Live & Learn

Hope... with an Action Plan

Financial Statements

December 31, 2018

LIVE AND LEARN PROGRAM

December 31, 2018

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Live and Learn Program:

I have reviewed the accompanying financial statements of Live and Learn Program (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

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.

Accountant's Responsibility.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

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Phoenix, AZ

August 5, 2019

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Live and Learn Program
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED December 31, 2018

	2018
ASSETS	
ASSETS	
Cash and cash equivalents	$ 235,078
Accounts receivable	10,134
Prepaid expense and other assets	609
Total assets	$ 245,821
LIABILITIES AND NET ASSETS	
LIABILITIES	
Accounts payable	$ 2,931
Accrued expenses	3,853
Total liabilities	6,784
NET ASSETS WITHOUT DONOR RESTRICTIONS	81,575
NET ASSETS WITH DONOR RESTRICTIONS	157,462
Total net assets	239,037
Total liabilities and net assets	$ 245,821

See Accompanying Notes to Financial Statements

Live and Learn Program
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED December 31, 2018

	2018		
	Net assets without Donor Restrictions	**Net assets with Donor Restrictions**	**Total**
REVENUE AND OTHER SUPPORT			
Contributions and grants	$ 7,694	$ 160,000	$ 167,694
Donated materials, supplies and services	37,154	-	37,154
Program service fees	9,746		9,746
Interest and dividend income	55	-	55
Special event revenue	1,371	-	1,371
Direct donor benefits	(1,358)	-	(1,358)
Release of restrictions	52,925	(52,925)	-
Total revenue and support	107,587	107,075	214,662
EXPENSES			
Program services	297,551	-	297,551
Supporting services			
Management and general	49,832	-	49,832
Fundraising	41,406	-	41,406
Total supporting services	91,238	-	91,238
Total expenses	388,789	-	388,789
CHANGE IN NET ASSETS	(281,202)	107,075	(174,127)
NET ASSETS, BEGINNING OF YEAR	362,777	50,387	413,164
NET ASSETS, END OF YEAR	$ 81,575	$ 157,462	$ 239,037

See Accompanying Notes to Financial Statements

Live and Learn Program
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED December 31, 2018

	Program Activities	Supporting Services		
	Program	Management and General	Fundraising	Total 2018
Personnel Expenses:				
Salaries and Wages	$ 136,436	$ 29,236	$ 29,236	$ 194,908
Payroll taxes and benefits	11,439	2,451	2,451	16,341
Total personnel expenses	147,875	31,687	31,687	211,249
Client welfare	92,846	-	-	92,846
Donated materials, supplies and services	37,154	-	-	37,154
Rent	6,950	1,489	1,489	9,928
Staff development	1,149	-	-	1,149
Professional fees	-	13,540	-	13,540
Repairs and maintenance	84	18	18	120
Insurance	1,726	370	370	2,466
Supplies and materials	1,242	266	266	1,774
Telephone and internet	1,948	417	417	2,782
Printing and postage	239	51	51	341
Computer and IT	3,263	699	699	4,661
Travel	1,738	373	373	2,484
Fundraising expense	-	-	5,749	5,749
Other	1,337	922	287	2,546
Total expenses	$ 297,551	$ 49,832	$ 41,406	$ 388,789

See Accompanying Notes to Financial Statements

Live and Learn Program
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED December 31, 2018

	2018
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ (174,127)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
(Increase) decrease in	
Pledges receivable	(10,134)
Prepaid expense and other assets	7,647
Increase (decrease) in	
Accounts payable	630
Accrued expenses	(3,527)
Total adjustments	(5,384)
Net cash provided by operating activities	(179,511)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(179,511)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	414,589
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 235,078
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION	
Cash paid for taxes	$ -
Cash paid for interest	$ -

See Accompanying Notes to Financial Statements

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Live and Learn Program (the Organization) is a not-for-profit organization incorporated in 2014 in Arizona. The Organization's primary purpose is help women impacted by poverty and violence. The Organization fulfils this mission by providing clients with a structured pathway to economic independence though personalized career planning, education, training, mentoring and financial assistance.

The significant accounting policies followed by the Organization are as follows:

Basis of accounting
The financial statements of the Organization have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables and other assets and liabilities.

Basis of presentation
The financial statement presentation reports information regarding its financial position and activities according to two classes of net assets:

Net Assets without Donor Restrictions
Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets with Donor Restrictions
Assets subject to usage limitations based on donor imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Organization. Certain restrictions may need to be maintained in perpetuity. At December 31, 2018, the Organization had no restrictions required to be maintained in perpetuity.

Accounts receivable
Accounts receivable consist of program service fees and exchange transaction revenue. The Organization, at times, grants credit without collateral to its funders. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual balances. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At December 31, 2018, all accounts receivable are due within one year and management considers the accounts receivable to be fully collectible and, therefore, no allowance for doubtful accounts has been provided.

