

STUDENTS WITHOUT MOTHERS, INC.

**FINANCIAL STATEMENTS WITH
ACCOUNTANTS' COMPILATION REPORT**

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021.



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, 2022 and 2021 and the related statements of activities and change in net assets, statements of cash flows, and the statements of functional expenses 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
February 27, 2023

STUDENTS WITHOUT MOTHERS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

ASSETS

| | <u>2022</u> | <u>2021</u> |
|-----------------------------|-------------------|-------------------|
| CURRENT ASSETS- | | |
| Cash and cash equivalents | \$ 368,882 | \$ 239,479 |
| 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- | <u>-</u> | <u>-</u> |
| TOTAL ASSETS | <u>\$ 369,543</u> | <u>\$ 240,140</u> |

LIABILITIES AND NET ASSETS

| | | |
|----------------------------------|-------------------|-------------------|
| LONG-TERM LIABILITIES: | | |
| SBA Loan | \$ 240,100 | \$ 80,900 |
| NET ASSETS: | | |
| Without donor restrictions | 13,443 | 30,740 |
| With donor restrictions | <u>116,000</u> | <u>128,500</u> |
| Total | <u>129,443</u> | <u>159,240</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 369,543</u> | <u>\$ 240,140</u> |

STUDENTS WITHOUT MOTHERS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECMEBER 31, 2022 AND 2021

| | <u>2022</u> | <u>2021</u> |
|--|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Increase in net assets | \$ (29,797) | \$ 23,315 |
| Depreciation | | |
| Adjustments to reconcile change in net assets to net cash used by operating activities: | | |
| Decrease in deposits | - | 795 |
| CASH PROVIDED BY OPERATING ACTIVITIES | <u>(29,797)</u> | <u>24,110</u> |
| CASH FLOWS USED BY OPERATING ACTIVITIES | <u>(29,797)</u> | <u>24,110</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES - | <u>-</u> | <u>-</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| New borrowing | <u>159,200</u> | <u>-</u> |
| CASH PROVIDED BY FINANCING ACTIVITIES | <u>159,200</u> | <u>-</u> |
| Net increase in cash and cash equivalents | 129,403 | 24,110 |
| Cash and cash equivalents, beginning of year | <u>239,479</u> | <u>215,369</u> |
| Cash and cash equivalents, end of year | <u>\$ 368,882</u> | <u>\$ 239,479</u> |
| SUPPLEMENTAL DISCLOSURES | | |
| Interest paid | \$ - | \$ - |

STUDENTS WITHOUT MOTHERS, INC.
STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

| | December 31 2022 | | | December 31 2021 | | |
|------------------------------------|--------------------------------------|-----------------------------------|-------------------|--------------------------------------|-----------------------------------|-------------------|
| | Without Donor <u>Restrictions</u> | With Donor <u>Restrictions</u> | <u>Total</u> | Without Donor <u>Restrictions</u> | With Donor <u>Restrictions</u> | <u>Total</u> |
| REVENUE AND SUPPORT | | | | | | |
| Contributions | \$ 103,412 | \$ 5,000 | \$ 108,412 | \$ 123,448 | \$ 20,000 | \$ 143,448 |
| Auctions and events | 48,511 | - | 48,511 | 50,944 | - | 50,944 |
| Donated goods and services in kind | 90,704 | - | 90,704 | 106,834 | - | 106,834 |
| Total revenue and support | <u>242,627</u> | <u>5,000</u> | <u>247,627</u> | <u>281,226</u> | <u>20,000</u> | <u>301,226</u> |
| EXPENSES | | | | | | |
| Program Services: | | | | | | |
| Scholarship program | 6,500 | 17,500 | 24,000 | 7,000 | 11,000 | 18,000 |
| Life coaching/board mentoring | 132,451 | - | 132,451 | 119,271 | - | 119,271 |
| Total program services | 138,951 | 17,500 | 156,451 | 126,271 | 11,000 | 137,271 |
| Fundraising event expenses | 94,664 | - | 94,664 | 104,293 | - | 104,293 |
| General and administrative | 26,309 | - | 26,309 | 36,347 | - | 36,347 |
| Total expenses | <u>259,924</u> | <u>17,500</u> | <u>277,424</u> | <u>266,911</u> | <u>11,000</u> | <u>277,911</u> |
| CHANGE IN NET ASSETS - Increase | (17,297) | (12,500) | (29,797) | 14,315 | 9,000 | 23,315 |
| Net assets at beginning of year | <u>30,740</u> | <u>128,500</u> | <u>159,240</u> | <u>16,425</u> | <u>119,500</u> | <u>135,925</u> |
| Net assets at end of year | <u>\$ 13,443</u> | <u>\$ 116,000</u> | <u>\$ 129,443</u> | <u>\$ 30,740</u> | <u>\$ 128,500</u> | <u>\$ 159,240</u> |

See Notes to Financial Statements and Accountants' Compilation Report

STUDENTS WITHOUT MOTHERS, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
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) 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.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
SEE ACCOUNTANTS' COMPILATION REPORT

**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, 2022 and 2021, the Organization did not have any unrelated business income, and accordingly, no unrelated business tax.

