



The Buggy Bunch, Inc.
FINANCIAL STATEMENTS
Year Ended December 31, 2020

The Buggy Bunch, Inc.

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INDEPENDENT AUDITOR'S REPORT

October 26, 2021

To The Board of Directors of
the Buggy Bunch, Inc.
Vero Beach, Florida

We have audited the accompanying financial statements of The Buggy Bunch, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the fiscal 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.

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 financial position of The Buggy Bunch, Inc. as of December 31, 2020, and the changes 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.

McCain and Samons LLC

Vero Beach, FL

The Buggy Bunch, Inc.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS

	2020
Assets	
Cash and cash equivalents - unrestricted	\$ 404,442
Cash and cash equivalents - restricted	200,001
Pledge receivable, net of discount to net present value of \$452	34,548
Prepaid expenses	12,584
Deposits	750
Net property and equipment	877,397
Total assets	\$ 1,529,722

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable	\$ 133,612
Accrued payroll	4,962
Credit cards payable	677
Total liabilities	139,251
Net assets	
Without donor restriction	1,155,922
With donor restriction	234,549
Total net assets	1,390,471
Total liabilities and net assets	\$ 1,529,722

The accompanying notes are an integral part of these financial statements.

The Buggy Bunch, Inc.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2020

	2020		
	Without donor restriction	With donor restriction	Total
Revenues and grants			
Contributions and grants	\$ 454,584	\$ 104,311	\$ 558,895
In kind donations	2,400	-	2,400
Other Income - PPP Funds	22,260	-	22,260
Net assets released from donor restrictions	239,132	(239,132)	-
Total public support and revenue	718,376	(134,821)	583,555
Expenses			
Program services			
Family and children's education	127,237	-	127,237
Total program services	127,237	-	127,237
Support services			
Management and general	71,787	-	71,787
Fundraising expenses	75,852	-	75,852
Total support services	147,639	-	147,639
Total expenses	274,876	-	274,876
Change in net assets	443,500	(134,821)	308,679
Net assets, beginning of year	712,422	369,370	1,081,792
Net assets, end of year	\$ 1,155,922	\$ 234,549	\$ 1,390,471

The accompanying notes are an integral part of these financial statements.

The Buggy Bunch, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services	Support Services		
	Family and Children's Education	Management and General	Fundraising	Total
Compensation				
Salaries	\$ 66,050	\$ 15,221	\$ 43,227	\$ 124,498
Payroll taxes & fringes	5,574	1,310	3,536	10,420
Total compensation	<u>71,624</u>	<u>16,531</u>	<u>46,763</u>	<u>134,918</u>
Auto expense	215	41	-	256
Accounting	-	13,476	-	13,476
Depreciation	702	12,467	140	13,309
Dues and subscriptions	100	130	-	230
Child care expenses	6,678	-	-	6,678
Contract labor	8,604	-	-	8,604
Credit card and bank fees	18	15	1,494	1,527
Fundraising	-	-	27,455	27,455
Insurance expense	-	9,317	-	9,317
Licenses & taxes	4,229	4,490	-	8,719
Marketing expense	-	954	-	954
Meals	-	9	-	9
Office expense	1,048	1,047	-	2,095
Professional services	-	4,300	-	4,300
Rent expense	1,500	3,900	-	5,400
Repairs and maintenance	327	878	-	1,205
Reward and recognition	-	100	-	100
Software fees	1,903	1,903	-	3,806
Supplies	29,617	-	-	29,617
Training	-	380	-	380
Utilities	-	840	-	840
Website hosting	672	1,009	-	1,681
Total expenses	<u>\$ 127,237</u>	<u>\$ 71,787</u>	<u>\$ 75,852</u>	<u>\$ 274,876</u>

The accompanying notes are an integral part of these financial statements.

The Buggy Bunch, Inc.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

Cash flows from operating activities

Change in net assets	\$	308,679
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation		13,309
Changes in operating assets and liabilities which (used) provided cash:		
Prepaid expenses		(8,202)
Pledge receivable		157,813
Credit card payable		(6,855)
Payroll taxes payable		(1,866)
Accrued payroll		1,481
Accounts payable		128,218

Net cash provided by operating activities 592,577

Cash flows from investing activities

Building renovations		<u>(214,561)</u>
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Net cash used in investing activities (214,561)

Net increase in cash and cash equivalents 378,016

Cash and cash equivalents, beginning of year 226,427

Cash and cash equivalents, end of year \$ 604,443

The accompanying notes are an integral part of these financial statements.

