

MOMS AGAINST POVERTY

**FINANCIAL STATEMENTS FOR THE
YEAR ENDED DECEMBER 31, 2015
AND INDEPENDENT AUDITORS' REPORT**

**MOMS AGAINST POVERTY
FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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NICHOLAS & ROBISON
ACCOUNTING, INC.

INDEPENDENT AUDITORS' REPORT

Board of Directors
Moms Against Poverty
Burlingame, California

We have audited the accompanying financial statements of Moms Against Poverty (a California nonprofit organization) (the "Organization"), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses, and cash flows for the year 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.

Auditors' 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 auditors' 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.

INDEPENDENT AUDITORS' REPORT

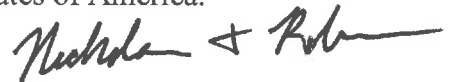
Board of Directors
Moms Against Poverty
Burlingame, California

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Moms Against Poverty as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Pleasanton, California
June 19, 2017



Nicholas & Robison Accounting
License # COR 6072

**MOMS AGAINST POVERTY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015**

	<u>ASSETS</u>		
	Unrestricted	Temporary	Total
	Funds	Restricted	Funds
	_____	_____	_____
<u>Current Assets</u>			
Cash and Cash Equivalents	\$ -	\$ 241,783	\$ 241,783
Receivable & Prepaid Expense	-	18,678	18,678
Total Current Assets	-	260,461	260,461
<u>Property and Equipment</u>			
Furniture and Equipment	5,260	-	5,260
Accumulated Depreciation	(1,501)	-	(1,501)
Net Property and Equipment	3,759	-	3,759
Total Assets	<u>\$ 3,759</u>	<u>\$ 260,461</u>	<u>\$ 264,220</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>			
Deferred Revenue	\$ -	\$ 26,770	\$ 26,770
Total Current Liabilities	-	26,770	26,770
Total Liabilities	-	26,770	26,770
<u>Net Assets</u>			
Unrestricted Assets	3,759	-	3,759
Temporarily Restricted Assets	-	233,691	233,691
Total Net Assets	3,759	233,691	237,450
Total Liabilities and Net Assets	<u>\$ 3,759</u>	<u>\$260,461</u>	<u>\$264,220</u>

The accompanying notes are an integral part of these financial statements

**MOMS AGAINST POVERTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Unrestricted	Temporarily Restricted	Total
<u>Support & Revenue</u>			
Business and Individual Donations	\$ -	\$ 727,190	\$ 727,190
Special Events:			
Special Event Revenue	-	149,141	149,141
Less Cost of Direct Benefits to Special Event			
Donors	-	(132,507)	(132,507)
Net Revenue from Special Events	-	16,634	16,634
Net Assets Released from Restrictions	510,133	(510,133)	-
Total Support and Revenues	510,133	233,691	743,824
<u>Expenses</u>			
Foreign Contributions	747,432	-	747,432
General Contributions	94,354	-	94,354
Management & General	7,717	-	7,717
Total Expenses	849,503	-	849,503
Change in Net Assets	(339,370)	233,691	(105,679)
Net Assets, Beginning of Year	343,129	-	343,129
Net Assets, End of Year	\$ 3,759	\$ 233,691	\$ 237,450

The accompanying notes are an integral part of these financial statements

**MOMS AGAINST POVERTY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Foreign Contributions				
	India Project	Iran Project	Senegal Project	Cambodia Project	General
Contributions	\$ 69,475	\$ 443,000	\$ 73,234	\$ 100,722	\$ 21,403
Outside Services	-	-	-	-	24,546
Professional Fees	-	-	-	-	10,311
Hosting Conferences and Training	-	-	-	-	31,012
Travel	-	-	-	-	977
Supplies	-	-	-	-	41,218
Telephone and On-line Charges	-	-	-	-	1,191
Postage	-	-	-	-	451
Printing, Copying and Publishing	-	-	-	-	276
Equipment Rental and Repairs	-	-	-	-	31,934
Insurance	-	-	-	-	3,849
Advertising	-	-	-	-	10,461
Fees, Fines and Service Charges	-	-	-	-	14,453
Depreciation	-	-	-	-	1,426
Total Functional Expenses	69,475	443,000	73,234	100,722	193,508
Less Expenses Included in with Revenues on the Statement of Activities	-	-	-	-	(132,507)
Total Expenses Included in the Expense Section on the Statement of Activities	<u>\$69,475</u>	<u>\$443,000</u>	<u>\$73,234</u>	<u>\$100,722</u>	<u>\$61,001</u>

