

G
O
2
/
1
7
/
2
0
1
1
4

2013
Audit

017482

MORE THAN WORDS, INC.
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
June 30, 2013 and 2012

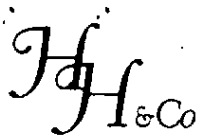
G
0
2
/
1
7
/
2
0
1
1
4

2013

MORE THAN WORDS, INC.
Financial Statements and
Supplementary Information
June 30, 2013 and 2012

C O N T E N T S

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS:	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Cash Flows	5
Notes to the Financial Statements	6 - 12
SUPPLEMENTARY INFORMATION:	
Schedules of Functional Expenses	13 - 14



Heald Hoffmeister and Company, Inc.
Certified Public Accountants

2013
Audit
017482

Kenneth J. Raffol, CPA, MST • Jill B. Treeful, CPA • Richard A. Petrie • Ryan M. Damaso, CPA, MST

Claude P. Boudwin, CPA - Audit Manager
INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
More Than Words, Inc.
Waltham, Massachusetts

We have audited the accompanying statements of financial position of More Than Words, Inc. (a non-profit corporation) as of June 30, 2013 and 2012, and the related statements of activities and changes in net assets 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 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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, 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 More Than Words, Inc. as of June 30, 2013 and 2012 and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

G
O
2
/
1
7
/
2
0
1
4

Report on Summarized Comparative Information

We have previously audited More Than Words, Inc.'s 2012 financial statements, and our audit report dated October 31, 2012, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on pages 13 and 14 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Heald Hoffmeister and Company Inc.

Needham, Massachusetts
October 10, 2013

G
O
2
/
1
7
/
2
0
1
1
4

MORE THAN WORDS, INC.
Statements of Financial Position
June 30, 2013 and 2012

ASSETS

	<u>2013</u>	<u>2012</u>
CURRENT ASSETS:		
Cash	\$ 906,462	\$ 806,221
Accounts receivable	138,201	72,757
Grants receivable	260,000	800
Café inventory	973	854
Prepaid expenses	<u>8,994</u>	<u>8,861</u>
Total current assets	1,314,630	889,493
 PROPERTY AND EQUIPMENT:		
Equipment and furniture	127,584	110,561
Computer software	23,583	23,583
Computers and equipment	63,886	54,399
Leasehold improvements	90,939	90,939
Signage	5,317	5,317
Vehicles	<u>49,719</u>	<u>33,164</u>
	361,028	317,963
Less: accumulated depreciation	<u>174,357</u>	<u>129,613</u>
Net book value of property and equipment	186,671	188,350
 OTHER ASSETS:		
Investments	--	30,952
Security deposits and last months rent	<u>24,961</u>	<u>24,538</u>
Total other assets	<u>24,961</u>	<u>55,490</u>
 Total assets	 <u>\$ 1,526,262</u>	 <u>\$ 1,133,333</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ 19,230	\$ 12,504
Accrued expenses	195,933	163,908
Deferred revenue	<u>--</u>	<u>30,160</u>
Total current liabilities	215,163	206,572
 NET ASSETS:		
Temporarily restricted	241,483	--
Unrestricted	<u>1,069,616</u>	<u>926,761</u>
Total net assets	<u>1,311,099</u>	<u>926,761</u>
 Total liabilities and net assets	 <u>\$ 1,526,262</u>	 <u>\$ 1,133,333</u>

See accompanying notes and independent auditors' report.

G
0
2
/
1
7
/
2
0
1
1
4

MORE THAN WORDS, INC.

