

**MOMMA'S, INC.**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011  
TOGETHER WITH  
INDEPENDENT AUDITOR'S REPORT**

**MOMMA'S, INC.**  
**TABLE OF CONTENTS**  
**DECEMBER 31, 2012 AND 2011**

	<u>Pages</u>
<b>Independent Auditor's Report</b> -----	1
<b>Financial Statements</b>	
Statements of Financial Position -----	2
Statements of Activities -----	3
Statements of Functional Expenses -----	4, 5
Statements of Cash Flows -----	6
Notes to Financial Statements -----	7 - 15

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Momma's, Inc.

I have audited the accompanying financial statements of Momma's, Inc. (Momma's), which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities, functional expenses and cash flows for the years 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 the 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**

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Momma's, Inc. as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Pisani CPA, LLC*

Pisani CPA, LLC  
Brentwood, NY

June 10, 2013

**MOMMA'S, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2012 AND 2011**

	<u>ASSETS</u>	
	<u>2012</u>	<u>2011</u>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 392,747	\$ 352,023
Investments	232,371	377,840
Accounts receivable	33,762	29,349
Grants receivable	65,784	50,173
Promises to give, net	17,241	4,481
Prepaid expenses	-	6,800
	<hr/>	<hr/>
Total current assets	741,905	820,666
Property and equipment, net of accumulated depreciation	217,821	230,058
Promises to give, net, long term	-	1,140
Timeshare	9,000	9,000
Security deposits	11,000	11,000
	<hr/>	<hr/>
<b>Total assets</b>	<b>\$ 979,726</b>	<b>\$ 1,071,864</b>
	<hr/> <hr/>	<hr/> <hr/>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current liabilities</b>		
Accounts payable	\$ -	\$ 7,021
Accrued payroll and related liabilities	8,001	8,209
	<hr/>	<hr/>
Total current liabilities	8,001	15,230
Security deposit payable	7,952	3,991
	<hr/>	<hr/>
<b>Total liabilities</b>	15,953	19,221
<b>Net assets</b>		
Unrestricted	729,789	804,900
Temporarily restricted	233,984	247,743
	<hr/>	<hr/>
Total net assets	963,773	1,052,643
	<hr/>	<hr/>
<b>Total liabilities and net assets</b>	<b>\$ 979,726</b>	<b>\$ 1,071,864</b>
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*The accompanying notes are an integral part of these statements.*

**MOMMA'S, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	<u>2012</u>			<u>2011</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Support and revenue</b>						
Contributions	\$ 139,602	\$ -	\$ 139,602	\$ 180,349	\$ -	\$ 180,349
Grant revenue	13,633	121,855	135,488	34,250	119,533	153,783
Contributed equity securities	1,935	-	1,935	897	-	897
Contributed services	8,000	-	8,000	5,000	-	5,000
Contributed materials	31,080	-	31,080	34,703	-	34,703
Special events, gross proceeds	84,829	-	84,829	141,429	-	141,429
Less: Direct benefits to donors	(17,605)	-	(17,605)	(28,443)	-	(28,443)
Net proceeds from special events	<u>67,224</u>	<u>-</u>	<u>67,224</u>	<u>112,986</u>	<u>-</u>	<u>112,986</u>
Program service revenue	202,237	-	202,237	306,686	-	306,686
Dividend and interest income	3,044	-	3,044	570	-	570
Unrealized gain (loss) on investments	4,272	-	4,272	(4,366)	-	(4,366)
Net assets released from restrictions	<u>135,614</u>	<u>(135,614)</u>	<u>-</u>	<u>86,009</u>	<u>(86,009)</u>	<u>-</u>
Total support and revenue	<u>606,641</u>	<u>(13,759)</u>	<u>592,882</u>	<u>757,084</u>	<u>33,524</u>	<u>790,608</u>
<b>Expenses</b>						
Program services	546,352	-	546,352	546,123	-	546,123
Support services						
Management and general	107,609	-	107,609	124,536	-	124,536
Fundraising	<u>27,791</u>	<u>-</u>	<u>27,791</u>	<u>40,214</u>	<u>-</u>	<u>40,214</u>
Total support services	<u>135,400</u>	<u>-</u>	<u>135,400</u>	<u>164,750</u>	<u>-</u>	<u>164,750</u>
Total expenses	<u>681,752</u>	<u>-</u>	<u>681,752</u>	<u>710,873</u>	<u>-</u>	<u>710,873</u>
<b>Change in net assets</b>	(75,111)	(13,759)	(88,870)	46,211	33,524	79,735
<b>Net Assets, beginning of year</b>	<u>804,900</u>	<u>247,743</u>	<u>1,052,643</u>	<u>758,689</u>	<u>214,219</u>	<u>972,908</u>
<b>Net Assets, end of year</b>	<u>\$ 729,789</u>	<u>\$ 233,984</u>	<u>\$ 963,773</u>	<u>\$ 804,900</u>	<u>\$ 247,743</u>	<u>\$ 1,052,643</u>

