



Selfless Love Foundation, Inc.

Financial Statements

December 31, 2018

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Independent Auditors' Report

To the Board of Directors
Selfless Love Foundation, Inc.
Hillsboro Beach, Florida

We have audited the accompanying financial statements of Selfless Love Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities and changes in net assets, 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Selfless Love Foundation, Inc. as of December 31, 2018 and the change 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.

Angela Calton LLP

Boca Raton, Florida
September 4, 2019

Selfless Love Foundation, Inc.
Statement of Financial Position
December 31, 2018

ASSETS

Assets:

Cash	\$	737,534
Accounts receivable		4,184
Prepaid expenses		28,056
Total assets	\$	<u>769,774</u>

LIABILITIES AND NET ASSETS

Liabilities:

Unconditional promise to give, net	\$	500,000
Deferred revenue		150,000
Total liabilities		<u>650,000</u>

Commitments and contingencies

Net assets:

Without donor restriction		119,774
Total liabilities and net assets	\$	<u>769,774</u>

See accompanying notes to financial statements.

Selfless Love Foundation, Inc.
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2018

	<u>Without Donor Restriction</u>
Revenues:	
Contributions	\$ 465,773
Special events	1,134,647
In-kind contributions	22,395
Total revenues	<u>1,622,815</u>
Expenses:	
Program	584,477
Management and general	83,926
Fundraising	294,221
Total expenses	<u>962,624</u>
Change in net assets	660,191
Net assets, beginning of year	<u>(540,417)</u>
Net assets, end of year	<u>\$ 119,774</u>

See accompanying notes to financial statements.

Selfless Love Foundation, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2018

	Program	Management and General	Fundraising	Total Functional Expenses
Salary and benefits	\$ 257,314	\$ 14,295	\$ 14,295	\$ 285,904
Grant assistance	150,000	-	-	150,000
Catering	5,885	72	78,936	84,893
Entertainment	-	-	65,566	65,566
Décor	3,329	-	59,134	62,463
Professional fees	21,522	23,719	-	45,241
Venue	22,837	-	14,700	37,537
Marketing	32,442	257	3,912	36,611
Office supplies	3,725	8,633	22,312	34,670
Travel and meetings	26,610	247	4,948	31,805
Sponsorship	25,157	-	-	25,157
In-kind contributions	-	-	22,395	22,395
Information technology	9,684	8,066	1,618	19,368
Bank fees	-	18,231	-	18,231
Gifts	16,005	1,579	-	17,584
Event planning	7,072	-	2,127	9,199
Equipment rental	2,511	1,257	4,068	7,836
Postage and shipping	384	3,753	25	4,162
Insurance	-	3,817	185	4,002
Total functional expenses	<u>\$ 584,477</u>	<u>\$ 83,926</u>	<u>\$ 294,221</u>	<u>\$ 962,624</u>

See accompanying notes to financial statements.

Selfless Love Foundation, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2018

Cash flows from operating activities:	
Change in net assets	\$ 660,191
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Change in operating assets and liabilities:	
Accounts receivable	(4,184)
Prepaid expenses	(28,056)
Unconditional promise to give, net	(100,000)
Deferred revenue	150,000
Net cash provided by operating activities	<u>677,951</u>
Cash flows from investing activities	<u>-</u>
Cash flows from financing activities	<u>-</u>
Net increase in cash	677,951
Cash, beginning of year	<u>59,583</u>
Cash, end of year	<u>\$ 737,534</u>

See accompanying notes to financial statements.

Note 1 – Description of Foundation

Selfless Love Foundation, Inc. (the “Foundation”) was incorporated in the State of Florida on February 17, 2015 as a private, not-for-profit dedicated to transforming the lives of current and former foster youth through awareness and strategic partnerships. The Foundation’s support comes primarily from contributions from individual and corporate donors and revenues from annual events.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Foundation’s financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Financial Statement Presentation

The Foundation reports information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of Foundation’s management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

As of December 31, 2018, the Foundation did not have net assets with donor restrictions.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and changes in net assets and functional expenses. Accordingly, certain costs have been allocated among the programs, general and administrative, and fundraising services benefited.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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 differ from those estimates.

Note 2 – Summary of Significant Accounting Policies, continued

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with an original maturity of three (3) months or less to be cash equivalents. There were no cash equivalents as of December 31, 2018.