Statements of Activities and Changes in Net Assets

For the Years Ended June 30, 2013 With comparative Totals for 2012

	2013			2012
	Unrestricted	Temporarily Restricted	Total	Total
REVENUE AND OTHER SUPPORT:				
Foundation and trust grants	\$ 793,200	\$ 241,483	\$ 1,034,683	\$ 926,300
Corporate and business grants	65,862	-	65,862	15,915
Individual donors	336,790	-	336,790	294,190
Governmental contract revenue	390,545	-	390,545	254,337
Event donations	659	-	659	17
Net earned revenue	408,787	-	408,787	273,957
Interest income	1,499	-	1,499	1,855
Realized gain on investments	2,223	-	2,223	-
Unrealized gain (loss) on investments	(792)	-	(792)	792
Net assets released from restrictions	-	-	-	-
Total revenue and support	<u>1,998,773</u>	<u>241,483</u>	<u>2,240,256</u>	<u>1,767,363</u>
EXPENSES:				
Program expenses	1,735,227	-	1,735,227	1,449,738
Management and general	54,192	-	54,192	42,596
Fundraising	66,499	-	66,499	25,664
Total expenses	<u>1,855,918</u>	<u>-</u>	<u>1,855,918</u>	<u>1,517,998</u>
INCREASE IN ASSETS	142,855	241,483	384,338	249,365
NET ASSETS AT BEGINNING OF YEAR	<u>926,761</u>	<u>-</u>	<u>926,761</u>	<u>677,396</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,069,616</u>	<u>\$ 241,483</u>	<u>\$ 1,311,099</u>	<u>\$ 926,761</u>

See accompanying notes and independent auditors' report.

G
0
2
/
1
7
/
2
0
1
1
4

MORE THAN WORDS, INC.

Statements of Cash Flows

For the Year Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 384,338	\$ 249,365
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	44,744	33,040
Non-cash donations	--	(30,159)
Realized gain on investments	(2,223)	--
Unrealized (gain) loss on investments	792	(792)
Changes in:		
Accounts receivable	(65,444)	(38,951)
Grants receivable	(259,200)	126,600
Café inventory	(119)	(9)
Prepaid expenses	(133)	6,202
Security deposit and last month's rent	(423)	--
Accounts payable and accrued expenses	38,751	72,864
Deferred revenue	(30,160)	30,160
Sales taxes	--	130
	<u> </u>	<u> </u>
Net cash provided by operating activities	110,923	448,450
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the sale of investments	32,383	--
Purchase of property and equipment	<u>(43,065)</u>	<u>(106,677)</u>
Net cash used by investing activities	<u>(10,682)</u>	<u>(106,677)</u>
NET INCREASE IN CASH	100,241	341,773
CASH - Beginning of year	<u>806,221</u>	<u>464,448</u>
CASH - End of year	<u>\$ 906,462</u>	<u>\$ 806,221</u>
Supplemental disclosures of cash flow information:		
Cash paid for :		
Interest	\$ --	\$ --

See accompanying notes and independent auditors' report.

G
O

2
/
1
7
/
2
0
1
1
4

MORE THAN WORDS, INC.
Notes to the Financial Statements
June 30, 2013 and 2012

NOTE 1 - Nature of Organization and Operations:

More Than Words, Inc. ("the Organization") was organized for charitable and educational purposes in order to provide leadership and supportive employment opportunities for youths who are in the foster care system, court involved, homeless, or out of school. The Organization provides hands on real-world job training and youth development programming including an online, retail and café training program. Youth receive in-depth training and ongoing support to develop marketable skills including customer service, communication, technology, and professionalism critical for their successful transition into adulthood. The Organization provides intensive case management and programming to empower youth to address barriers in their lives including housing, court-issues, and to develop concrete education plans. The Organization supports youth in the state of Massachusetts, primarily in the greater Boston area.

NOTE 2 - Summary of Significant Accounting Policies:

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities. Revenues are recognized when the services are performed and expenses are recorded as incurred.

Basis of Presentation

The Organization 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

Unrestricted net assets – are free from donor imposed restrictions and include all revenues, expenses, gains and losses that are not subject to donor restrictions. The Organization's unrestricted net assets as of June 30, 2013 and 2012 were \$1,069,616 and \$926,761, respectively.

