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**FINANCIAL STATEMENTS**

**AND**

**INDEPENDENT AUDITOR'S**

**REPORT**

**YEARS ENDED**

**SEPTEMBER 30, 2021 and 2020**



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## **TABLE OF CONTENTS**

<b>I. INDEPENDENT AUDITOR'S REPORT</b>	<b>1</b>
<b>II. FINANCIAL STATEMENTS</b>	
<i>Statements of Financial Position</i>	<b>2</b>
<i>Statements of Activities</i>	<b>3</b>
<i>Statement of 2021 Functional Expenses</i>	<b>4</b>
<i>Statement of 2020 Functional Expenses</i>	<b>5</b>
<i>Statements of Cash Flows</i>	<b>6</b>
<b>III. NOTES TO FINANCIAL STATEMENTS</b>	<b>7</b>
	<b>8</b>
	<b>9</b>



**SIMADIS AND ASSOCIATES, PC**

**CERTIFIED PUBLIC ACCOUNTANTS**

15770 E BELL RD  
HOMER GLEN IL 60491

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**INDEPENDENT AUDITORS' REPORT ON FINANCIAL-  
STATEMENTS AND SUPPLEMENTARY INFORMATION**

*Board of Directors  
Feed My Hungry Children  
Peoria, Arizona*

**Report on the Financial Statements**

*We have audited the accompanying Financial Statements of Feed My Hungry Children which include the statements of Financial Position as of September 30 2021 and 2020, and the related Statements of Activities, Functional Expenses and Cash Flows for the fiscal years then ended, and the related Footnotes to the Financial Statements.*

**Management's Responsibility for the Financial Statements**

*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, 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 and the standards applicable to Financial Statements in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.*

*An audit involves performing procedures in order 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 risk 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 under 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 the 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 Feed My Hungry Children as of September 30, 2021 and 2020 and the Changes in its Net Assets and its Cash Flows for the fiscal years then ended in conformity with accounting principles generally accepted in the United States of America.*

*Simadis & Associates*

*Simadis and Associates, PC.*

*October 30, 2021*



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## STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2021 & 2020

FEIN 81-0455105

### ASSETS

	<u>2021</u>	<u>2020</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 191,489	\$ 55,633
Promises to give	19,913	19,113
Allowance for Uncollectible Promises to give	(1,869)	(2,359)
<b>Total Current Assets</b>	<u>209,533</u>	<u>72,387</u>
<b>LONG-TERM ASSETS</b>		
Property and Equipment	54,203	54,203
Accumulated Depreciation	(54,203)	(54,203)
Land Investments	127,770	127,770
<b>Total Long-Term Assets</b>	<u>127,770</u>	<u>127,770</u>
<b>TOTAL ASSETS</b>	<u>\$ 337,303</u>	<u>\$ 200,157</u>

### LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Accounts Payables	\$ 782	\$ 1,130
<b>TOTAL LIABILITIES</b>	<u>782</u>	<u>1,130</u>
<b>NET ASSETS:</b>		
Unrestricted	\$ 199,027	\$ 138,939
Increase / -Decrease in Net Assets	137,494	60,088
<b>TOTAL NET ASSETS</b>	<u>\$ 336,521</u>	<u>\$ 199,027</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 337,303</u>	<u>\$ 200,157</u>



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**STATEMENTS OF ACTIVITIES**

***Years Ended September 30, 2021 & 2020***

**FEIN 81-0455105**

	<u>2021</u>	<u>2020</u>
<b><i>Unrestricted Revenues</i></b>		
<b><i>Support</i></b>		
<i>Gifts-in-Kind</i>	\$ 700,000	\$ 766,472
<i>Public Contributions</i>	272,594	206,888
<i>Federated Campaigns</i>	19,999	8,597
<b><i>Total Unrestricted Revenues and Support</i></b>	<u>992,593</u>	<u>981,957</u>
 <b><i>Program Expenses</i></b>		
<i>Program Services</i>	842,352	910,221
<i>General &amp; Administrative Services</i>	10,268	9,350
<i>Fundraising Services</i>	2,479	2,298
<b><i>Total Program Expenses</i></b>	<u>855,099</u>	<u>921,869</u>
 <b><i>Increase Net Assets</i></b>	137,494	60,088
 <b><i>Net Assets, Beginning of the year</i></b>	<u>199,027</u>	<u>138,939</u>
 <b><i>Net Assets, End of the year</i></b>	<u>\$ 336,521</u>	<u>\$ 199,027</u>