Accounts Receivable

Accounts receivable are presented net of a reserve for doubtful accounts, should the Foundation's management deem that a reserve is necessary. Receivables are considered impaired if full payments are not received in accordance with the agreed upon terms. The Foundation's allowance for doubtful accounts as of December 31, 2018 was \$0.

Promises to Give

Unconditional promises to give are recorded at the time the Foundation has made an irrevocable promise to give in the future, which occurs when the Foundation approves a specific grant. If payments of the unconditional promise to give are to be made to a recipient over a period of time greater than one (1) year and the recipient is subject only to routine performance requirements, a liability and an expense for the entire amount payable is recognized in the period awarded. Unconditional promises to give that extend greater than one (1) year are recorded at net present value using interest rates appropriate to the length of time for realization. Conditional promises to give are recorded by the Foundation at the time the recipient has substantially met the underlying conditions.

Contributions

Contributions received are recorded as revenue without donor restriction or with donor restriction 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 restriction expires 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.

Deferred Revenue

Deferred revenue consists of payments received in advance for the Foundation's annual events. Revenue is recognized in the subsequent year when the event occurs.

Donated Services and Materials

Contributed services are recognized if the services received create or enhance non-financial assets or require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. In-kind contributions are recognized at fair value when donated services received create or enhance long-lived assets or require specialized skills and when goods that would typically need to be purchased are provided by donation.

Note 2 – Summary of Significant Accounting Policies, continued

Income Taxes

The Foundation has been recognized by the Internal Revenue Services (“IRS”) as an organization that is exempt from federal income taxes under Internal Revenue Code (“IRC”) Section 501(c)(3). Furthermore, it has been determined that the Foundation is not a private foundation. No provision has been made for income taxes in the financial statements.

Accounting Pronouncements Adopted

The Foundation has adopted the financial statement presentation and disclosure standards contained in the Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*, modifying Accounting Standards Codification (“ASC”) 958. The change has been applied as of December 31, 2018 with no effect on beginning net assets.

Recent Accounting Pronouncements

In June 2018, the FASB issued ASU No. 2018-08 – Not-for-Profit Entities (Topic 958), *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies and improves the scope and the accounting guidance for contributions received and contributions made. ASU No. 2018-08 should assist entities in (i) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (ii) determining whether a contribution is conditional. ASU No. 2018-08 is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted. The Foundation is currently evaluating the impact that adoption of this new standard will have on its financial statements.

Date of Management’s Review

Management has evaluated subsequent events through September 4, 2019, the date on which the financial statements were available to be issued.

Note 3 – Liquidity and Availability of Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2018, comprise of the following:

Financial assets as of December 31, 2018	
Cash	\$ 737,534
Accounts receivable	4,184
Total financial assets	<u>741,718</u>
Less: financial assets not available for general expenditure	<u>-</u>
Total financial assets available for general expenditure	<u>\$ 741,718</u>

The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

Note 4 – Unconditional Promises to Give

Future obligations due on unconditional promises to give consist as follows:

<u>Years Ending December 31,</u>	
2019	\$ 301,960
2020	201,922
	<u>503,882</u>
Discount to present value	(3,882)
Unconditional promise to give, net	<u>\$ 500,000</u>

Note 5 – Donated Services and Materials

Donated services and materials received during the year ended December 31, 2018 were as follows:

Donated services:

Information technology	\$ 19,200
Marketing	2,195
	<u>\$ 21,395</u>

Donated materials:

Auction items	\$ 384,401
Program supplies	1,000
	<u>\$ 385,401</u>

Donated auction items are recorded at fair value as an asset and contribution revenue on the date of donation. When an item is sold, the asset is removed and contribution revenue is adjusted to proceeds received from the sale. Donated auction item revenue during the year ended December 31, 2018 was \$384,401 which is included in special events revenue in the accompanying statement of activities and changes in net assets.

Note 6 – Related Party Transaction

The Foundation received \$358,710 of contributions from the members of the executive board during the year ended December 31, 2018.

Note 7 – Concentration of Credit Risk

The Foundation maintains cash at a financial institution which at times may exceed federally insured limits. Deposits held at the financial institution in excess of federally insured limits as of December 31, 2018 were \$487,534.