The Buggy Bunch, Inc.

NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF ORGANIZATION

The Buggy Bunch, Inc. (the Organization) is a Florida nonprofit organization incorporated on July 28, 2010. The Buggy Bunch is dedicated to building relationships and meeting the needs of moms and families in Indian River County. The Organization exists to share the love of Jesus Christ through programming, outreach and discipleship. The Organization's vision is that all Indian River moms and families are thriving emotionally, financially, mentally, physically and spirituality. All moms will reach their individual potential and have a wide network of support. The Organization's support comes primarily from individual donors' contributions and private grants.

The Organization is a non-profit involving churches, businesses, organizations, and individuals supporting moms and families in Indian River County. All are welcome regardless of background, beliefs and socioeconomic status. The Organization provides family programming, which includes free educational playgroups, marriage enrichment, family outings, bible studies, cooking classes, fitness classes, bereavement support, single moms outreach, teen moms outreach, income restricted diaper assistance, etc.

2. SIGNIFICANT ACCOUNTING POLICIES

The organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the organization are described subsequently to enhance the usefulness and understandability of the financial statements.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence of absence of donor-imposed restrictions. Accordingly, net assets of The Buggy Bunch, Inc. and changes therein are classified and reported as follows:

Without donor restriction – Net assets that are not subject to donor-imposed stipulations. Assets without donor restriction are resources available to support operations. The only limits on the use of assets without donor restrictions are the broad limits resulting for the nature of the organization, the environment in which it operates, the purpose specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

With donor restriction – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of The Buggy Bunch, Inc. and/or the passage of time. When a restriction expires, assets with donor restrictions are reclassified to assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. This category also includes net assets subject to donor imposed stipulations that neither expire by being used in accordance with a donor's restriction nor by the passage of time.

The Buggy Bunch, Inc.

NOTES TO FINANCIAL STATEMENTS

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The organization's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits in banks, cash on hand and time deposits with original maturities when purchased of less than three months. The market value of the fixed income securities and money market investments approximates cost.

Receivable

Pledges receivable are unconditional promises to give that are recognized as contributions when the promise is received. Pledges receivable that are expected to be collected in less than one year are reported at net realized value. Pledges receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the resulting discount is included in contribution revenue.

Property and Equipment

Property and equipment acquisitions greater than \$500 are capitalized and stated at cost less accumulated depreciation. Donated property and equipment is capitalized at fair market value at the date of the gift. Major improvements and renewals are capitalized while ordinary maintenance and repairs are expensed. Management annually reviews these assets to determine whether carrying values have been impaired.

Depreciation

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from 3 to 7 years.

Donated Services

In accordance with SFAS 116, The Buggy Bunch, Inc. does not record donated services for any volunteers working in a nonprofessional capacity.

The Buggy Bunch, Inc.

NOTES TO FINANCIAL STATEMENTS

Classification of Transactions

All revenues and net gains are reported as increases in unrestricted net assets in the statement of activities unless the use of the related resources is subject to temporary or permanent donor restrictions. All expenses and net losses other than losses on endowment investments are reported as decreases in unrestricted net assets. Net losses on endowment investments reduce temporary restricted net assets to the extent that net gains of the fund from prior years are unspent and classified there; remaining losses are classified as decreases in unrestricted net assets. If an endowment fund has no net gains from prior years, such as when a fund is newly established, net losses are classified as decreases in unrestricted net assets.

Revenue Recognition

Contributions, including unconditional promises to give, are recorded when received. Conditional promises to give are not included as support until such time as the conditions are substantially met. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted support that increases this net asset class. However, if a restriction is fulfilled in the same time period in which the contribution is received, the entity reports the support as unrestricted.

Contributed property and equipment are recorded at fair market value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as restricted support; otherwise, the contributions are recorded as unrestricted support.

Functional Allocation of Expenses

The Buggy Bunch, Inc. allocates expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program or support service are charged directly according to their natural expense classification. Costs common to multiple functions have been allocated among the various functions benefited on the basis of periodic time or usage studies.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for overall support and direction of the organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The organization generally does not conduct its fundraising activities in conjunction with its other activities. The Organization incurred fundraising expenses of \$75,852 for 2020, of which \$1,766 were related to the capital campaign for the renovation and construction of the Family Education Center building.

The Buggy Bunch, Inc.