Contributions
Contributions received are recorded as support with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions or without donor restrictions depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

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Promises to Give

Unconditional promises to give (pledges receivable) are recognized as revenues in the period the promise is received and as assets, decrease of liabilities or expenses depending on the form of the benefits received. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the status of individual balances. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to pledges receivable. At December 31, 2018, pledges receivable are considered by management to be fully collectible and, accordingly, an allowance for doubtful accounts has not been provided.

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Discounts on those amounts are computed using rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution support. At December 31, 2018, all outstanding promises to give are due within one year, and accordingly, no discount is necessary on these promises to give. Conditional promises to give are not included as support until the conditions are substantially met. At December 31, 2018, the Organization has no conditional promises to give.

Donated Services and Materials

Donated (In-kind) materials and services are measured at their estimated values at the date of donation if they enhance the Organization's nonfinancial assets or require specialized skills that the Organization would normally purchase, if not provided by donation. Volunteers donate a significant amount of time to the Organization's program services. The amount of this volunteer time is not reflected in the accompanying financial statements for these services, since these services did not meet the recognition requirement under generally accepted accounting principles.

Cash and Cash Equivalents

Cash includes cash and, at times, cash equivalents consisting of highly liquid financial instruments purchased with original maturities of three months or less. Deposits at cash institutions are insured in limited amounts by the Federal Deposit Insurance Corporation.

Functional expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been allocated among program and supporting services benefited. Management and general include those expenses that are not directly identifiable with any specific program, but provide for the overall support and direction of the Organization.

Management's 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Organization is organized as an Arizona non-profit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) and has been determined not to be a private foundation under Sections 509(a)(1) and 170(b)(1)(A)(vi). Accordingly, contributions to the Organization qualify for the charitable contribution deduction under Section 170. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is generally subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose.

Income Taxes (continued)
Management has determined the Organization has no taxable unrelated business income related to the Organization's activities and it has not filed the Exempt Organization Business Income Tax Return (IRS Form 990-T), or its Arizona equivalent, Form 99-T. The tax years ended 2015, 2016, and 2017 are still open to audit for both federal and state purposes. Management believes that it has appropriate support for any income tax positions taken, and, as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Subsequent events
The Organization evaluated subsequent events after the statement of financial position date of December 31, 2018 through August 5, 2019, which was the date the Organization's financial statements were available to be issued. No conditions, other than those noted below, were noted that did not exist as of December 31, 2018, but arose subsequent to that date:

NOTE 2 - ADOPTION OF ACCOUNTING PRONOUNCEMENT

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. ASU 2016-14 requires significant changes to the financial reporting model of organizations who follow the not-for-profit reporting model. The changes include reducing the classes of net assets from three classes to two – net assets with donor restrictions and net assets without donor restrictions. Unrestricted net assets, as reported in prior financial statements, are reported as net assets without donor restrictions. Temporarily restricted net assets, as reported in prior financial statements, are reported as net assets with donor restrictions. The ASU will also require changes in the way certain information is aggregated and reported by the Organization, including required disclosures about liquidity and availability of resources and increased disclosures on functional expenses. The new standard is effective for the Organization's year ending December 31, 2018 and thereafter and must be applied on a retrospective basis. The Organization adopted the ASU effective January 1, 2018. Adoption of the ASU did not result in any reclassifications or restatements to total net assets or changes in net assets.

NOTE 3 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following:

	2018
Purpose restrictions:	
Career track training	$ 150,000
Year up	5,000
Workforce development	2,462
Time restrictions:	
Pledges receivable	-
Total temporarily restricted net assets	$ 157,462

NOTE 3 - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets released from restrictions consist of the following:

	2018
Purpose restrictions:	
Capacity building grant	$ 42,716
Workforce development	2,538
Time restrictions:	
Pledges receivable	7,671
Total temporarily restricted net assets	$ 52,925

NOTE 4 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization has various sources of liquidity at its disposal, including cash & cash equivalents, accounts receivable and unrestricted contributions receivable. The Organization structures its financial assets to be available to meet general expenditures, liabilities and other obligations as they come due. The Organization manages its liquid resources by investing excess cash in interest bearing cash accounts. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization prepares and operates within an annual budget.

Financial assets available to meet general expenditures within one year:

	2018
Unrestricted cash & cash equivalents	$ 235,078
Contributions receivable due in the next 12 months	17,504
	252,582
Donor imposed restrictions	(157,462)
Financial assets available to meet general expenditures within one year	$ 95,120

NOTE 5 - COMMITMENTS

The Organization leases its facility under an operating lease agreement. The rental expense related to these leases is recorded on a straight-line basis over the lease term. In the normal course of business, these operating leases are generally renewed or replaced by other leases.

NOTE 5 – COMMITMENTS (CONTINUED)

Minimum future rental payments under non-cancellable operating leases having remaining terms in excess of one year at December 31, 2018, are as follows:

Years Ending June 30,		
2019	$	9,648
2020		2,412
Total minimum future lease payments	$	12,060

NOTE 6 - CONCENTRATIONS OF CREDIT RISK

Cash at depository financial institutions is insured in limited amounts by the Federal Deposit Insurance Corporation (FDIC). Typically, the Organization’s depository accounts at financial institutions do not exceed the FDIC insurance amount.

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