Temporarily restricted net assets – include gifts, grants, income, gains and pledges for which donor imposed restrictions have not been met. The Organization's temporarily restricted net assets as of June 30, 2013 and 2012 were \$241,483 and \$0, respectively.

Permanently restricted net assets – are those contributed with donor stipulations that they be held in perpetuity with use of income for unrestricted and temporarily restricted purposes. The Organization had no permanently restricted net assets as of June 30, 2013 and 2012.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, the 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 vary from the estimates that were assumed in preparing the financial statements.

See independent auditors' report.

G
0

2
/
1
7
/
2
0
1
4

MORE THAN WORDS, INC.
Notes to the Financial Statements
June 30, 2013 and 2012
(Continued)

NOTE 2 - Summary of Significant Accounting Policies (continued):

Restricted and Unrestricted Revenue

Contributions of cash are recorded as income when received, and pledges are recorded as income when obtained. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions.

Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and therefore, has no provision for federal income taxes. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(VI) and has been classified as an organization that is not a private foundation. The Organization believes that there are no uncertain tax positions that would require disclosures in these financial statements.

The Organization's information returns for the years ended June 30, 2011 through 2013 are subject to examination by the Internal Revenue Service.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalent.

Café Inventory

Inventory is stated at the lower of cost or market using the first-in, first-out (FIFO) method.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decrease of liabilities or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Property and Equipment

All acquisitions of property and equipment in excess of \$500 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation expense is computed using the straight-line method over the estimated useful life of the asset.

See independent auditors' report.

G
0

2
/
1
7
/
2
0
1
4

MORE THAN WORDS, INC.
Notes to the Financial Statements
June 30, 2013 and 2012
(Continued)

NOTE 2 - Summary of Significant Accounting Policies (continued):

Property and equipment consists of the following as of June 30, 2013:

	Cost	Accumulated Depreciation	Net Book Value
Equipment and furniture	\$ 127,584	\$ 63,777	\$ 63,807
Computer software	23,583	21,583	2,000
Computers and equipment	63,886	45,180	18,706
Leasehold improvements	90,939	19,349	71,590
Signage	5,317	3,569	1,748
Vehicles	49,719	20,899	28,820
	<u>\$ 361,028</u>	<u>\$ 174,357</u>	<u>\$ 186,671</u>

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Schedules of Functional Expenses. Accordingly, certain costs have been allocated among the programs and services benefited.

Investments

The Organization reports investments in equity securities with readily determinable fair values in the statements of financial position at fair value (see Note 7). Investment income is included in the change in net assets as a change in unrestricted net assets.

Accounts and Grants Receivable

At June 30, 2013 and 2012, accounts receivable consist of \$88,903 and \$34,628, respectively, from government program contract revenue (DCF, DPH, & DYS), \$50,108 and \$36,648, respectively, of funds to be received from the Organization's various online bookstore websites and the bookstore's credit card merchant processor, \$260,000 and \$800 from grants, respectively, and \$0 and \$1,481 from other sources, respectively. All accounts receivable are considered by management to be fully collectible. Accordingly, no allowance for doubtful accounts is required. Accounts determined to be uncollectible are charged to operations in the period that the determination is made.

Sales Taxes

The Organization records the amount of sales taxes charged to customers as a component of gross sales and is deducted as a cost of sales to arrive at net sales.

Shipping and Handling Costs

The Organization records shipping and handling cost as a direct cost of sales and is included in the in store, café, and internet expenses located in the revenue and other support section of the Statement of Activities and Changes in Net Assets.

See independent auditors' report.

G
O

2
/
1
7
/
2
0
1
4

MORE THAN WORDS, INC.
Notes to the Financial Statements
June 30, 2013 and 2012
(Continued)

NOTE 2 - Summary of Significant Accounting Policies (continued):

Advertising

The Organization expenses advertising costs as they are incurred in the amounts of \$4,190 in 2013 and \$5,476 in 2012 and are categorized as marketing expenses in the Schedule of Functional Expenses.

