

Hearts for Moms, Inc.

Financial Statements

As of December 31, 2024

HEARTS FOR MOMS, INC.
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YEAR ENDED DECEMBER 31, 2024

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Independent Auditors' Report

To the Board of Directors
Hearts for Moms, Inc.
West Palm Beach, Florida

Opinion

We have audited the accompanying financial statements of Hearts For Moms, Inc., (a nonprofit organization) which comprise the statement of financial position as of December 31, 2024, and the related statement of activities, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hearts For Moms, Inc. as of December 31, 2024 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hearts For Moms, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hearts For Moms, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Hearts For Moms, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hearts For Moms, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Schafer, Tschoopp, Whitcomb, Mitchell & Sheridan, LLP

SCHAFER, TSCHOPP, WHITCOMB, MITCHELL & SHERIDAN, LLP

August 12, 2025

HEARTS FOR MOMS, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2024

ASSETS

Cash and cash equivalents	\$ 419,878
Accounts receivable	120,000
Inventory	1,915
Prepaid expenses and other assets	13,796
Property and equipment - at cost, net of accumulated depreciation of \$4,988	<u>4,112</u>
TOTAL ASSETS	<u>\$ 559,701</u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable and accrued expenses	<u>\$ 20,998</u>
Total Liabilities	<u>20,998</u>

Net Assets

Without donor restrictions	538,703
With donor restrictions	<u>-</u>
Total Net Assets	<u>538,703</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 559,701</u>
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See accompanying notes to the financial statements

HEARTS FOR MOMS, INC.
STATEMENT OF ACTIVITIES
For the year ended December 31, 2024

Changes in Net Assets Without Donor Restrictions

Revenues

Grants	\$ 245,000
Contributions	291,728
Special events, net of expenses of \$210,578	437,574
Investment income	2,611
In-kind donations	73,612
Merchandise sales, net of costs of \$9,487	<u>5,653</u>

Total Revenues Without Donor Restrictions	<u>1,056,178</u>
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Expenses

Program Services	
Program costs	619,269
Support Services	
Management and general	151,272
Fundraising	<u>52,775</u>
 Total Expenses	 <u>823,316</u>

Increase in Net Assets Without Donor Restrictions	232,862
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Changes in Net Assets With Donor Restrictions

Net assets released from restrictions	<u>-</u>
Increase in Net Assets With Donor Restrictions	<u>-</u>

Total Increase (decrease) in Net Assets	232,862
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Net Assets at Beginning of Year	<u>305,841</u>
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Net Assets at End of Year	<u><u>\$ 538,703</u></u>
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See accompanying notes to the financial statements

HEARTS FOR MOMS, INC.
STATEMENT OF CASH FLOWS
For the year ended December 31, 2024

Cash Flows from Operating Activities	
Increase (decrease) in net assets	\$ 232,862
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation	2,060
Changes in assets and liabilities:	
Accounts receivable	(120,000)
Prepaid expenses	(3,274)
Inventory	162
Accounts payable and accrued expenses	<u>10,027</u>
Net Cash Provided by Operating Activities	<u>121,837</u>
Cash Flows from Investing Activities	
Purchase of property and equipment	<u>1,508</u>
Net Cash Provided (Used) in Investing Activities	<u>1,508</u>
Cash Flows from Financing Activities	
Net Cash Provided (Used) by Financing Activities	<u>-</u>
Net Increase (decrease) in Cash	123,345
Cash at Beginning of Year	<u>296,533</u>
Cash at End of Year	<u><u>\$ 419,878</u></u>
 Cash paid during the year for:	
Interest	\$ 175
Income taxes	\$ -

See accompanying notes to the financial statements

HEARTS FOR MOMS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2024

	<u>Program Services</u>	<u>Support Services</u>		
	<u>Program Costs</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Salaries and wages	\$ 163,212	\$ 14,463	\$ 10,465	\$ 188,140
Employee benefits and payroll taxes	14,463	1,282	927	16,672
Program expenses	393,502	-	-	393,502
Advertising and promotions	-	-	21,383	21,383
Bank and credit card charges	-	8,108	-	8,108
Depreciation	-	2,060	-	2,060
Education and training	48,092	-	-	48,092
Insurance	-	1,100	-	1,100
Office expenses	-	23,490	-	23,490
Occupancy	-	36,362	-	36,362
Professional fees	-	59,532	20,000	79,532
Travel and meetings	-	4,550	-	4,550
Other expenses	-	325	-	325
	<u>-</u>	<u>325</u>	<u>-</u>	<u>325</u>
Total	<u>\$ 619,269</u>	<u>\$ 151,272</u>	<u>\$ 52,775</u>	<u>\$ 823,316</u>