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

**MOMMA'S, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

		<u>Supporting Services</u>			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	
<b>Employee Compensation</b>					
Salaries	\$ 308,008	\$ 50,951	\$ 16,451	\$ 375,410	
Employee benefits	28,686	4,728	1,526	34,940	
Payroll taxes	22,676	4,059	1,311	28,046	
Total employee compensation	<u>359,370</u>	<u>59,738</u>	<u>19,288</u>	<u>438,396</u>	
<b>Other expenses</b>					
Accounting	\$ -	\$ 9,268	\$ -	\$ 9,268	
Advertising	-	1,181	-	1,181	
Auto expense	3,648	-	-	3,648	
Bad debt	-	1,000	-	1,000	
Board expense	-	205	-	205	
Conferences and seminars	892	-	-	892	
Consulting services	5,000	-	-	5,000	
Dues and subscriptions	-	1,060	-	1,060	
Event expense	-	-	2,919	2,919	
Food	26,835	-	-	26,835	
House expense	1,319	-	-	1,319	
Insurance	-	14,159	-	14,159	
Miscellaneous	-	3,655	-	3,655	
Office expense	1,033	1,494	482	3,009	
Postage	377	545	176	1,098	
Printing	377	546	176	1,099	
Recreation and client services	5,356	-	-	5,356	
Rent	87,640	8,738	2,821	99,199	
Repairs and maintenance	17,390	-	-	17,390	
Supplies	5,823	45	-	5,868	
Utilities	19,055	5,975	1,929	26,959	
Depreciation	12,237	-	-	12,237	
Total other expenses	<u>186,982</u>	<u>47,871</u>	<u>8,503</u>	<u>243,356</u>	
Expenses reported by function	<u>\$ 546,352</u>	<u>\$ 107,609</u>	<u>\$ 27,791</u>	<u>\$ 681,752</u>	

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

**MOMMA'S, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

		<u>Supporting Services</u>		
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
<b>Employee Compensation</b>				
Salaries	\$ 291,516	\$ 55,924	\$ 18,206	\$ 365,646
Employee benefits	23,098	3,963	1,831	28,892
Payroll taxes	21,409	4,436	1,466	27,311
Total employee compensation	<u>336,023</u>	<u>64,323</u>	<u>21,503</u>	<u>421,849</u>
<b>Other expenses</b>				
Accounting	\$ -	\$ 6,215	\$ -	\$ 6,215
Advertising	80	825	-	905
Auto expense	5,930	-	-	5,930
Board expense	-	47	-	47
Conferences and seminars	645	-	-	645
Dues and subscriptions	-	1,040	-	1,040
Event expense	-	-	8,022	8,022
Food	32,423	-	-	32,423
House expense	1,177	-	-	1,177
Insurance	-	23,056	-	23,056
Miscellaneous	1,512	4,288	-	5,800
Office expense	1,946	2,456	1,519	5,921
Postage	1,712	2,162	1,337	5,211
Printing	1,280	1,616	999	3,895
Recreation and client services	3,424	-	-	3,424
Rent	88,435	8,629	5,336	102,400
Repairs and maintenance	12,615	7,444	-	20,059
Supplies	5,966	-	-	5,966
Utilities	37,405	2,235	1,382	41,022
Depreciation	15,550	200	116	15,866
Total other expenses	<u>210,100</u>	<u>60,213</u>	<u>18,711</u>	<u>289,024</u>
Expenses reported by function	<u>\$ 546,123</u>	<u>\$ 124,536</u>	<u>\$ 40,214</u>	<u>\$ 710,873</u>