The accompanying notes are an integral part of these financial statements

MOMS AGAINST POVERTY
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

	Total Foreign Contributions	United States - General Contributions	Management & General	Total
Contributions	\$ 707,834	\$ 94,354	-	\$ 802,188
Outside Services	24,546	-	4,441	28,987
Professional Fees	10,311	-	542	10,853
Hosting Conferences and Training	31,012	-	-	31,012
Travel	977	-	51	1,028
Supplies	41,218	-	-	41,218
Telephone and On-line Charges	1,191	-	63	1,254
Postage	451	-	24	475
Printing, Copying and Publishing	276	-	14	290
Equipment Rental and Repairs	31,934	-	1,683	33,617
Insurance	3,849	-	203	4,052
Advertising	10,461	-	171	10,632
Fees, Fines and Service Charges	14,453	-	450	14,903
Depreciation	1,426	-	75	1,501
Total Functional Expenses	879,939	94,354	7,717	982,010
Less Expenses Included in with Revenues on the Statement of Activities	(132,507)	-	-	(132,507)
Total Expenses Included in the Expense Section on the Statement of Activities	\$ 747,432	\$ 94,354	\$ 7,717	\$ 849,503

The accompanying notes are an integral part of these financial statements

**MOMS AGAINST POVERTY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Unrestricted Funds	Temporary Restricted Funds	Total Funds
Cash Flows from Operating Activities:			
Change in Net Assets	\$ (339,370)	\$ 233,691	\$ (105,679)
Adjustments to Reconcile Change in Net Assets to Cash Provided by (Used in) Operating Activities			
Depreciation	1,501	-	1,501
(Increase) Decrease in Operating Assets:			
Receivables & Prepaid Expenses	10,500	(18,678)	(8,178)
Increase in Operating Liabilities			
Deferred Revenue	-	26,770	26,770
Net Cash Provided by (Used in) Operating Activities	<u>\$(327,369)</u>	<u>\$241,783</u>	<u>\$(85,586)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(327,369)	241,783	(85,586)
Cash and Cash Equivalents, December 31, 2014	<u>327,369</u>	<u>-</u>	<u>327,369</u>
Cash and Cash Equivalents, December 31, 2015	<u>\$ -</u>	<u>\$ 241,783</u>	<u>\$ 241,783</u>

The accompanying notes are an integral part of these financial statements

**MOMS AGAINST POVERTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 1: Organization and Basis of Presentation

Moms Against Poverty (the “Organization”) is a California nonprofit, locally-based 501(c)(3) public and charitable organization which was established in 2008. The mission of the Organization is to nurture and educate underprivileged children to their fullest potential so that, one day, they can contribute and lead within their own communities, thus breaking the cycle of poverty. The Organization develops and advances its programs, one community at a time, by assisting children located in various countries with their basic needs such as food, shelter, and orphan care. Furthermore, the Organization strives to empower children with appropriate education programs.

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and are presented on the accrual basis of accounting following the standards of accounting and reporting in accordance with Financial Accounting Standards Board’s (“FASB”) Accounting Standard Codification (“ASC”) 958, formerly *Statement of Financial Accounting Standards No. 117*, financial statements of nonprofit 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 net assets, temporarily restricted net assets, and permanently restricted net assets. The following is how the net assets are classified:

- Unrestricted net assets include those assets over which the Board of Directors has discretionary control in carrying out the operations of the Organization.
- Temporarily restricted net assets include those assets which are subject to donor restrictions and for which the applicable restrictions were not met as of the end of the current reporting period.
- Permanently restricted net assets include those assets which are subject to non-expiring donor restrictions, such as endowments.