NOTES TO FINANCIAL STATEMENTS

Income Taxes

The Buggy Bunch, Inc. is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Although the Organization was granted income tax extension by the Internal Revenue Service, such exemption does not apply to “unrelated business taxable income.” Such income, pursuant to the Internal Revenue Code and related regulations, includes investment income. The Organization has been classified as not a private foundation. The Organization income tax filings are subject to audit by various taxing authorities.

In accordance with, Accounting Standards Codification (“ASC”) Topic 740 “*Accounting for Uncertainty in Income Taxes*,” the Organization analyzes its filing positions in the federal and state jurisdictions where it is required to file income tax returns, as well as all open tax years in these jurisdictions.

The Organization also treats interest and penalties attributable to income taxes, and reflects and charges for such, to the extent they arise as a component of its management and general expenses. The continued application of ASC Topic 740 has no impact on the Organization’s financial statements.

The Organization has evaluated the provisions of ASC Topic 740 regarding accounting for uncertainty in income taxes. The evaluation was performed for the fiscal years 2017 through 2020, the years which remain subject to examination by major tax jurisdictions as of December 31, 2020. The Organization concluded that there are no significant uncertain tax positions requiring recognition in the financial statements. The Organization does not expect the total of unrecognized tax benefits (“UTB”) (e.g., tax deductions, exclusions, or credits claimed, or expected to be claimed) to significantly change in the next twelve months. The Organization does not have any amounts accrued for interest and penalties related to UTBs at December 31, 2020, and it is not aware of any claims for such amounts by federal or state tax authorities other than listed in the preceding paragraph.

The Organization form 990 related to the year ended December 31, 2020 has been extended, but it will be filed on a timely basis.

Subsequent Events

In preparing these financial statements, The Buggy Bunch, Inc. has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to December 31, 2020, the most recent statement of financial position presented herein, through October 26, 2021, the date these financial statements were available to be issued. No significant such events or transactions were identified, other than those matters disclosed in Note 8 labeled “Subsequent Events”.

3. CREDIT RISK

The Buggy Bunch, Inc. maintains its cash accounts at one financial institution. Cash balance at the financial institution is insured by the FDIC up to \$250,000. The Buggy Bunch, Inc. had uninsured cash of \$356,768 as of December 31, 2020. The uninsured cash amount was used for the renovations of the building project which was completed in April 2021.

The Buggy Bunch, Inc.

NOTES TO FINANCIAL STATEMENTS

4. PLEDGES RECEIVABLE

Unconditional promises to give at December 31, 2020 are as follows:

	Due in		
	1 year	2-4 years	Total
Capital campaign pledges receivable	\$ 25,000	\$ 10,000	\$ 35,000
Less: 3.31% discount to net present value	(323)	(129)	(452)
Net pledges receivable	<u>\$ 24,677</u>	<u>\$ 9,871</u>	<u>\$ 34,548</u>

5. PROPERTY AND EQUIPMENT

Net property and equipment consists of the following at December 31, 2020:

Equipment	\$ 10,119
Building	471,000
Land	59,000
Construction In Progress	<u>390,815</u>
Total property and equipment	930,934
Less: Accumulated depreciation	<u>(53,537)</u>
Net property and equipment	<u>\$ 877,397</u>

Depreciation expense was \$13,309 for the year ended December 31, 2020.

6. COMMITMENTS

On March 2017, Buggy Bunch, Inc. entered a contract to renovate a building purchased during 2017 to be used as a family education center. The project was delayed due to permits, re-engineering the building plans in order to save money and the Organization's intent to secure donor funds rather than take out a loan. On July 2020, Buggy Bunch, Inc. signed a revised contract with an estimated budget in the amount of \$632,058. As of December 31, 2020 a total of \$204,851 had been completed, out of which \$77,481 was paid and \$127,370 was recorded under accounts payables.

The Buggy Bunch, Inc.

NOTES TO FINANCIAL STATEMENTS

7. NET ASSETS WITH DONOR RESTRICTION

The Organization received donations with donor restrictions during the fiscal year ended December 31, 2020 in the amount of \$104,311. The Organization expended or released \$239,132 from net assets with donor restriction during the year. As of December 31, 2020, the Organization had a net asset with donor restriction balance of \$234,549.

Diaper closet	\$	5,630
Capital campaign - building renovations		<u>228,919</u>
Net asset with donor restriction	\$	<u>234,549</u>

8. SUBSEQUENT EVENTS

The building project finished in April 2021 and the Organization was able to start operating in the new building in June 2021.