

FRIENDS OF MADAGASCAR MISSION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2013

Conway, Deuth & Schmiesing, PLLP
Certified Public Accountants
Willmar, Minnesota

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FRIENDS OF MADAGASCAR MISSION, INC.

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Quality | Dedication | Integrity

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Friends Of Madagascar Mission, Inc.
Willmar, Minnesota

We have reviewed the accompanying statements of financial position of Friends Of Madagascar Mission, Inc., (a nonprofit organization) as of December 31, 2013 and 2012, and the related statements of activities and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization 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, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Conway, Deuth & Schmiesing, PLLP

CONWAY, DEUTH & SCHMIESING, PLLP
Certified Public Accountants
Willmar, Minnesota

August 28, 2014

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FRIENDS OF MADAGASCAR MISSION, INC.

STATEMENTS OF FINANCIAL POSITION

	December 31,	
	<u>2013</u>	<u>2012</u>
ASSETS		
Current Assets		
Cash	<u>\$ 11,028</u>	<u>\$ 28,257</u>
Total Assets	<u><u>\$ 11,028</u></u>	<u><u>\$ 28,257</u></u>
NET ASSETS		
Unrestricted	<u>\$ 11,028</u>	<u>\$ 28,257</u>
Total Liabilities and Net Assets	<u><u>\$ 11,028</u></u>	<u><u>\$ 28,257</u></u>

See Accompanying Notes to the Financial Statements

FRIENDS OF MADAGASCAR MISSION, INC.

STATEMENTS OF ACTIVITIES

	For the Years Ended December 31,	
	<u>2013</u>	<u>2012</u>
REVENUES AND OTHER SUPPORT		
Contributions	\$ 97,762	\$ 56,823
EXPENSES		
Advertising	489	
Bank Charges and Wire Transfer Fees	529	362
Insurance	646	
Newsletters and Letterhead	1,946	1,075
Office Expense	83	86
Miscellaneous	88	
Professional Fees	200	300
Program Services	110,214	32,057
Small Equipment	796	
Travel, Conferences and Meetings		2,155
Total Expenses	<u>114,991</u>	<u>36,035</u>
Net Income (Loss)	<u>(17,229)</u>	<u>20,788</u>
NET ASSETS - BEGINNING OF YEAR	<u>28,257</u>	<u>7,469</u>
NET ASSETS - END OF YEAR	<u>\$ 11,028</u>	<u>\$ 28,257</u>

See Accompanying Notes to the Financial Statements

FRIENDS OF MADAGASCAR MISSION, INC.

STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,	
	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (17,229)	\$ 20,788
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities		
Total Adjustments	<u>0</u>	<u>0</u>
Net Cash Provided (Used) by Operating Activities	<u>(17,229)</u>	<u>20,788</u>
CASH - BEGINNING OF YEAR	<u>28,257</u>	<u>7,469</u>
CASH - END OF YEAR	<u><u>\$ 11,028</u></u>	<u><u>\$ 28,257</u></u>

See Accompanying Notes to the Financial Statements

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FRIENDS OF MADAGASCAR MISSION, INC.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

Friends of Madagascar Mission, Inc., (the Organization) is a not-for-profit organization located in Minneapolis, Minnesota. Friends of Madagascar Mission, Inc. is intended to involve American Christians in continuing and expanding ministries with the Christians of Madagascar. This corporation will work to support mission and ministry in Madagascar and will respect the leadership, direction, and decision-making processes of the Christians of Madagascar.

B. BASIS OF ACCOUNTING

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, which involves the application of accrual accounting. Consequently, revenues and gains are recognized when earned and expenses and losses are recognized when incurred.

C. BASIS OF PRESENTATION

The Organization follows the authoritative provisions of accounting guidance on financial statement presentation and is required to report 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. A description of these three net asset categories follows:

Unrestricted - Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted - Net assets whose use by the Organization is subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time.

Permanently Restricted - Net assets subject to donor-imposed restrictions that they be maintained permanently by the Organization.

D. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

E. ASSETS, LIABILITIES AND NET ASSETS

Cash:

The Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents for the purpose of determining cash flows. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents, if applicable.

FRIENDS OF MADAGASCAR MISSION, INC.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. ASSETS, LIABILITIES AND NET ASSETS (Cont'd)

Property, Plant and Equipment:

The Organization has not purchased any significant property, plant or equipment as of December 31, 2013 or 2012. Several immaterial minor equipment purchases were made in 2013 which totaled \$796, and are included in the statements of activities.

Net Assets:

Net assets consist of unrestricted net assets.

F. CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS

The Organization maintains cash deposits in one financial institution located in Minnesota. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per bank. The Organization had no uninsured balances as of December 31, 2013 and 2012.

G. ADVERTISING

The Organization expenses advertising costs as they are incurred.

H. UNCERTAIN TAX POSITIONS

The Organization has been classified as an other-than private foundation and is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. The Organization is subject to a tax on income from any unrelated business.

On January 1, 2009, the Organization adopted the recognition requirements for uncertain income tax positions as required by accounting principles generally accepted in the United States of America, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2013.

The Organization is subject to routine audits by taxing jurisdictions, however, there are no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2010.

I. SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 28, 2014, the date the financial statements were available to be issued.

FRIENDS OF MADAGASCAR MISSION, INC.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

J. CONTRIBUTIONS

Contributions received are recorded as unrestricted or temporarily restricted net assets depending on the existence in nature of any donor restrictions.