See accompanying notes to the financial statements

HEARTS FOR MOMS, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

NOTE 1 – Summary of Significant Accounting Policies

The summary of significant accounting policies is presented to assist in the understanding of the financial statements of Hearts For Moms, Inc. (the Organization). The financial statements and notes are representation of management who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Organization – Hearts For Moms, Inc., a not-for-profit corporation, was incorporated in 2017 under the laws of the State of Florida. The Organization’s purpose is to share God’s message of faith, hope, and love by walking alongside single moms through every step of their journey. In response to the growing crisis caused by the high cost of living, they offer one of the fastest solutions to preventing homelessness by subsidizing housing and other basic needs to help stabilize families and keep them together. Without this support, many moms face eviction, which could lead to losing custody of their children and entering the foster care system. The Organization offers such services as housing, education, transportation, childcare, mental wellness. They also have skill development classes and offer mentors and financial coaches for each of the moms.

Basis of Accounting – The financial statements of Hearts For Moms, Inc. have been prepared on the accrual basis of accounting. Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) Topic 958.

Revenue recognition – Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Non-cash contributions received by the Organization are recorded at management’s estimate of the fair market value at the date received.

HEARTS FOR MOMS, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

NOTE 1 – Summary of Significant Accounting Policies (continued)

Cash and cash equivalents – Cash and cash equivalents include cash invested in liquid instruments with an original maturity of three months or less.

Property and equipment - Fixed assets are recorded at cost or, if donated, at the fair market value on the date of receipt. Depreciation of fixed assets is calculated using the straight line method over the estimated useful lives of the respective assets. Depreciation expense for the year ended December 31, 2024 was \$2,060.

Unearned Revenue – Prepayments of membership dues are recorded as unearned revenue. These prepayments are recognized as income during the year to which they relate.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principals requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Expenses - The costs of providing the various functions and other activities have been detailed in the statement of functional expenses. Salaries and other expenses which are associated with a specific function are charged directly to that function. Other expenses which benefit more than one function are allocated to the various functions based on the percentage of each function's salary expense to total salary expense or upon area usage.

NOTE 2 – Contributed Services

A number of unpaid volunteers have made contributions of their time in the management, administration and productions of the organization. The value of this contributed time is not reflected in these financial statements because they did not meet the criteria for recognition as contributed services.

HEARTS FOR MOMS, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

NOTE 3 – Property and Equipment:

Property and equipment at December 31, 2024 consists of the following:

Furniture and equipment	\$ 3,850
Computer equipment	2,033
Leasehold improvements	<u>3,217</u>
Less accumulated depreciation	<u>(4,988)</u>
	<u>\$ 4,112</u>

NOTE 4 – Income Taxes

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code on income related to its tax-exempt purpose. The Organization had no unrelated business income during the year ended December 31, 2024, accordingly, no tax liability or provision has been provided for in the accompanying financial statements.

The Organization has adopted the provisions of the Income Tax Topic of the ASC. These provisions clarify the accounting for uncertainty in tax positions and prescribe guidance related to the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The tax benefit from an uncertain tax position is only recognized in the statement of financial position if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. Interest and penalties, if any, are included in expenses in the statement of activities. As of December 31, 2024, the Association had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

The Organization's income tax returns are subject to review and examination by federal authorities. The Organization is not aware of any activities that would jeopardize its tax exempt status. The tax returns for the fiscal years ended from 2021 forward are open to examination by federal authorities.

NOTE 5 – Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash. The Organization places its cash with financial institutions, and occasionally balances exceed the amount covered by FDIC insurance.

HEARTS FOR MOMS, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

NOTE 6 – Subsequent Events

Management Evaluation - The Organization has evaluated subsequent events through August 12, 2025, which is the date the financial statements were issued. All subsequent events requiring recognition as of August 12, 2025 have been incorporated into these financial statements.

NOTE 7 – Lease Obligations

The Organization conducts its operations from leased facilities. The Organization signed a three year lease for its main office in December 2024 that will expire in February of 2028. The new monthly rent amount is \$3,083 per month with an increase of 4% each annual renewal. Rent expense for 2024 for the operating lease was \$29,284. The following is a schedule of the future minimum rentals under this lease as of December 31, 2024:

Year ending December 31;

2025	\$30,828
2026	37,832
2027	38,870
2028	<u>6,508</u>
	<u>\$114,038</u>