Subsequent Events

Subsequent events have been evaluated through February 25, 2023 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.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
SEE ACCOUNTANTS' COMPILATION REPORT

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, 2022 the Company had \$116,000 in a TD Ameritrade account and \$252,882 with Bank of America. In 2022 there was \$2,882 on deposit with Bank of America above the FDIC insured limit. In 2021 the company had \$239,479 with Bank of America which was below the FDIC limit.

NOTE 4 – NET ASSETS WITH RESTRICTIONS

At December 31, 2022 there was a total of \$116,000 in temporarily restricted funds. At December 2021 the temporary restricted funds were \$128,500 These funds are restricted to be provided to students who meet qualifying criteria.

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 2022 there was a total of \$90,704 in goods and services donated to include \$11,430 in volunteer time donated to student life coaching, \$59,775 in volunteer time related to fundraising. Goods included \$4,169 in fundraising items, and \$15,330 in dorm kits and other goods provided for the college students. 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.

NOTE 6 - PROPERTY AND EQUIPMENT

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

| | <u>Depreciable Lives</u> | <u>2022</u> | <u>2021</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> |

STUDENTS WITHOUT MOTHERS, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
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Depreciation expense for the years ended December 31, 2022 and 2021 totaled \$-0-.

NOTE 7 – NOTE PAYABLE

SBA Note

\$240,100 30-year note bearing interest at 2.75%. Monthly payments of \$1,060 are required and will be automatically withdrawn from the Company's bank account beginning in January 2023. Any balance remaining will be due in January 2053.

NOTE 8 - 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 2022 included the following:

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

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

| | |
|-----------------------|------------------|
| Gross receipts | \$ 48,812 |
| Less: direct expenses | <u>4,951</u> |
| Net cash surplus | <u>\$ 43,561</u> |

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> |

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.

STUDENTS WITHOUT MOTHERS, INC.
NOTES TO FINANCIAL STATEMENTS
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SEE ACCOUNTANTS' COMPILATION REPORT

NOTE 9– RELATED PARTY DISCLOSURES

| | | |
|---------------------------------------|-------------|-------------|
| | <u>2022</u> | <u>2021</u> |
| Key Management Personnel Compensation | \$40,901 | \$36,000 |

NOTE 10– COMMITMENTS

In March 2022 a month-to-month tenancy agreement was entered into with Elan Office Suites. The agreement calls for rent of \$675.

NOTE 11 – CONTINGENCIES

In March 2022 a month-to-month tenancy agreement was entered into with Elan Office Suites. The agreement calls for rent of \$675.

NOTE 12 – SUBSEQUENT EVENTS

There are no subsequent events as of February 27, 2023.

STUDENTS WITHOUT MOTHERS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

| | December 31, 2022 | | | | December 31, 2021 | | | |
|----------------------------------|-----------------------------|-------------------------|-----------------------------------|---------------------------|-----------------------------|--------------------------|-----------------------------------|---------------------------|
| | <u>Program Services</u> | <u>Fundraising</u> | <u>Management and General</u> | <u>Total Expenses</u> | <u>Program Services</u> | <u>Fundraising</u> | <u>Management and General</u> | <u>Total Expenses</u> |
| Salaries & Related Benefits | \$ 64,455 | \$ 21,228 | \$ 19,445 | \$ 105,128 | \$ 47,050 | \$ 31,512 | \$ 10,278 | \$ 88,840 |
| Professional Services | - | - | 2,389 | 2,389 | - | - | 4,855 | 4,855 |
| Web Services | 1,668 | 556 | 556 | 2,780 | 269 | 809 | 269 | 1,347 |
| Office Expenses | 6,794 | 2,742 | 3,044 | 12,580 | 5,003 | 18,005 | 9,231 | 32,239 |
| Program events and marketing | 58,689 | 68,895 | - | 127,584 | 65,752 | 50,698 | 9,891 | 126,341 |
| Grants | 24,000 | - | - | 24,000 | 18,000 | - | - | 18,000 |
| Insurance | 431 | - | 431 | 862 | 432 | - | 432 | 864 |
| Other expenses (income),net | 414 | 1,243 | 444 | 2,101 | 765 | 3,269 | 1,391 | 5,425 |
| TOTAL FUNCTIONAL EXPENSES | <u>\$ 156,451</u> | <u>\$ 94,664</u> | <u>\$ 26,309</u> | <u>\$ 277,424</u> | <u>\$ 137,271</u> | <u>\$ 104,293</u> | <u>\$ 36,347</u> | <u>\$ 277,911</u> |