

STUDENTS WITHOUT MOTHERS, INC.

**FINANCIAL STATEMENTS WITH
ACCOUNTANTS' COMPILATION REPORT**

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016



Accountant's Compilation Report

Students Without Mothers, Inc.
Atlanta, Georgia

We have compiled the accompanying statement of financial position of Students Without Mothers, Inc. (a nonprofit organization) as of December 31, 2017 and 2016, and the related statement of activities and cash flows for the years then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether financial statements are in accordance with accounting principles generally accepted in the United States of America.

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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

We are not independent with respect to Students Without Mothers, Inc. as of and for the year ended December 31, 2017 because we performed certain accounting services that impaired our independence.

WBO CPA Group

Duluth, GA
March 22, 2018

STUDENTS WITHOUT MOTHERS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016

ASSETS

	<u>2017</u>	<u>2016</u>
CURRENT ASSETS-		
Cash and cash equivalents	\$ 67,721	\$ 19,030
PROPERTY AND EQUIPMENT:		
Furniture and fixtures	7,853	7,853
Accumulated depreciation	<u>(7,192)</u>	<u>(7,192)</u>
Property and equipment, net	661	661
OTHER ASSETS-		
Deposits	<u>\$ 795</u>	<u>\$ 795</u>
TOTAL ASSETS	<u>\$ 69,177</u>	<u>\$ 20,486</u>

LIABILITIES AND NET ASSETS

LIABILITIES-	\$ -	\$ -
NET ASSETS:		
Unrestricted	69,177	20,486
Temporarily restricted	-	-
Permanently restricted	<u>-</u>	<u>-</u>
Total	<u>69,177</u>	<u>20,486</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 69,177</u>	<u>\$ 20,486</u>

STUDENTS WITHOUT MOTHERS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES				
Grants, contributions and sponsorships	\$ 26,916	\$ -	\$ -	\$ 26,916
Fundraising events	107,924	-	-	107,924
Donated goods and services	<u>85,054</u>	<u>-</u>	<u>-</u>	<u>85,054</u>
Total revenues	<u>219,894</u>	<u>-</u>	<u>-</u>	<u>219,894</u>
EXPENSES				
Program Services:				
Scholarship program	15,350	-	-	15,350
Life coaching/board mentoring	<u>62,439</u>	<u>-</u>	<u>-</u>	<u>62,439</u>
Total program services	77,789	-	-	77,789
Fundraising event expenses	78,945	-	-	78,945
General and administrative	<u>14,469</u>	<u>-</u>	<u>-</u>	<u>14,469</u>
Total expenses	<u>171,203</u>	<u>-</u>	<u>-</u>	<u>171,203</u>
Increase in net assets	48,691	-	-	48,691
Net assets at beginning of year	<u>20,486</u>	<u>-</u>	<u>-</u>	<u>20,486</u>
Net assets at end of year	<u>\$ 69,177</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,177</u>

STUDENTS WITHOUT MOTHERS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES				
Grants, contributions and sponsorships	\$ 28,573	\$ -	\$ -	\$ 28,573
Fundraising events	63,189	-	-	63,189
Donated goods and services	67,591	-	-	67,591
Total revenues	<u>159,353</u>	<u>-</u>	<u>-</u>	<u>159,353</u>
EXPENSES				
Program Services:				
Scholarship program	6,500	-	-	6,500
Life coaching/board mentoring	67,599	-	-	67,599
Total program services	74,099	-	-	74,099
Fundraising event expenses	56,113	-	-	56,113
General and administrative	12,188	-	-	12,188
Total expenses	<u>142,400</u>	<u>-</u>	<u>-</u>	<u>142,400</u>
Increase in net assets	16,953	-	-	16,953
Net assets at beginning of year	3,533	-	-	3,533
Net assets at end of year	<u>\$ 20,486</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,486</u>

