

# **MARY'S MEALS USA**

## ***FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS***

**DECEMBER 31, 2013**

# MARY'S MEALS USA

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## **REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**Board of Directors  
Mary's Meals USA  
Bloomfield, New Jersey**

We have audited the accompanying financial statements of Mary's Meals USA (the "**Organization**") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, cash flows and functional expenses 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.

### ***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 organization'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 organization'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 Mary's Meals USA as of December 31, 2013, 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.

**Board of Directors  
Mary's Meals USA  
Bloomfield, NJ**

**Report on Summarized Comparative Information**

We have previously audited Mary's Meals USA financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 18, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Tait, Weller & Baker LLP*

**Iselin, New Jersey  
August 11, 2014**

# MARY'S MEALS USA

## STATEMENTS OF FINANCIAL POSITION

December 31, 2013 And 2012

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	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 288,230	\$ 385,326
Accounts receivable and other assets	<u>7,183</u>	<u>15,049</u>
<b>Total assets</b>	<u>\$ 295,413</u>	<u>\$ 400,375</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 21,534	\$ 6,467
<b>Total liabilities</b>	<u>21,534</u>	<u>6,467</u>
<b>NET ASSETS (Note 2)</b>		
Unrestricted	151,239	175,668
Temporarily restricted	<u>122,640</u>	<u>218,240</u>
<b>Total net assets</b>	<u>273,879</u>	<u>393,908</u>
<b>Total liabilities and net assets</b>	<u>\$ 295,413</u>	<u>\$ 400,375</u>

# MARY'S MEALS USA

## STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2013 With Summarized Information for 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	
			<u>2013</u>	<u>2012</u>
<b>Revenue and Other Support</b>				
Contributions and support	\$ 1,359,738	\$ 1,379,475	\$ 2,739,213	\$ 1,107,114
In kind goods	10,099	-	10,099	200
Other Income	930	-	930	-
Net assets released from restriction ( <i>Note 2</i> )	<u>1,475,075</u>	<u>(1,475,075)</u>	<u>-</u>	<u>-</u>
<b>Total revenue and other support</b>	<u>2,845,842</u>	<u>(95,600)</u>	<u>2,750,242</u>	<u>1,107,314</u>
<b>Expenses</b>				
Program	2,657,200	-	2,657,200	883,759
Management and general	169,743	-	169,743	41,239
Fundraising	<u>43,328</u>	<u>-</u>	<u>43,328</u>	<u>27,443</u>
<b>Total expenses</b>	<u>2,870,271</u>	<u>-</u>	<u>2,870,271</u>	<u>952,441</u>
<b>CHANGE IN NET ASSETS</b>	(24,429)	(95,600)	(120,029)	154,873
<b>Net Assets</b>				
Beginning of year	<u>175,668</u>	<u>218,240</u>	<u>393,908</u>	<u>239,035</u>
End of year	<u>\$ 151,239</u>	<u>\$ 122,640</u>	<u>\$ 273,879</u>	<u>\$ 393,908</u>

# MARY'S MEALS USA

## STATEMENTS OF CASH FLOWS

Years Ended December 31, 2013 And 2012

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	<u>2013</u>	<u>2012</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<i>Change in net assets</i>	\$ (120,029)	\$ 154,873
<i>Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:</i>		
(Increase) decrease in		
Accounts receivable and other assets	7,866	(15,049)
Increase in		
Accounts payable and accrued expenses	<u>15,067</u>	<u>5,967</u>
<b>Net cash provided by (used in) operating activities</b>	<u>(97,096)</u>	<u>145,791</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(97,096)	145,791
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>385,326</u>	<u>239,535</u>
End of year	<u>\$ 288,230</u>	<u>\$ 385,326</u>

# MARY'S MEALS USA

## STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2013 With Summarized Information for 2012

	2013						2012
	<u>Child Food Program</u>	<u>Education &amp; Awareness Program</u>	<u>Total Program Services</u>	<u>Management And General</u>	<u>Fundraising</u>	<u>Total</u>	
Salaries, taxes, & benefits	\$ -	\$ 37,162	\$ 37,162	\$ 120,344	\$ 25,640	\$ 183,146	\$ 62,886
Grants	2,600,000	-	2,600,000	-	-	2,600,000	637,639
Professional fees	-	704	704	13,089	2,425	16,218	12,894
Occupancy	-	3,985	3,985	5,694	1,708	11,387	550
Transportation and travel	-	4,387	4,387	786	1,375	6,548	3,536
Office, IT and telephone	-	6,739	6,739	9,086	4,228	20,053	4,775
Printing and postage	-	4,052	4,052	3,649	3,452	11,153	11,294
Film documentary and public outreach	-	-	-	-	-	-	206,994
Miscellaneous	-	171	171	17,095	4,500	21,766	11,873
<b>Total expenses</b>	<u>\$ 2,600,000</u>	<u>\$ 57,200</u>	<u>\$ 2,657,200</u>	<u>\$ 169,743</u>	<u>\$ 43,328</u>	<u>\$ 2,870,271</u>	<u>\$ 952,441</u>



# MARY'S MEALS USA

## NOTES TO FINANCIAL STATEMENTS

December 31, 2013 And 2012

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### (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **ORGANIZATION AND PURPOSE**

Mary's Meals USA (the "**Organization**") works with Mary's Meals, a charity registered in Scotland, and its partnering organizations to provide daily meals in school to children in various developing countries.

The Organization's mission is to enable people to offer their money, goods, skills, time, or prayer, and through this involvement, provide the most effective help to those suffering the effects of extreme poverty in the world's poorest communities.

The Organization's vision is that every child receives one daily meal in their place of education and that all those who have more than they need, share with those who lack even the most basic things.

#### **ACCOUNTING ESTIMATES**

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

#### **INCOME TAXES**

The Organization has been granted exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization which is not a private foundation under Section 509(a) of the Code. Certain unrelated business income is subject to federal income taxes.

Management has reviewed the tax positions for each of the open tax years (2010 - 2012) or expected to be taken in the Organization's 2013 tax return and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

#### **CASH AND CASH EQUIVALENTS**

The Organization considers money market funds to be cash equivalents.

#### **CONTRIBUTIONS**

Contributions and promises to give are considered available for unrestricted use unless specifically restricted by the donor, and are recognized as revenue in the period they are received. When a donor 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. Gifts-in-kind are recorded at fair value on the date of receipt.

#### **CONCENTRATION OF CREDIT RISK**

The Organization occasionally maintains deposits in excess of federally insured limits. Accounting Standards Codification ("**ASC**") 825, "**Financial Instruments**" identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by monitoring the financial institutions in which deposits are made.

# MARY'S MEALS USA

## NOTES TO FINANCIAL STATEMENTS – (Continued)

**December 31, 2013 And 2012**

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### *NET ASSETS*

The net assets of the Organization and changes therein are classified and reported as follows:

*Unrestricted* – represents those resources that are not subject to donor restrictions.

*Temporarily Restricted* – include funds for which grantee-imposed restrictions have not been met.

### (2) NET ASSETS

Temporarily restricted net assets at December 31, 2013 and 2012 consist of:

	<u>2013</u>	<u>2012</u>
Program services	<u>\$122,640</u>	<u>\$218,240</u>

Net assets totaling \$1,475,075 and \$318,639 were released from restriction in 2013 and 2012, respectively by incurring expenses which satisfied the restricted purpose.

### (3) SUBSEQUENT EVENTS

Subsequent events after the balance sheet date through the date that the financial statements were available for issuance, August 11, 2014, have been evaluated in the preparation of the financial statements.