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

**MOMMA'S, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (88,870)	\$ 79,735
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	12,237	15,866
Unrealized (gain) loss on investments	(4,272)	4,366
Contribution of marketable equity securities	(1,935)	(897)
Change in operating assets and liabilities		
(Increase) decrease in accounts receivable	(4,413)	27,802
(Increase) decrease in grants receivable	(15,611)	3,346
(Increase) decrease in net promises to give	(11,620)	11,653
(Increase) decrease in prepaid expenses	6,800	(6,800)
Increase (decrease) in accounts payable	(7,021)	7,021
Increase (decrease) in accrued payroll and related liabilities	(208)	189
Increase in security deposit payable	3,961	-
	(110,952)	142,281
<b>Cash flows from investing activities</b>		
Purchase of investments	(214,828)	(420,000)
Proceeds from the sale of investments	366,504	53,496
Purchase of property and equipment	-	(1,468)
	151,676	(367,972)
<b>Net increase (decrease) in cash and cash equivalents</b>	40,724	(225,691)
<b>Cash and cash equivalents, beginning of year</b>	352,023	577,714
<b>Cash and cash equivalents, end of year</b>	\$ 392,747	\$ 352,023
<b>Supplemental Information</b>		
<b>Non-cash transactions</b>		
Contributed equity securities	\$ 1,935	\$ 897
Contributed services	8,000	5,000
Contributed materials	31,080	34,703
	\$ 41,015	\$ 40,600
The non-cash contributions have been recorded in the following accounts.		
Special events	\$ 16,080	\$ 19,703
Food and supplies	15,000	15,000
Repairs and maintenance	8,000	5,000
Investments	1,935	897
	\$ 41,015	\$ 40,600

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



**MOMMA'S, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012 AND 2011**

**(1) Nature of Activities, Nonprofit Status and Significant Accounting Policies**

**Nature of Activities**

Momma's, Inc. is a residential program for young mothers and their children, providing a supportive environment for mother-child bonding and pursuit of work or schooling for up to two years after the birth of the child with the goal of self-sufficiency upon completion of the program. In addition, Momma's provides short-term emergency shelter as needed to homeless young women with children while they seek permanent housing. Momma's operates in Nassau County, New York; revenue consists primarily of contributions, grant revenues and program service revenue.

**Nonprofit Status**

Momma's, Inc. was incorporated in 1986 and is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c) (3) of the Internal Revenue Code. Donors may deduct contributions made to Momma's within the requirements of the Internal Revenue Code. Under Accounting Standards Codification (ASC) Section 740, the tax status of tax-exempt entities is an uncertain tax position, since events could potentially occur that jeopardize the tax-exempt status. Management of Momma's is not aware of any events that could jeopardize the tax-exempt status. Therefore, no liability or provision for income tax has been reflected in the financial statements. Momma's federal exempt organization tax returns for the years ended December 31, 2009, 2010 and 2011 are subject to examination by the Internal Revenue Service, generally for three years after they are filed.

**Significant Accounting Policies**

The following are the more significant accounting policies used in the preparation of the accompanying financial statements.

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Under this method, revenue is recognized when earned and expenses are recognized when incurred.

**MOMMA'S, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012 AND 2011**

(1) **Nature of Activities, Nonprofit Status and Significant Accounting Policies** (continued)

Financial Statement Presentation

Financial statement presentation follows the requirements of the Financial Accounting Standards Board. Momma's reports 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

Momma's revenue consists of grants, contributions, fundraising and special event revenues. Unrestricted grants, contributions and fundraising revenue intended for the current period are recognized when received. Restricted grants, contributions and fundraising revenue are recorded as temporarily restricted support and net assets if they are received with donor stipulations that limit the use of the contributed assets. When a donor or sponsor restriction expires, that is, when a stipulated time restriction ends or a 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.

