff	1,196	24,117
Strategic planning	2,000	-
Time restriction	-	10,000
YoungDads	23,638	-
	<u>\$ 96,728</u>	<u>\$ 98,860</u>

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

	<u>2019</u>	<u>2018</u>
Capacity building	27,384	-
Development plan	-	8,125
Emergency food, clothing and shelter	\$ 1,622	4,125
Pledges receivable	14,744	11,379
Salaries for expanded staff	22,921	14,642
Time restriction	10,000	-
YoungDads	6,361	-
	<u>\$ 83,032</u>	<u>\$ 38,271</u>

(4) 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 years ending December 31, 2020 and 2021, and \$6,000 for 2022.

YOUNGMOMS

Notes to the Financial Statements

December 31, 2019 and 2018

(See Independent Auditors' Report)

(5) Liquidity:

YoungMoms has \$231,205 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 \$215,305, and pledges receivable of \$15,900.

(6) 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.