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**STATEMENT OF FUNCTIONAL EXPENSES**

*Year Ended September 30, 2021*

FEIN 81-0455105

	Program	Supporting Services		Total
	Services	G&A	Fundraising	
<i>Gifts-in-Kind</i>	700,000			700,000
<i>Ministerial Support</i>	83,348			83,348
<i>Program Support</i>	31,525			31,525
<i>Program Development and Implementation</i>	8,912			8,912
<i>Vehicles Operating Expenses</i>	7,190			7,190
<i>Material Aid Freight and Shipping</i>	6,933			6,933
<i>Website Design and Maintenance</i>		5,006	1,252	6,258
<i>Program Materials and Supplies</i>	4,444			4,444
<i>Program Registration Fees</i>		1,227	1,227	2,454
<i>Professional Services</i>		1,950		1,950
<i>Ministerial Supplies and Expenses</i>		972		972
<i>Bank Charges and Fees</i>		754		754
<i>Office Expenses</i>		359		359
<b><i>Total Functional Expenses</i></b>	<b>842,352</b>	<b>10,268</b>	<b>2,479</b>	<b>855,099</b>
	<b>98.5%</b>	<b>1.2%</b>	<b>0.3%</b>	



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**STATEMENT OF FUNCTIONAL EXPENSES**

*Year Ended September 30, 2020*

FEIN 81-0455105

	<u>Program</u>	<u>Supporting Services</u>		<u>Total</u>
	<u>Services</u>	<u>G&amp;A</u>	<u>Fundraising</u>	
<i>Gifts-in-Kind</i>	766,472			766,472
<i>Ministerial Support</i>	91,353			91,353
<i>Mission Travel Expenses</i>	13,261			13,261
<i>Program Support</i>	12,390			12,390
<i>Program Materials and Supplies</i>	8,239			8,239
<i>Material Aid Freight and Shipping</i>	6,633			6,633
<i>Program Development and Implementation</i>	6,582			6,582
<i>Vehicles Operating Expenses</i>	5,242			5,242
<i>Website Design and Maintenance</i>		3,810	1,270	5,080
<i>Office Expenses</i>		2,550		2,550
<i>Program Registration Fees</i>		1,028	1,028	2,056
<i>Professional Services</i>		1,950		1,950
<i>Depreciation Expenses</i>	49	12		61
<b><i>Total Functional Expenses</i></b>	<b>910,221</b>	<b>9,350</b>	<b>2,298</b>	<b>921,869</b>
	<b>98.7%</b>	<b>1.0%</b>	<b>0.3%</b>	





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## **STATEMENTS OF CASH FLOWS**

**Years Ended September 30, 2021 & 2020**

**FEIN 81-0455105**

	<u>2021</u>	<u>2020</u>
<b><i>Cash Flows from Operating Activities</i></b>		
<i>Cash received from donors and grants</i>	\$ 290,955	\$ 230,063
<i>Cash paid to program support</i>	155,099	174,835
<b><i>Net Cash provided by Operating Activities</i></b>	<u>135,856</u>	<u>55,228</u>
<b><i>Beginning Cash</i></b>	55,633	405
<b><i>Ending Cash</i></b>	<u>\$ 191,489</u>	<u>\$ 55,633</u>
<b><i>Reconciliation of Changes in Net Assets to Net Cash (Used In) Operating Activities:</i></b>		
<i>Increase / -Decrease in Net Assets</i>	\$ 137,494	\$ 60,089
<b><i>Adjustments to reconcile changes in Net Assets to Net Cash (used in) Operating Activities:</i></b>		
<i>Depreciation</i>		61
<i>Decrease / -Increase in Promises to Give</i>	(1,290)	4,578
<i>Decrease in Operating Liabilities</i>		
<i>Accounts Payable</i>	(348)	(9,500)
<b><i>Net Cash (Used In) Operating Activities</i></b>	<u>\$ 135,856</u>	<u>\$ 55,228</u>