STUDENTS WITHOUT MOTHERS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECMEBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ <u>48,691</u>	\$ <u>16,953</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>48,691</u>	<u>16,953</u>
Net increase in cash and cash equivalents	48,691	16,953
Cash and cash equivalents, beginning of year	<u>19,030</u>	<u>2,077</u>
Cash and cash equivalents, end of year	<u><u>\$ 67,721</u></u>	<u><u>\$ 19,030</u></u>
SUPPLEMENTAL DISCLOSURES		
Interest paid	\$ -	\$ -

STUDENTS WITHOUT MOTHERS, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
SEE ACCOUNTANTS' COMPILATION REPORT

NOTE 1 – DESCRIPTION OF ORGANIZATION AND NATURE OF ACTIVITIES

Students Without Mothers Inc. (“The Organization”) is a Section 501(c)(3) not-for-profit corporation dedicated to helping high school students without mothers help themselves by empowering them to continue their education. The organization’s main purpose is to provide life coaching and scholarships to college bound high school seniors who are without their mothers due to death or other unfortunate circumstances.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of The Organization is presented to assist in understanding the Organization’s financial statements and notes. The financial statements and notes are representations of the Organization’s management, who are responsible for their integrity and objectivity.

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could vary from estimates that were assumed in preparing the financial statements.

Basis of Accounting

The accompanying financial statements of the Organization are presented on the accrual basis of accounting.

Financial Statement Presentation

The Organization prepares its financial statements in accordance with FASB ASC Topic 958, Financial Statements of Not-for-Profit Organizations. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets, unrestricted, temporarily restricted, and permanently restricted.

Classification of Net Assets

Net assets are reported separately by class as follows:

Permanently Restricted Net Assets – Contributions and other inflows of assets whose use is limited by donor-imposed stipulations that the resources must be maintained permanently.

STUDENTS WITHOUT MOTHERS, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
SEE ACCOUNTANTS' COMPILATION REPORT

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Temporarily Restricted Net Assets – Contributions and other inflows of assets whose use is limited by donor-imposed stipulations that will expire by donor payment of pledge, passage of time, or can be fulfilled and removed by actions of the entity, such as usage for specific programs.

Unrestricted Net Assets – Unrestricted net assets result from revenues derived from unrestricted contributions, return on investments, and other inflows of assets in which use is not limited by donor-imposed restrictions less expenditures. To the extent authorized by the donor, earnings from permanently restricted net assets are available to support the unrestricted activities of the Organization.

Revenue Recognition

Contribution revenue is recognized when assets or commitments of unconditional promises to give are received. Grant revenue is recognized as earned and expenses recognized are incurred. Contributions of assets other than cash are recorded at fair value at the date of donation. Contributions restricted in perpetuity are classified as permanently restricted. Contributions that are restricted by the donor for a specific time or purpose, or unpaid contributions not explicitly designated as available to support current operations are reported as temporarily restricted contributions, except those contributions whose restrictions are met in the current fiscal year are recognized as unrestricted revenue. When a donor-stipulated time restriction ends or purpose restriction is accomplished, or when a pledge not designated for current year use is paid, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

All unconditional promises to give, which are expected to be received beyond one year, are discounted to their net present value. Receivables from both pledge and exchange transactions are reduced by any estimated uncollectible amounts.

Allocation of Expenses

The costs of providing the various programs and other activities are summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the various programs and supporting services benefited as required by FASB ASC 958-205.

STUDENTS WITHOUT MOTHERS, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
SEE ACCOUNTANTS' COMPILATION REPORT

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Cash and Cash Equivalents

Cash and cash equivalents reflect amounts that approximate fair value due to the short maturity of these instruments. The operating checking accounts are included in cash and cash equivalents.

Property and Equipment

Acquisitions of property and equipment with an estimated useful life of more than one year are capitalized at cost. Property and equipment are stated at cost. Depreciation is based on the straight-line method over the estimated lives of the respective assets (See Note 4).

Advertising Expenses

The Organization charges advertising costs to expense as they are incurred.

