

More Than Me Foundation, Inc.

Financial Statements
and Independent Auditors' Report

June 30, 2014

More Than Me Foundation, Inc.

Financial Statements
June 30, 2014

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
More Than Me Foundation, Inc.

We have audited the accompanying financial statements of the More Than Me Foundation, Inc. ("the Foundation"), which comprise the statement of financial position as of June 30, 2014, the related statements of activities and cash flows 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 an audit to obtain reasonable assurance about whether the financial statements are free of 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 Foundation as of June 30, 2014, 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.

Handwritten signature in black ink that reads "Rogers + Company PLLC". The signature is written in a cursive, flowing style.

Vienna, Virginia
October 13, 2015

More Than Me Foundation, Inc.

Statement of Financial Position
June 30, 2014

Assets	
Cash	\$ 494,392
Accounts receivable	702
Property and equipment, net	<u>77,098</u>
Total assets	<u><u>\$ 572,192</u></u>
Liabilities and Net Assets	
Liabilities	
Accounts payable	<u>\$ 2,114</u>
Total liabilities	<u>2,114</u>
Net Assets	
Unrestricted	340,846
Temporarily restricted	<u>229,232</u>
Total net assets	<u>570,078</u>
Total liabilities and net assets	<u><u>\$ 572,192</u></u>

More Than Me Foundation, Inc.

Statement of Activities
For the Year Ended June 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and Support			
Donations	\$ 501,555	\$ 247,002	\$ 748,557
Special events	17,429	-	17,429
Grants	52,180	-	52,180
In-kind contributions	55,000	-	55,000
Rental income	11,180	-	11,180
Other income	1,200	-	1,200
Released from restrictions	85,408	(85,408)	-
	<u>723,952</u>	<u>161,594</u>	<u>885,546</u>
Total revenue and support			
Expenses			
Program services	593,312	-	593,312
Fundraising	118,525	-	118,525
General and administrative	65,602	-	65,602
	<u>777,439</u>	<u>-</u>	<u>777,439</u>
Total expenses			
Change in Net Assets	(53,487)	161,594	108,107
Net Assets, beginning of year	<u>394,333</u>	<u>67,638</u>	<u>461,971</u>
Net Assets, end of year	<u>\$ 340,846</u>	<u>\$ 229,232</u>	<u>\$ 570,078</u>

See accompanying notes.

More Than Me Foundation, Inc.

Statement of Cash Flows
For the Year Ended June 30, 2014

Cash Flows from Operating Activities	
Change in net assets	\$ 108,107
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	3,358
Donated goods	(9,420)
Change in operating assets and liabilities:	
Decrease in accounts receivable	350
Increase in accounts payable	421
	<hr/>
Net cash provided by operating activities	102,816
	<hr/>
Cash Flows from Investing Activity	
Purchase of property and equipment	(9,786)
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Net cash used in investing activity	(9,786)
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Net Increase in Cash	93,030
Cash, beginning of year	401,362
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Cash, end of year	<u><u>\$ 494,392</u></u>

More Than Me Foundation, Inc.

Notes to Financial Statements

June 30, 2014

1. Nature of Operations

The More Than Me Foundation, Inc. (“the Foundation”) was incorporated in 2009 as a not-for-profit 501(c)(3) organization under the laws of the state of New Jersey. The Foundation operates in Monrovia, Liberia to help at-risk girls to get off the street and into school. In 2012 the Foundation began renovating one of the government buildings and turned it into an academy to provide high quality education for girls. The academy will also provide vocational training, healthcare, psychological support, and a safe place where the girls can stay in the evenings to reduce the risk of abuse.

2. Summary of Significant Accounting Policies

Basis of Accounting

The Foundation’s financial statements are prepared on the accrual basis of accounting and are in accordance with generally accepted accounting principles for not-for-profit organizations. Net assets are reported based on the presence or absence of donor-imposed restrictions.

Classification of Net Assets

- *Unrestricted net assets* represent funds that are not subject to donor-imposed stipulations and are available for support of the Foundation’s operations.
- *Temporarily restricted net assets* represent funds subject to donor-imposed restrictions that are met either by actions of the Foundation or the passage of time. Temporarily restricted net assets totaled \$229,232 for the year ended June 30, 2014.

Accounts Receivable

The Foundation’s accounts receivable consist of employee receivables. Receivables are reported in the accompanying financial statements at their net realizable value. The Foundation periodically reviews an aging of its accounts receivable for collection purposes, and to evaluate the necessity for an allowance for doubtful accounts. As of June 30, 2014, no allowance for doubtful accounts is recorded as accounts receivable were deemed fully collectible by management.

More Than Me Foundation, Inc.

Notes to Financial Statements

June 30, 2014

2. Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment with a cost in excess of \$5,000 and a projected useful life exceeding one year are capitalized and recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Repairs and maintenance costs are expensed as incurred.

Revenue Recognition

Grants, fundraising, and donations are recorded as revenue when received. The Foundation reports gifts of cash and other assets as temporarily restricted support if they are received or promised with donor stipulations that limit the use of the donated assets to a certain purpose or to a future year. When a donor restriction expires, that is, when a purpose restriction is accomplished or time restriction has elapsed, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted net assets are reported as unrestricted net assets if the restrictions are met in the period received.