Contributed Services and Materials

Momma's records various types of contributed support, including services and materials. Momma's recognizes certain services received if those services (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by contribution. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as contributed services are offset by like amounts included in expenses.

Fair Value Measurements

Momma's defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**MOMMA'S, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012 AND 2011**

(1) **Nature of Activities, Nonprofit Status and Significant Accounting Policies** (continued)

Functional Allocation of Expenses

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

Property and Equipment

Acquisitions of property and equipment with useful lives greater than one year are recorded at cost. Property and equipment acquisitions are depreciated using the straight-line method over the estimated useful lives of the assets.

Estimates

The preparation of financial statements in accordance with accounting standards generally accepted in the United States of America 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.

Cash and Cash Equivalents

For purposes of the statements of cash flows, Momma's considers all highly liquid investments available for current use with an initial maturity date of three months or less to be cash equivalents.

Subsequent Events

Momma's has evaluated subsequent events through June 10, 2013 which is the date these financial statements were available to be issued.

**MOMMA'S, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012 AND 2011**

**(2) Investments**

Momma's measures its investments at fair value, as defined in Note 1. Accordingly, Momma's uses a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs requiring the most observable inputs be used when available. The hierarchy prioritizes the inputs in the valuation techniques used to measure fair value into three broad levels (Level 1, 2 and 3).

Level 1 financial instruments are valued by observable inputs that reflect quoted prices for identical assets or liabilities in active markets that Momma's has the ability to access at the measurement date. Examples of Level 1 securities include highly liquid U.S. Treasury securities and exchange traded securities. The following investments at December 31, 2012 and 2011, respectively are categorized at Level 1.

Investments held by Momma's at December 31, 2012 and 2011, at fair value, consist of the following:

	<u>2012</u>	<u>2011</u>
US government bond mutual fund	\$ -	\$ 363,359
Mutual fund	3,310	3,145
Money market fund	214,827	-
Equity securities	<u>14,234</u>	<u>11,336</u>
Total investments	<u>\$ 232,371</u>	<u>\$ 377,840</u>

Investment return consists of the following for the years ended December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Interest and dividend income	\$ 3,044	\$ 570
Unrealized gain (loss)	<u>4,272</u>	<u>(4,366)</u>
Total investment return	<u>\$ 7,316</u>	<u>\$ (3,796)</u>

During the years ended December 31, 2012 and 2011, Momma's received contributions of equity securities valued at \$1,935 and \$897, respectively.

**MOMMA'S, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012 AND 2011**

**(3) Grants Receivable**

At December 31, 2012 and 2011, grants receivable consisted of the following:

	<u>2012</u>	<u>2011</u>
Nassau County	\$ 45,000	\$ 20,213
Maternity and Early Childhood Foundation	6,250	-
US Housing and Urban Development	<u>14,534</u>	<u>29,960</u>
	<u>\$ 65,784</u>	<u>\$ 50,173</u>

Management considers all grants receivable to be fully collectible.

**(4) Unconditional Promises to Give**

Momma's had unconditional promises to give representing the following at December 31, 2012 and 2011, respectively:

	<u>2012</u>	<u>2011</u>
Unrestricted	\$ 15,941	\$ 161
Purchase of residential home	<u>1,300</u>	<u>5,520</u>
Total Promises to Give	<u>\$ 17,241</u>	<u>\$ 5,681</u>
Receivable in less than one year	\$ 17,241	\$ 4,481
Receivable in one to five years	<u>-</u>	<u>1,200</u>
Total unconditional promises to give	17,241	5,681
Less discounts to net present value	<u>-</u>	<u>(60)</u>
Net unconditional promises to give	<u>\$ 17,241</u>	<u>\$ 5,621</u>

Unconditional promises to give are discounted at 5%.

**MOMMA'S, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012 AND 2011**

**(5) Property and Equipment**

Property and equipment, accumulated depreciation and the estimated useful lives as of December 31, 2012 and 2011 are as follows:

	<u>2012</u>	<u>2011</u>	Estimated Useful Lives
Office equipment	\$ 450	\$ 450	5 years
Furniture and fixtures	10,700	10,700	5 years
Automobile	17,000	17,000	5 years
Computer equipment	10,919	10,919	5 years
Leasehold improvements	46,852	46,852	5 years
Residential home	<u>265,257</u>	<u>265,257</u>	39 years
	351,178	351,178	
Less accumulated depreciation	<u>133,357</u>	<u>121,120</u>	
Property and equipment, net	<u>\$ 217,821</u>	<u>\$ 230,058</u>	

Depreciation expense was \$12,237 and \$15,866 for the years ended December 31, 2012 and 2011, respectively.

