

MONEYTHINK
FINANCIAL STATEMENTS
For the Year Ended
June 30, 2016

MONEYTHINK

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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, 2016, 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, 2016, 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 & Ahern, Ltd

Chicago, IL
October 6, 2016

MONEYTHINK
STATEMENT OF FINANCIAL POSITION
June 30, 2016

Assets

Current Assets

Cash and cash equivalents	\$ 413,305
Receivables	5,121
Security deposit	<u>3,750</u>

Total Assets \$ 422,176

Liabilities and Net Assets

Current Liabilities

Accounts payable	\$ 4,427
Accrued payroll expenses	<u>1,200</u>
Total current liabilities	<u>5,627</u>

Net Assets

Unrestricted	416,549
Temporarily restricted	<u>-</u>
Total net assets	<u>416,549</u>

Total Liabilities and Net Assets \$ 422,176

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

MONEYTHINK
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Public Support and Revenue</u>			
Contributions	\$ 647,672	\$ 340,051	\$ 987,723
Miscellaneous revenues	43	-	43
In-kind donations	10,000	-	10,000
Net assets released from restrictions	897,285	(897,285)	-
Total Public Support and Revenue	<u>1,555,000</u>	<u>(557,234)</u>	<u>997,766</u>
<u>Expenses</u>			
Program Services	842,529	-	842,529
Supporting Services			
Management and general	212,170	-	212,170
Fundraising	146,184	-	146,184
Total Expenses	<u>1,200,883</u>	<u>-</u>	<u>1,200,883</u>
Change in net assets	354,117	(557,234)	(203,117)
Net assets, beginning of year	<u>62,432</u>	<u>557,234</u>	<u>619,666</u>
Net assets, end of year	<u>\$ 416,549</u>	<u>\$ -</u>	<u>\$ 416,549</u>

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

MONEYTHINK
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2016

Cash Flows from Operating Activities

Change in net assets	\$ (203,117)
Adjustments to reconcile change in net assets to net cash used by operating activities	
Decrease (increase) in:	
Receivables	(3,713)
Increase (decrease) in:	
Accounts payable	(2,846)
Accrued payroll expenses	<u>523</u>
Net cash used by operating activities	<u>(209,153)</u>
Net decrease in cash and cash equivalents	(209,153)
Cash and cash equivalents, beginning of year	<u>622,458</u>
Cash and cash equivalents, end of year	<u><u>\$ 413,305</u></u>

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

MONEYTHINK
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

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

Organization

We build the financial health of Americans by equipping youth and young adults to believe in themselves, navigate the financial decisions of adulthood, and achieve financial independence. Our innovative model--combining high-touch mentorship with high-tech digital tools--gets young people excited about making smart financial decisions and starts them down the path toward economic success. By providing financial capability education for young adults, Moneythink is enabling students to make sound financial choices, achieve college attainment, and secure healthy financial futures.

We partner with leading nonprofits and schools to reach students at key inflection points in their financial lives: their first employment experience and the college application process. Our partners administer our technology and curriculum for the benefit of their students.

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 times, balances may exceed Federal Deposit Insurance Corporation (FDIC) limits.

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 greater than \$500 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 below \$500, are expensed currently. At June 30, 2016, 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.

MONEYTHINK
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

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

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. Moneythink did not receive any of these services during the year ended June 30, 2016.

In-Kind Contributions

In addition to receiving cash contributions, Moneythink receives in-kind contributions from various donors, including donated software that would have been purchased if not donated. During the year ended June 30, 2016, Moneythink received \$10,000 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, 2013 through 2016.

Subsequent Events

Accounting principles generally accepted in the United States of America establish general standards of accounting for, and disclosure of, events that occur after the balance sheet date but before financial statements are issued or are available to be issued. Moneythink has evaluated subsequent

MONEYTHINK
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

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

Subsequent Events (cont.)

events through the date of the report on the financial statements, which is the date the statements were available to be issued. No subsequent events have been identified that are required to be disclosed.

Note 2 – 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, 2016 were \$123,770 and are included with contracted services in the financial statements.

Supplementary Information

MONEYTHINK
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2016

	Program Services	Supporting Services		Total
	Advocacy	Management and General	Fundraising	
<u>Functional Expenses</u>				
Salaries	\$ 410,184	\$ 53,502	\$ 130,783	\$ 594,469
Payroll taxes	30,631	3,996	9,766	44,393
Total personnel expenses	440,815	57,498	140,549	638,862
Assistance to chapters	6,397	785	393	7,575
Benefits	-	-	-	-
Contracted services	281,183	89,551	1,935	372,669
Professional fees	-	4,608	-	4,608
Professional fees - in-kind	-	-	-	-
Technology	16,868	12,735	-	29,603
Insurance	-	5,712	-	5,712
Travel	87,673	7,127	2,490	97,290
Other office expenses	25	18,816	273	19,114
Meetings and special events	9,503	1,700	500	11,703
Supplies	65	905	44	1,014
Miscellaneous	-	12,733	-	12,733
Total Expenses	\$ 842,529	\$ 212,170	\$ 146,184	\$ 1,200,883

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