

MONEYTHINK
FINANCIAL STATEMENTS
(CASH BASIS)

For the Year Ended
June 30, 2014

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 assets, liabilities, and net assets – cash basis as of June 30, 2014, and the related statement of revenue, expenses and changes in net assets – cash basis 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 the cash basis of accounting as described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 assets, liabilities, and net assets of Moneythink as of June 30, 2014, and its revenue, expenses and changes in net assets for the year then ended in accordance with the cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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 cash basis 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
February 6, 2015

MONEYTHINK
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - CASH BASIS
June 30, 2014

Assets

Current Assets

Cash and cash equivalents \$ 376,117

Total Assets \$ 376,117

Liabilities and Net Assets

Current Liabilities

Credit card payable \$ 1,814

Accrued payroll expenses 677

Total current liabilities 2,491

Net Assets

Unrestricted 235,885

Temporarily restricted 137,741

Total net assets 373,626

Total Liabilities and Net Assets \$ 376,117

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

MONEYTHINK**STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS - CASH BASIS****For the Year Ended June 30, 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Public Support and Revenue</u>			
Contributions	\$ 373,642	\$ 355,000	\$ 728,642
Program fees	5,450	-	5,450
Net assets released from restrictions	217,259	(217,259)	-
Total Public Support and Revenue	<u>596,351</u>	<u>137,741</u>	<u>734,092</u>
<u>Expenses</u>			
Program Services	283,818	-	283,818
Supporting Services			
Management and general	42,845	-	42,845
Fundraising	88,968	-	88,968
Total Expenses	<u>415,631</u>	<u>-</u>	<u>415,631</u>
Change in net assets	180,720	137,741	318,461
Net assets, beginning of year	<u>55,165</u>	<u>-</u>	<u>55,165</u>
Net assets, end of year	<u><u>\$ 235,885</u></u>	<u><u>\$ 137,741</u></u>	<u><u>\$ 373,626</u></u>

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

MONEYTHINK
NOTES TO FINANCIAL STATEMENTS - CASH BASIS
June 30, 2014

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 were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. This basis of presentation differs from accounting principles generally accepted in the United States of America (GAAP) in that certain revenues are generally recognized when received rather than when promised or earned and certain expenses are generally recognized when paid rather than when the obligation is incurred. In-kind contributions and donated services are also not recognized in cash basis financial statements. However, these financial statements do reflect payroll related accruals and liabilities related to purchases made on credit.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of demand deposits in federally insured accounts. At June 30, 2014, Moneythink's cash and cash equivalents exceeded federally insured limits by \$126,100.

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, 2014, 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.

Pledges

Pledged contributions and related revenues are not recorded in the cash basis financial statements. Had pledges been recorded, the Organization would have recognized an additional \$35,000 in contributions and pledge receivables for the year ending June 30, 2014, of which all would have been temporarily restricted for future operations.

MONEYTHINK
NOTES TO FINANCIAL STATEMENTS - CASH BASIS
June 30, 2014

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 that (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 are omitted from cash basis statements. During the year ended June 30, 2014, Moneythink received \$131,887 of contributed legal services, which are not reflected in these cash basis financial statements.

In-Kind Contributions

In addition to receiving cash contributions, Moneythink receives in-kind contributions from various donors, including donated space and donated marketing that would have been purchased if not donated. During the year ended June 30, 2014, Moneythink received \$600 of donated space and \$79,250 of donated marketing which are not reflected in these cash basis financial statements.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts. Accordingly, 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—cash basis. 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 and income tax returns filed with the federal and state governments are subject to examination for the years ending June 30, 2011 through 2014.

MONEYTHINK
NOTES TO FINANCIAL STATEMENTS - CASH BASIS
June 30, 2014

Note 2 – Temporarily Restricted Net Assets

Moneythink’s temporarily restricted net assets as of June 30, 2014 consist of the following:

Mobile app development	\$ 97,224
Westcoast expansion	36,082
Chicagoland programming	<u>4,435</u>
	<u><u>\$ 137,741</u></u>

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, 2014 were \$134,685 and are included with contracted services in the financial statements.

Note 4 – Future commitments

As of June 30, 2014, Moneythink has future commitment costs approximating \$89,500 for development of its mobile app.

Note 5 – Subsequent Events

For the fiscal year ended June 30, 2014, Moneythink’s management has evaluated subsequent events through February 6, 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 - CASH BASIS
For the Year Ended June 30, 2014

	Program	Supporting Services		Total
	Services	Management	Fundraising	
	Advocacy	and General		
<u>Functional Expenses</u>				
Salaries	\$ 82,791	\$ 31,047	\$ 58,644	\$ 172,482
Payroll taxes	6,334	2,375	4,486	13,195
Total personnel expenses	89,125	33,422	63,130	185,677
Assistance to chapters	15,454	-	3,056	18,510
Contracted services	156,421	-	6,753	163,174
Professional fees	-	1,673	-	1,673
Technology	2,462	613	506	3,581
Insurance	-	2,749	-	2,749
Travel	8,617	908	13,206	22,731
Other office expenses	261	1,592	-	1,853
Meetings and special events	11,478	-	-	11,478
Supplies	-	1,888	2,317	4,205
Total Expenses	\$ 283,818	\$ 42,845	\$ 88,968	\$ 415,631

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