Income Taxes

Under applicable provisions of the Internal Revenue Code, Students Without Mothers, Inc. is exempt from taxes on income other than unrelated business income.

Contributions In-Kind

The Organization receives donations of goods and services from corporations and individuals. Donated goods and services are recorded as unrestricted contributions when they are received. Donated goods are valued at the Organization's estimate of fair value at the time they are received. Donated services are valued based on the estimated dollar value of the volunteers' time. In 2017 there was a total of \$85,054 in goods and services donated to include \$32,000 in volunteer time donated to student life coaching, \$37,560 in volunteer time related to fundraising & administration, \$10,769 in silent auction items, and \$4,725 in dorm supplies, computers and other items donated for scholarship recipients. In 2016 there was a total of \$67,591 in goods and services donated to include \$33,000 in volunteer time donated to student life coaching, \$26,250 in volunteer time related to fundraising & administration, \$7,541 in silent auction items, and \$800 in computers and gift cards donated for scholarship recipients.

STUDENTS WITHOUT MOTHERS, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
SEE ACCOUNTANTS' COMPILATION REPORT

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Subsequent Events

Subsequent events have been evaluated through March 26, 2018 which is the date the financial statements were available to be issued.

NOTE 3 - STATEMENT OF CASH FLOWS AND CONCENTRATIONS OF CREDIT RISK

Cash and cash equivalents consists of demand deposits at a commercial bank. Balances maintained in the Organization accounts, as reflected in the bank's records, are insured by the Federal Deposit Insurance Corporation (FDIC), up to \$250,000. At December 31, 2017 and 2016 cash balances in these accounts totaled \$67,721 and \$19,030 respectively which is below the FDIC insured limit.

NOTE 4 - PROPERTY AND EQUIPMENT

Major classifications of property and equipment and their respective lives are summarized below:

	<u>Depreciable Lives</u>	<u>2017</u>	<u>2016</u>
Office and computer equipment	5 & 7 Years	\$ 7,853	\$ 7,853
Less: accumulated depreciation		<u>7,192</u>	<u>7,192</u>
		<u>\$ 661</u>	<u>\$ 661</u>

Depreciation expense for the years ended December 31, 2017 and 2016 totaled \$-0-.

NOTE 5 - FUNDRAISING AND SPECIAL EVENTS

Fundraising and special events are held throughout the year to help raise money and make others aware of the organization.

Fundraising events held in 2017 included the following:

- Café 290 Jazz Event
- Don Roman's Retirement Roast
- Chastain in Ellenwood
- Scholarship Awards Reception

STUDENTS WITHOUT MOTHERS, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
SEE ACCOUNTANTS' COMPILATION REPORT

NOTE 5 - FUNDRAISING AND SPECIAL EVENTS (CONTINUED)

These fundraising events generated a net cash surplus detailed as follows:

Gross receipts	\$ 107,924
Less: direct expenses	<u>22,841</u>
Net cash surplus	<u>\$ 85,083</u>

Fundraising events held in 2016 included the following:

- December Concert Benefit
- Chastain in Ellenwood
- Scholarship Awards Reception

These fundraising events generated a net cash surplus detailed as follows:

Gross receipts	\$ 63,189
Less: direct expenses	<u>15,201</u>
Net cash surplus	<u>\$ 47,988</u>

As discussed in Note 2, other costs allocated to fundraising have been allocated among the various programs and supporting services benefited as required by FASB ASC 958-205. Some examples of costs allocated to fundraising include contract labor, rent, telephone expense, and office expenses.

NOTE 6 – COMMITMENTS

The Organization leases commercial office space. The current lease agreement runs through April 2018. The lease payment is \$787.50 per month.

The minimum future lease payments of non-cancelable operating leases are as follows:

<u>Fiscal Year</u>	
2018	\$ 3,150
2019	- 0 -
2020	- 0 -
2021	- 0 -
2022	- 0 -
Thereafter	- 0 -
	<u>\$ 3,150</u>