

MOMMY'S LIGHT LIVES ON FUND
FINANCIAL STATEMENTS &
INDEPENDENT AUDIT REPORT
June 30, 2005 and June 30, 2004

MOMMY'S LIGHT LIVES ON FUND

JUNE 30, 2005

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INDEPENDENT AUDITOR'S REPORT

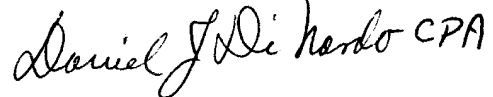
To the Board of Directors
Mommy's Light Lives On Fund
Lionville, PA

We have audited the accompanying Statements of Financial Position of Mommy's Light Lives On Fund as of June 30, 2005 and June 30 2004, and the related statement of activities, functional expenses and cash flows for the years ended June 30, 2005 and June 30, 2004.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of Mommy's Light Lives On Fund as of June 30, 2005, and June 30, 2004, and the results of its operations and its cash flows for the years ended June 30, 2005 and June 30, 2004, in conformity with U.S. generally accepted accounting principles.

Daniel J. DiNardo, CPA



November 7, 2005

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**MOMMY'S LIGHT LIVES ON FUND
BALANCE SHEET
JUNE 30, 2005 and 2004**

| | 2005 | 2004 |
|---|-------------------|------------------|
| Assets | | |
| Current Assets | | |
| Cash | \$ 110,028 | \$ 95,119 |
| Deposit | 3,000 | |
| Total Current Assets | \$ 113,028 | \$ 95,119 |
| | | |
| Liabilities & Fund Balance | | |
| Current Liabilities | | |
| Accounts Payable | \$ 600 | \$ 600 |
| Accrued Expenses | 1,700 | |
| Payroll Taxes Payable | 1,615 | |
| Total Current Liabilities | 3,915 | 600 |
| | | |
| Fund Balance | | |
| Unrestricted | 101,988 | 87,508 |
| Restricted | 7,125 | 7,011 |
| Ending Fund Balance | 109,113 | 94,519 |
| | | |
| Total Liabilities & Fund Balance | \$ 113,028 | \$ 95,119 |

See Accompanying Notes to Financial Statements

**MOMMY'S LIGHT LIVES ON FUND
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2005**

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> |
|---------------------------------|---------------------|-----------------------------------|-------------------|
| Revenues: | | | |
| Contributions | \$ 42,673 | | \$ 42,673 |
| Grants | 32,850 | | 32,850 |
| Special events | 126,733 | | 126,733 |
| Gifts in kind | 60,024 | | 60,024 |
| Sales | 1,233 | | 1,233 |
| Interest income | 950 | 114 | 1,064 |
| Total revenues | <u>264,463</u> | <u>114</u> | <u>264,577</u> |
| | | | |
| Expenses: | | | |
| Program services | 163,403 | | 163,403 |
| Management and general | 52,921 | | 52,921 |
| Special events | 33,659 | | 33,659 |
| Total expenses | <u>249,983</u> | | <u>249,983</u> |
| | | | |
| Change in fund balance | 14,480 | 114 | 14,594 |
| | | | |
| Fund balance, beginning of year | <u>87,508</u> | <u>7011</u> | <u>94,519</u> |
| | | | |
| Net assets, end of year | <u>\$ 101,988</u> | <u>\$ 7,125</u> | <u>\$ 109,113</u> |

See Accompanying Notes to Financial Statements

**MOMMY'S LIGHT LIVES ON FUND
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2004**

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> |
|---------------------------------|---------------------|-----------------------------------|------------------|
| Revenues: | | | |
| Contributions | \$ 43,634 | \$ 6,975 | \$ 50,609 |
| Grants | 22,500 | | 22,500 |
| Special events | 50,766 | | 50,766 |
| Gifts in kind | 57,967 | | 57,967 |
| Sales | 1,617 | | 1,617 |
| Interest income | 415 | 36 | 451 |
| Total revenues | <u>176,899</u> | <u>7,011</u> | <u>183,910</u> |
| | | | |
| Expenses: | | | |
| Program services | 120,296 | | 120,296 |
| Management and general | 38,323 | | 38,323 |
| Special events | 789 | | 789 |
| Total expenses | <u>159,408</u> | <u> </u> | <u>159,408</u> |
| | | | |
| Change in fund balance | 17,491 | 7,011 | 24,502 |
| | | | |
| Fund balance, beginning of year | <u>70,017</u> | <u>0</u> | <u>70,017</u> |
| | | | |
| Net assets, end of year | <u>\$ 87,508</u> | <u>\$ 7,011</u> | <u>\$ 94,519</u> |

