

MONEYTHINK
FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

For the Year Ended
June 30, 2015

MONEYTHINK
Annual Financial Report

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Desmond & Ahern, Ltd.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Independent Auditor's Report

To the Board of Directors of
Moneythink
Chicago, IL

We have audited the accompanying financial statements of Moneythink (a nonprofit organization) which comprise the statement of financial position as of June 30, 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.

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 Moneythink as of June 30, 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.

Report on Supplementary Information

Our audit was made for the purpose of forming an opinion on the financial statements referred to in the first paragraph as a whole. The accompanying information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the above financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements referred to above and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements referred to above or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the above cash basis financial statements as a whole.

Desmond & Akers, Ltd

Chicago, IL
August 10, 2015

MONEYTHINK
STATEMENT OF FINANCIAL POSITION
June 30, 2015

Assets

Current Assets

Cash and cash equivalents	\$ 622,458
Receivables	1,408
Security deposit	3,750

Total Assets \$ 627,616

Liabilities and Net Assets

Current Liabilities

Accounts payable	\$ 7,273
Accrued payroll expenses	677
Total current liabilities	<u>7,950</u>

Net Assets

Unrestricted	62,433
Temporarily restricted	557,233
Total net assets	<u>619,666</u>

Total Liabilities and Net Assets \$ 627,616

See independent auditor's report and notes to financial statements.

MONEYTHINK
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Public Support and Revenue</u>			
Contributions	\$ 326,225	\$ 1,111,568	\$ 1,437,793
Program fees	8,511	-	8,511
Contributed legal services	97,452	-	97,452
In-kind donations	16,200	-	16,200
Net assets released from restrictions	692,076	(692,076)	-
Total Public Support and Revenue	<u>1,140,464</u>	<u>419,492</u>	<u>1,559,956</u>
<u>Expenses</u>			
Program Services	901,535	-	901,535
Supporting Services			
Management and general	258,430	-	258,430
Fundraising	153,951	-	153,951
Total Expenses	<u>1,313,916</u>	<u>-</u>	<u>1,313,916</u>
Change in net assets	(173,452)	419,492	246,040
Net assets, beginning of year	<u>235,885</u>	<u>137,741</u>	<u>373,626</u>
Net assets, end of year	<u>\$ 62,433</u>	<u>\$ 557,233</u>	<u>\$ 619,666</u>

See independent auditor's report and notes to financial statements.

MONEYTHINK
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2015

Cash Flows from Operating Activities

Change in net assets	<u>\$ 246,040</u>
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Decrease (increase) in:	
Receivables	(1,408)
Security deposit	(3,750)
Increase (decrease) in:	
Accounts payable	7,273
Credit card payable	<u>(1,814)</u>
Total adjustments	<u>301</u>
Net cash provided by operating activities	<u>246,341</u>
Net increase in cash and cash equivalents	246,341
Cash and equivalents, beginning of year	<u>376,117</u>
Cash and equivalents, end of year	<u><u>\$ 622,458</u></u>

See independent auditor's report and notes to financial statements.

MONEYTHINK
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 1 – Nature of Operations and Summary of Significant Accounting Policies

Organization

Moneythink is a mentoring organization whereby chapter leaders and volunteers equip high school students in the United States with financial management and entrepreneurship skills through role-modeling and financial mentorship.

Basis of Accounting

The financial statements of Moneythink have been prepared on the accrual basis of accounting and, accordingly, reflect all significant accounts receivable, payables, and other assets and liabilities.

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets, as required by Generally Accepted Accounting Principles (GAAP).

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of demand deposits in federally insured accounts. At June 30, 2015, Moneythink's cash and cash equivalents exceeded federally insured limits by approximately \$373,000.

For purposes of the Statement of Cash Flows, cash and cash equivalents are defined as cash on hand and all highly liquid investments.

Property and Equipment

Property and equipment are recorded at cost if purchased and at fair value if received as donations. Property and equipment with an estimated life of less than one year or are immaterial, are expensed currently. At June 30, 2015, there were no such assets held by the Organization.

Support and Revenue

Moneythink reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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. If a restriction is fulfilled in the same time period in which the contribution is received, Moneythink reports the support as unrestricted.

Contributed Services

Many individuals volunteer their time and perform a variety of tasks that assist Moneythink in its mission. Contributions of services are required to be recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. During the year ended June 30, 2015, Moneythink received \$97,452 of contributed legal services, which are reflected in these financial statements.

MONEYTHINK
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)

In-Kind Contributions

In addition to receiving cash contributions, Moneythink receives in-kind contributions from various donors, including donated space and donated software that would have been purchased if not donated. During the year ended June 30, 2015, Moneythink received \$7,200 of donated space and \$9,000 of donated software which are reflected in these financial statements.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 the revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the supplementary statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

Moneythink was granted an exemption from federal income taxes by the Internal Revenue Service pursuant to the provisions of Internal Revenue Code Section 501(c)(3). Moneythink qualifies for the charitable contribution deduction under Section 170 and has been classified as an organization that is not a private foundation under Section 509(a)(1). The tax exempt purpose of Moneythink and the nature in which it operates is described above. Moneythink continues to operate in compliance with its tax exempt purpose.

Moneythink's annual information returns filed with the federal and state governments are subject to examination for the years ending June 30, 2012 through 2015.

Note 2 – Temporarily Restricted Net Assets

Moneythink's temporarily restricted net assets as of June 30, 2015 consist of the following:

Technology improvements	\$ 77,378
Westcoast expansion	49,637
Mississippi expansion	336,063
Chicagoland programming	94,155
	<u>\$ 557,233</u>

MONEYTHINK
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 3 – Research and Development Costs

Software development costs incurred related to the Moneythink Mobile App were expensed. Total contracted expenditures related to the development of the application during the year ended June 30, 2015 were \$155,000 and are included with contracted services in the financial statements.

Note 4 – Future commitments

As of June 30, 2015, Moneythink has future commitment costs approximating \$70,000 for development of its mobile app.

Note 5 – Subsequent Events

For the fiscal year ended June 30, 2015, Moneythink's management has evaluated subsequent events through August 10, 2015, which is the date the financial statements were available to be issued. No subsequent events have been identified that are required to be disclosed at that date.

Supplementary Information

MONEYTHINK
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2015

	Program Services	Supporting Services		Total
	Advocacy	Management and General	Fundraising	
<u>Functional Expenses</u>				
Salaries	\$ 230,325	\$ 59,802	\$ 115,635	\$ 405,762
Payroll taxes	17,797	4,576	8,868	31,241
Total personnel expenses	248,122	64,378	124,503	437,003
Assistance to chapters	7,070	192	-	7,262
Benefits	-	1,828	-	1,828
Contracted services	568,999	39,565	3,497	612,061
Professional fees	-	3,179	-	3,179
Professional fees - in-kind	-	97,452	-	97,452
Technology	21,067	1,995	565	23,627
Insurance	-	9,983	-	9,983
Travel	29,876	17,528	22,321	69,725
Other office expenses	114	17,770	111	17,995
Meetings and special events	18,402	23	2,553	20,978
Supplies	7,885	4,537	401	12,823
Total Expenses	\$ 901,535	\$ 258,430	\$ 153,951	\$ 1,313,916

See independent auditor's report and notes to financial statements.