

**STUDENTS WITHOUT MOTHERS, INC.**

**FINANCIAL STATEMENTS WITH  
ACCOUNTANTS' COMPILATION REPORT**

**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**



Management is responsible for the accompanying financial statements of Students Without Mothers, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2021 and 2020 and the related statements of activities and change in net assets and statements of cash flows for the two years ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We are not independent with respect to Students Without Mothers, Inc because we performed certain accounting services that impaired our independence.

***WMBO CPA Group***

Duluth, GA  
March 7, 2022

STUDENTS WITHOUT MOTHERS, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS-		
Cash and cash equivalents	\$ 239,479	\$ 215,369
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-		
Due from related party	2,750	2,750
Deposits	<u>-</u>	<u>795</u>
Total	<u>2,750</u>	<u>3,545</u>
 TOTAL ASSETS	 <u>\$ 242,890</u>	 <u>\$ 219,575</u>

LIABILITIES AND NET ASSETS

LIABILITIES-	\$ -	\$ -
NET ASSETS:		
Net assets without restrictions	242,890	219,575
Net assets with restrictions	<u>-</u>	<u>-</u>
Total	<u>242,890</u>	<u>219,575</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 242,890</u>	 <u>\$ 219,575</u>

STUDENTS WITHOUT MOTHERS, INC.  
STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
REVENUE AND SUPPORT		
Contributions	\$ 143,448	\$ 164,171
Auctions and events	50,944	89,303
Donated goods and services	<u>106,834</u>	<u>125,454</u>
Total revenue and support	<u>301,226</u>	<u>378,928</u>
 EXPENSES		
Program Services:		
Scholarship program	18,000	22,000
Life coaching/board mentoring/college support	<u>119,271</u>	<u>124,171</u>
Total program services	137,271	146,171
Fundraising event expenses	104,293	98,098
General and administrative	<u>36,347</u>	<u>30,129</u>
Total expenses	<u>277,911</u>	<u>274,398</u>
 CHANGE IN NET ASSETS - Increase	23,315	104,530
 Net assets at beginning of year	<u>219,575</u>	<u>115,045</u>
 Net assets at end of year	<u>\$ 242,890</u>	<u>\$ 219,575</u>

STUDENTS WITHOUT MOTHERS, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECMEBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 23,315	\$ 104,530
Depreciation	-	-
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Decrease in deposits	795	
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>24,110</u>	<u>104,530</u>
 NET CASH FLOWS USED BY OPERATING ACTIVITIES	 <u>24,110</u>	 <u>104,530</u>
 CASH FLOWS FROM INVESTING ACTIVITIES -	 <u>-</u>	 <u>-</u>
 CASH FLOWS FROM FINANCING ACTIVITIES:		
Due from related party	<u>-</u>	<u>-</u>
NET CASH FLOWS FROM FINANCING ACTIVITIES:	<u>-</u>	<u>-</u>
 Net increase in cash and cash equivalents	 24,110	 104,530
 Cash and cash equivalents, beginning of year	 <u>215,369</u>	 <u>215,369</u>
 Cash and cash equivalents, end of year	 <u>\$ 239,479</u>	 <u>\$ 319,899</u>
 SUPPLEMENTAL DISCLOSURES		
Interest paid	\$ -	\$ -

STUDENTS WITHOUT MOTHERS, INC.  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
SEE ACCOUNTANTS' COMPILATION REPORT

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**NOTE 1 – DESCRIPTION OF ORGANIZATION AND NATURE OF ACTIVITIES**

Students Without Mothers Inc. (“The Organization”) is a Section 501(c)(3) a not-for-profit corporation that was incorporated under the laws of Georgia on March 4, 2004 is 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 students who are without their mothers due to death or other unfortunate circumstances.

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

*Basis of Accounting*

The Organization prepares its financial statements using the accrual basis of accounting to present the results of activities and financial position in conformity with accounting principles generally accepted in the United States of America. To ensure observance of limitations and restrictions placed on the use of resources available to the Organization, the resources are classified for accounting and reporting purposes into categories established according to their nature and purpose. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the organization and changes therein are classified as without restriction and with restrictions.

*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.

*Net Assets without Donor Restrictions*

Net assets that are not subject to donor-imposed restrictions may be expended for any purpose in performing the primary objectives of the Organization. The Organization’s board may designate assets without restrictions for specific operation purposes from time to time. Other changes to this category include assets without restrictions for investment income and all expenses.

*Net Assets with Donor Restrictions*

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

STUDENTS WITHOUT MOTHERS, INC.  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

*Fair Value of Financial Instruments*

The Organizations financial statements consist of cash, accounts receivable, other current asset, accounts payable and accrued liabilities approximate their fair values based on their short-term nature.

*Donated Services and In-Kind Support*

The Organization may receive services, equipment, and material without payment or compensation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require special skills performed by people with those skills and would otherwise be purchased by the Organization. A number of volunteers donate significant amounts of time to the Organization. The value of these contributed services has not been recorded in the financial statements as they do not meet the criteria for recognition.

*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.

*Income Taxes*

Under applicable provisions of the Internal Revenue Code section 501(c)(3) of the Internal Revenue Code (the "Code") whereby only unrelated business income as defined by Section 512(a)(1) of the Code, is subject to federal income tax. For years ended December 31, 2021 and 2020, the Organization did not have any unrelated business income, and accordingly, no unrelated business tax.

*Subsequent Events*

Subsequent events have been evaluated through March 7, 2022 which is the date the financial statements were available to be issued.

*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 6).

STUDENTS WITHOUT MOTHERS, INC.  
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**NOTE 3 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist 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, 2021 and 2020 cash balances in these accounts totaled \$239,479 and \$215,369 respectively which is below the FDIC insured limit.

**NOTE 4 – NET ASSETS WITH RESTRICTIONS**

There were no net assets with restrictions for the years ended December 31, 2021 and 2020.

**NOTE 5 – 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 2021 there was a total of \$106,834 in goods and services donated to include \$45,320 in volunteer time donated to student life coaching and \$26,340 in volunteer time related to fundraising. Goods include \$17,479 in fundraising items, and \$7,804 in dorm kits and supplies provided for the college students and 9,891 in equipment provided to management. In 2020 there was a total of \$125,454 in goods and services donated to include \$16,848 in volunteer time donated to student life coaching, \$77,908 in volunteer time related to fundraising and \$22,464 in volunteer time relating to administration. Goods included \$6,734 in fundraising items, and \$1,500 in dorm kits provided for the college students.

**NOTE 6 - PROPERTY AND EQUIPMENT**

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

	<u>Depreciable Lives</u>	<u>2021</u>	<u>2020</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, 2021 and 2020 totaled \$-0-.



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**NOTE 7 - 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 2021 included the following:

- Fall Fundraiser
- Year-end Campaign
- Scholarship Awards Reception

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

Gross receipts	\$ 65,022
Less: direct expenses	<u>6,870</u>
Net cash surplus	<u>\$ 58,152</u>

Fundraising events held in 2020 included the following:

- Fall Fundraiser
- Year-end Campaign
- Scholarship Awards Reception

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

Gross receipts	\$ 89,303
Less: direct expenses	<u>13,456</u>
Net cash surplus	<u>\$ 75,847</u>

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 8- COMMITMENTS**

In January 2021 a month-to-month tenancy agreement was entered into with CemVest II Ottley LLC. The agreement calls for rent of \$1,500. The tenant shall be notified six months in advance of any rent increase.

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**NOTE 9 – SUBSEQUENT EVENTS**

There are no subsequent events as of March 7, 2022.