See Accompanying Notes to Financial Statements

**MOMMY'S LIGHT LIVES ON FUND
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2005**

| | Program | Supporting Services | Total |
|-------------------------------------|-------------------|--------------------------------|-------------------|
| Request Items | \$ 16,387 | 0 | \$ 16,387 |
| Outreach | 9,645 | 0 | 9,645 |
| Printed Materials | 6,451 | 1,800 | 8,251 |
| Supplies & Miscelanious | 9,078 | 4,778 | 13,856 |
| Public Relations | 449 | 584 | 1,033 |
| Volunteer | 5,639 | 1083 | 6,722 |
| Donated Services | 34,965 | 7422 | 42,387 |
| Accounting/Audit/Financial Services | 3,605 | 1,545 | 5,150 |
| Computer and Web Costs | 793 | 260 | 1,053 |
| Office Space | 6,270 | 2,880 | 9,150 |
| Fundraising | 0 | 1,857 | 1,857 |
| Employee Payroll | 14,514 | 6,220 | 20,734 |
| Independent Contractors | 55,101 | 24,216 | 79,317 |
| Special Events | 0 | 33,659 | 33,659 |
| Tax and Legal Fees and Services | 506 | 276 | 782 |
| | <u>\$ 163,403</u> | <u>\$ 86,580</u> | <u>\$ 249,983</u> |

See Accompanying Notes to Financial Statements

**MOMMY'S LIGHT LIVES ON FUND
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2004**

| | Program | Supporting Services | Total |
|---|-------------------|--------------------------------|-------------------|
| Request Items | 8,811 | - | 8,811 |
| Outreach | 6,991 | - | 6,991 |
| Printed Materials | 9,266 | 4,783 | 14,049 |
| | | | - |
| Supplies & Miscellaneous | 4,629 | 3,135 | 7,764 |
| Public Relations | 2,566 | 2,666 | 5,232 |
| Volunteer | 9,415 | - | 9,415 |
| | | | - |
| Donated Strategic Planning and Program Design | 15,068 | | 15,068 |
| Accounting/Audit/Financial Services | 5,356 | 2,295 | 7,651 |
| Computer and Web Costs | 2,583 | 1,431 | 4,014 |
| | | | - |
| Donated Office Space | 3,900 | 2,100 | 6,000 |
| Fundraising | | 88 | 88 |
| | | | - |
| | | - | - |
| Independent Contractors & Donated Services | 47,959 | 20,529 | 68,488 |
| Special Events | 459 | 330 | 789 |
| Tax and Legal Fees and Services | 3,293 | 1,755 | 5,048 |
| | <u>\$ 120,296</u> | <u>\$ 39,112</u> | <u>\$ 159,408</u> |

**MOMMY'S LIGHT LIVES ON FUND
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2005 and 2004**

| | <u>2005</u> | <u>2004</u> |
|--|-------------------|------------------|
| Cash flows from operating activities: | \$ 14,594 | \$ 24,502 |
| Change in net assets | | |
| Adjustment to reconcile change in net assets to net cash provided by operating activities | | |
| Change in assets and liabilities: | | |
| Deposit | -3,000 | 0 |
| Accounts payable | 0 | 153 |
| Accrued Expenses | 1,700 | 0 |
| Payroll Taxes Payable | 1,615 | 0 |
| Net cash provided by operating activities | <u>315</u> | <u>153</u> |
| Net increase in cash | 14,909 | 24,655 |
| Cash, beginning of year | <u>95,119</u> | <u>70,464</u> |
| Cash, end of year | <u>\$ 110,028</u> | <u>\$ 95,119</u> |

See Accompanying Notes to Financial Statements

MOMMY'S LIGHT LIVES ON FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2005 and June 30, 2004

NOTE A: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Organization

Mommy's Light Lives On Fund is a not-for profit corporation organized under the laws of the Commonwealth of Pennsylvania. The organization serves children and teens whose mom's are in a life threatening situation or are deceased, by helping them keep alive traditions and simple pleasures they shared with their mothers.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis in accordance with generally accepted accounting principles.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Revenue Recognition

Contributions are recognized when an unconditional promise to give is made and are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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 and reported in the Statement of Activities as net assets released from restrictions.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosures. Accordingly, actual amounts could differ from those estimates.

Donated Services

Donated services are recognized as contributions in accordance with SFAS No. 116, Accounting for Contributions Received and Contributions Made, if the services (a) create or enhance nonfinancial assets or b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Volunteers also provided the majority of client services throughout the year and are not recognized a contributions in the financial statements since the recognition criteria under SFAS No. 116 were not met.

MOMMY'S LIGHT LIVES ON FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2005 and 2004

NOTE A: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES
(continued)

Cash and Cash Equivalents

The Organization considers all investments with an initial maturity date of ninety days or less to be cash or a cash equivalent.

Functional Allocation of Expenses

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

Income Taxes

The Organization is organized under the Internal Revenue Code Section 501(c)(3) and therefore, is exempt from federal and state income taxes.

NOTE B: LEASE COMMITMENT

Effective October 1, 2004, the Organization entered into a lease for its office space. The agreement is on a month to month basis, with monthly rental at \$600.

NOTE C: SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Significant professional services, which are contributed to the Organization, which meet the criteria for recognition, are recorded at fair value. Non-cash contributions and offsetting compensation expense in the amount of \$42,387 and \$45,802, for fiscal years 2005 and 2004 respectively, has been recognized in the accompanying financial statements.