In the opinion of management, the accompanying financial statements include all necessary adjustments for a fair presentation of the financial position and the results of operations for the year presented.

Note 2: Summary of Significant Accounting Policies

Revenue Recognition

Contributions are recognized as revenue when received or unconditionally promised. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**MOMS AGAINST POVERTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 2: Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

The Organization considers instruments that are guaranteed by the Federal Reserve, can be converted into cash within a short term, and have maturities of three months or less to be cash equivalents. At December 31, 2015, the Organization had two bank accounts that did not exceed the Federal Deposit Reserve Insurance limit. The Organization had only cash, no cash equivalents.

Income Tax

The Organization is exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code and from California Franchise taxes under Section 23701(d) of the Revenue and Taxation Code. The Organization is only required to submit annual federal and state informational returns, therefore, no provision for federal and/or state income taxes are included in the financial statements.

Income Taxes

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Organization in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination.

The Organization files information returns in the U.S. federal jurisdiction and the State of California. The Organization's open tax years subject to examination by taxing authorities include 2016, 2015, and 2014. The California state return is subject to an additional year and therefore the 2013 return is open as well.

Property and Equipment

All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repair and maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are stated at cost or, if donated, at the approximate fair market value at the time of date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the property and equipment.

Total depreciation expense for the year ended December 31, 2015 was \$1,501.

**MOMS AGAINST POVERTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 2: Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could be different from those estimates.

Significant items subject to such estimates and assumptions include the useful lives of property and equipment, and other contingencies. These estimates and assumptions are based on management's best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment. Management believes its estimates to be reasonable under the circumstances. The current economic environment has increased the degree of uncertainty inherent in those estimates and assumptions. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates.

Long-Lived Assets

The Organization's long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the future expected cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized to the extent the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of are reported at the lower of their carrying amount or the fair value of the asset, less costs to sell.

Subsequent Events

The Organization has evaluated events and transactions that occurred after the balance sheet date through June 19, 2017, the date of the auditors' report and when the financial statements were available for issuance, and have determined there have not been any events which require adjustment to, or disclosure in, the accompanying financial statements.

**MOMS AGAINST POVERTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 3: Net Assets

At December 31, 2015, a total of \$233,691 in net assets were temporarily restricted.

Note 4: In-Kind Contributions

The Organization recognizes donated goods and services as income in the period contributed, and expense in the period the donated good or service benefits. Donated services must create and enhance non-financial assets or require specialized skills (such as professional services which would otherwise need to be purchased if not provided by donation) in order to qualify for recognition in the statement of activities. During the year ended December 31, 2015, the Organization did not recognize any in-kind income or expenses due to immateriality.

Note 5. Furniture and Equipment

Property and equipment consist of the following at December 31, 2015:

Furniture and Equipment	\$	5,260
Less:		
Accumulated Depreciation		<u>(1,501)</u>
Property and Equipment, Net	\$	<u><u>3,759</u></u>

Note 6. Foreign Operation

The Organization gives grants and other donations to various organizations (other organizations) that operate in foreign countries. During 2015 the countries / geographical regions these other organizations operated in were: Afghanistan, Cambodia, Africa, India, and Iran

Note 7: Commitments & Contingencies

Temporarily restricted donation

The Organization received temporarily restricted assets during the year to be used for various specific purposes consistent with the Organization's charitable purpose.

Foreign Operations

The Organization gives grants and other donations to various other organizations that operate in foreign countries. Monitoring the use of these grant and other donations in foreign countries is often challenging due to distance, remote locations, local languages, government regulations, and currency transactions. These monitoring challenges, while for the most part addressed by the Organization's internal controls, have caused the Organization to have some operational areas still in need of upgrade to meet all regulatory requirements.