**(6) Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following periods or purposes at December 31, 2012 and 2011, respectively:

	<u>2012</u>	<u>2011</u>
Operation of residential home	\$ 34,534	\$ 48,293
Purchase of residential home	<u>199,450</u>	<u>199,450</u>
Total temporarily restricted net assets	<u>\$ 233,984</u>	<u>\$ 247,743</u>

**MOMMA'S, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012 AND 2011**

**(7) In-kind Contributions**

Momma's receives contributed goods and services in support of various aspects of its programs. During the years ended December 31, 2012 and 2011, Momma's received the following in-kind contributions that have been reflected in the financial statements:

	<u>2012</u>	<u>2011</u>
Special events	\$ 16,080	\$ 19,703
Repairs and maintenance	8,000	5,000
Food and supplies	<u>15,000</u>	<u>15,000</u>
Total in-kind contributions	<u>\$ 39,080</u>	<u>\$ 39,703</u>

Momma's receives a significant amount of contributed services of volunteers in connection with its various programs which do not meet the criteria for recognition. Accordingly, the value of these contributed services has not been reflected in the accompanying financial statements.

**(8) Leasing Arrangements**

On December 1, 2011, Momma's extended a lease agreement for use of premises at the Roman Catholic Parish of St. Rocco in Glen Cove, NY which will expire on November 30, 2014. The agreement provides for monthly rental payments of \$2,300. Rent expense was \$27,600 for each of the years ended December 31, 2012 and 2011, respectively. Future lease payments are:

2013	\$	27,600
2014		<u>25,300</u>
	\$	<u>52,900</u>

On October 1, 2011, Momma's extended its lease for its office facilities on Wantagh Avenue, which will expire September 30, 2016. Momma's entered into the agreement to equally share the facilities and lease obligation with another nonprofit organization. Rent expense was \$17,600 and \$20,800 for the years ended December 31, 2012 and 2011, respectively under the agreement.

**MOMMA'S, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012 AND 2011**

**(8) Leasing Arrangements** (continued)

Future lease payments for the office facilities are:

2013	\$	19,350
2014		19,950
2015		20,550
2016		<u>15,750</u>
	\$	<u><u>75,600</u></u>

Momma's leases a residential home in Hempstead, NY on a month to month basis. Rent expense was \$24,000 for each of the years ended December 31, 2012 and 2011, respectively.

**(9) Residential Home**

In November 2004, Momma's entered into a conditional grant agreement with the US Department of Housing and Urban Development (HUD) to provide permanent supportive housing in Nassau County. In June 2005, Momma's purchased the residential home in E. Massapequa, New York which substantially met the terms of the HUD grant. The home provides additional housing for unwed mothers and their children. Under the terms of the grant, Momma's must maintain ownership of the E. Massapequa home and operate it as supportive housing for a twenty year period from the date of initial occupancy. If the agreement is materially breached in this manner, HUD may reduce or recapture the grant award or continue the grant with a substitute recipient of HUD's choosing.

In July 2009, Momma's extended its grant agreement with HUD to provide housing for unwed mothers and their children. Momma's received \$49,762 and \$61,200 under the agreement in the years ended December 31, 2012 and 2011, respectively.



**MOMMA'S, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012 AND 2011**

**(10) Residential Home Agreement**

In June 2006, Momma's entered into an agreement with Nassau County to operate a County-owned home in Jericho, NY as a community home and temporary residence for up to five women, up to five babies under two years of age and up to two house mothers. The agreement is cancelable by either party with thirty days notice of termination in writing. The agreement provides for a monthly permit fee of \$2,500. Total permit fee expense was \$30,000 under the agreement for the program for each of the years ended December 31, 2012 and 2011, respectively, and is recorded on the Statement of Functional expenses as Rent.