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## **NOTES TO FINANCIAL STATEMENTS**

**September 30, 2021**

### **NOTE A - CORPORATE ORGANIZATION**

*Feed My Hungry Children Inc., is a nonprofit organization incorporated September 28, 1988 in the State of Montana. The Organizational programs provide humanitarian aid and financial support to hospitals and clinics in the South-West United States, Mexico, Central America and the Philippines. The Organization ships medical equipment, medicines, supplies, and humanitarian aid to hospitals and clinics worldwide. The Organization also sponsors and supports various ongoing projects and programs of other Organizations with similar missions.*

### **NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*The Organization reports in accordance with the American Institute of Certified Public Accountants Industry Guide, Audits of Voluntary Health and Welfare Organizations. The Organization reports adhere to the following policies:*

#### **Basis of Presentation**

*Financial Statement presentation follows the recommendations of the Financial Accounting Standards Board in its statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117. The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporary restricted net assets, and permanently restricted net assets. The Organization had no temporary or permanently restricted net assets to date.*

#### **Revenue and Support Recognition**

*The Organization recognizes pledges as revenue under Statement of Financial Accounting Standards No. 116, Accounting for Contributions Received and Contributions Made. Under SFAS No. 116, contributions received are recorded as unrestricted, temporary restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.*

#### **Property and Equipment**

*The Organization capitalizes all expenditures for property and equipment that materially prolong the useful life of an asset. Property and equipment acquisitions are recorded at cost, except for donated items, which are recorded at the fair market value when received. Proceeds from donated long-term assets are considered unrestricted by the Organization. Depreciation is recognized using the straight-line method over the assets' estimated lives of three to ten years.*





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**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2021**

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD)**

**Income Taxes**

The Organization is a public charity, nonprofit organization as defined in the Internal Revenue Code Section 501 (c) (3) and is therefore exempt from federal and state income-taxes.

**Gifts in Kind**

Donated materials are recorded at the Donor's estimated fair market value when received. Donated materials received for the fiscal years ended September 30, 2021 and 2020 were \$700,000 and \$766,472 respectively.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting policies requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and disclosure of contingent assets and liabilities as that date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from estimates.

**Functional Expenses**

The cost of providing the program and other activities has been summarized on a functional basis in the statements of activity. Accordingly, certain costs have been allocated among the program and support services benefited as estimated by the Organization management.

**NOTE C - PROMISES TO GIVE**

Promises to give consisted of the following for the fiscal years September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Combined Federal Campaign Funds (CFC)	\$19,913	\$19,113
Allowance for uncollectable pledges	<u>1,869</u>	<u>2,359</u>
Net Promises to give	\$18,044	\$16,754

The allowance for uncollectible pledges is an estimate based on historical performance, Federation estimates and projection of trends





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## **NOTES TO FINANCIAL STATEMENTS**

**September 30, 2021**

### **NOTE D - CONCENTRATIONS**

*The Organization received revenues in 2021 and 2020 from federated campaign funds. Total revenues from the federated campaign were \$19,999 and \$19,113 respectively. Management believes this support will continue in the future.*

### **NOTE E - SIGNIFICANT ACCOUNTING ESTIMATES**

*The Organization participates in the Combined Federal Campaign (CFC) in which federal employees are eligible to participate by selecting one or more charitable organizations to receive donations as a payroll deduction from the employee's compensation. The amount of pledges to eventually be collected is an estimate. The Organization estimates uncollectable pledges of approximately 35% from what will eventually be collected. Based on the history of the Organization and CFC, management believes this reduction reasonably states the true net value of what it will receive while it is least reasonable possible that the estimate will change materially in the near term, no estimate can be made of the range of additional adjustments that is possible.*