Revenue from other sources is recognized when earned.

Functional Allocation of Expenses

The costs of the Foundation's activities have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been allocated among the programs benefited. General and administrative funds include expenditures incurred to run core initiatives of the Foundation and are funded primarily through unrestricted contributions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

More Than Me Foundation, Inc.

Notes to Financial Statements

June 30, 2014

2. Summary of Significant Accounting Policies (continued)

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through October 13, 2015, the date the statements were available to be issued.

3. Concentration of Credit Risk

Financial instruments that potentially subject the Foundation to significant concentrations of credit risk consist of cash. The Foundation maintains cash deposit and transaction accounts with various financial institutions and these values, from time to time, exceed insurable limits under the Federal Depository Insurance Corporation (FDIC). The Foundation has not experienced any credit losses on its cash to date as it relates to FDIC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

4. Property and Equipment

The Foundation held the following property and equipment at June 30, 2014:

Leasehold improvements – in progress	\$	61,250
School furniture		9,786
Computers		9,420
		<hr/>
Total property and equipment		80,456
Less: accumulated depreciation		(3,358)
		<hr/>
Property and equipment, net	\$	<u>77,098</u>

Depreciation expense was \$3,358 for the year ended June 30, 2014.

In 2012, the Foundation was granted in perpetuity the use of a building owned by the Liberian government at no charge. The lease of the building by the Foundation is contingent upon continuous operation by the Foundation to educate Liberian children. The Foundation used funds contributed by donors to renovate the building; therefore, the cost of leasehold improvements is recorded as a leasehold asset in the accompanying statement of financial position. In the remote occurrence that the Foundation's operations cease, the government has the right to reclaim the property and any improvements made. The Foundation started using the building and depreciating leasehold improvements subsequent to year-end.

More Than Me Foundation, Inc.

Notes to Financial Statements

June 30, 2014

5. Commitments

On March 18, 2013, the Foundation entered into an operating lease for a building (“the Staff House”) in Monrovia, Liberia to provide housing to short-term and long-term staff who pay monthly rent after receiving the first month’s rent free of charge. The Staff House also provides housing for property maintenance employees and contractors assisting with the Foundation’s projects. The lease term is 4 years, expiring on March 17, 2017, and requires annual payments of \$15,000 with no rent escalation.

The Foundation entered into an operating lease for a property (“the Guest House”) in Monrovia, Liberia to provide housing to guests and volunteers working at the school and assisting with the Foundation’s mission. The lease commenced on January 1, 2014 and expires on December 31, 2020. The lease calls for an annual rental payment of \$20,000 beginning on January 1, 2014 for the first 5 years of the lease, and the annual rental payment increases to \$24,000 for the remaining 2 years of the lease. Deferred rent represents the cumulative difference between the actual rent paid and the straight line rent, and is not recorded in the accompanying statement of financial position due to immateriality.

Rental income from all operating leases totals \$11,180 for the year ended June 30, 2014, and is included in the accompanying statement of activities.

Future minimum lease payments under all operating leases are as follows for the years ending June 30:

2015	\$	35,000
2016		35,000
2017		30,000
2018		20,000
2019		22,000
Thereafter		<u>36,000</u>
Future minimum lease payments	\$	<u><u>178,000</u></u>

6. In-kind Contributions

Contributed Services

The Foundation receives in-kind contributions for various professional services, construction and contracting services, and information technology services. During the year ended June 30, 2014, the Foundation received contributed services in the amount of \$45,580.

More Than Me Foundation, Inc.

Notes to Financial Statements

June 30, 2014

6. In-kind Contributions (continued)

Donated Services, Materials, and Goods

From time to time, the Foundation receives donated services and materials representing leasehold improvements and other donated goods that are recognized at fair value at the time of receipt. During the year ended June 30, 2014, the Foundation received donated items in the amount of \$9,420.

7. Temporarily Restricted Net Assets

Temporarily restricted net assets were restricted for the following purposes at June 30, 2014:

Change her story 75 girls off the street	\$	87,439
Girls' academy		65,992
Five computers for computer training for girls		21,870
The Morris Family Foundation		18,390
MTM clean rain water		11,527
500 girls off the street		11,082
From sexually exploited to confident woman		4,831
Provide girls pre-teen and teen literature		3,261
British Embassy Monrovia – school library		2,717
Computer classes for Cyrus and Macintosh		1,210
Provide role model speakers		913
		<hr/>
Total temporarily restricted net assets	\$	<u>229,232</u>

8. Income Taxes

The Foundation is recognized as a tax-exempt organization under Internal Revenue Code (IRC) Section 501(c)(3), and is exempt from income taxes except for taxes on unrelated business activities. No tax expense is recorded in the accompanying financial statements as there was no unrelated business income. Contributions to the Foundation are deductible as provided in IRC Section 170(b)(1)(A)(vi). Management has evaluated the Foundation's tax positions and concluded that the Foundation's financial statements do not include any uncertain tax positions.