NOTE 3 - Donated Goods and Services:

The Organization generally pays for services requiring specific expertise. However, a few individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs and various assignments. The Organization receives donated books for youths to learn to sell as part of their employment training. At the time of donation, no amounts have been reflected in the financial statements. The value of the donated books is recorded at the time of sale when their values become determinable to the Organization and the revenue is reflected under the captions "in store" and "internet sales".

NOTE 4 - Concentration of Credit Risk:

The Organization maintains cash balances at local financial institutions. The accounts at these institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000 at each institution. The Organization's cash balance at times during the year may exceed the federally insured limits. At June 30, 2013 and 2012, the Organization had \$373,732 and \$305,346, respectively, of uninsured cash balances.

NOTE 5 - Contractual Agreement with Communities for People, Inc.:

More Than Words, Inc. has a contract to purchase human resource and payroll processing services from Communities for People, Inc. ("CFP"). The fee for such services is categorized as "management fees" and for the fiscal years ended June 30, 2013 and 2012 totaled \$88,802 and \$39,799, respectively.

NOTE 6 - Investments and Deferred Revenue:

On June 28, 2012, the Organization received a donation of 53 shares of Apple Corporation in the amount of \$30,160. During the year, the Organization sold the 53 shares of Apple Corporation for a gain of \$2,223. As of June 30, 2013 and 2012, the Organization's investment had a fair market value of \$0 and \$30,952, respectively.

G
O

2
/
1
7
/
2
0
1
4

MORE THAN WORDS, INC.
Notes to the Financial Statements
June 30, 2013 and 2012
(Continued)

NOTE 7 - Fair Value Measurements:

The Organization's investments recorded at fair value have been categorized based upon a fair value hierarchy in accordance with FASB ASC 820-10. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The following table presents information about the Organization's investments measured at fair value as of June 30, 2013 and 2012:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	
	2013	2012
Assets (Level 1)		
Investments in securities, at fair value	\$ --	\$ 30,952

NOTE 8 - Fundraising Expenses:

The Organization engages in an annual mass mailing and distribution of program materials for grant proposals to raise funds for the various services they offer. Total fundraising expenses for the years ending June 30, 2013 and 2012 were \$66,499 and \$25,664, respectively.

NOTE 9 - Reclassification:

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

G
0
2
/
1
7
/
2
0
1
1
4

MORE THAN WORDS, INC.
Notes to the Financial Statements
June 30, 2013 and 2012
(Continued)

NOTE 10 - Program Activities Presentation:

The Organization presents its gross sales and direct cost of sales on the Statement of Activities and Changes in Net Assets as "net earned revenue" for its internet and in store book sales training program as well as its café training program. The programs are comprised of the following revenue and expenses:

	<u>2013</u>	<u>2012</u>
<u>Internet book revenue</u>		
Revenue:		
Sales, net of refunds	\$ 657,084	\$ 414,486
Expenses:		
Subscription fees	28,345	19,696
Shipping and postage	<u>305,371</u>	<u>186,097</u>
	<u>333,716</u>	<u>205,793</u>
Net earned revenue	<u>\$ 323,368</u>	<u>\$ 208,693</u>
 <u>In store book revenue</u>		
Revenue:		
Sales, net of refunds	\$ 83,774	\$ 64,157
Expenses:		
Cost of goods sold	689	1,261
Sales tax	3,939	2,944
Processing fees	<u>1,459</u>	<u>988</u>
	<u>6,087</u>	<u>5,193</u>
Net earned revenue	<u>\$ 77,687</u>	<u>\$ 58,964</u>
 <u>Café earned revenue</u>		
Revenue:		
Sales	\$ 20,677	\$ 18,746
Expenses:		
Cost of goods sold	11,629	11,292
Meals tax	<u>1,316</u>	<u>1,154</u>
	<u>12,945</u>	<u>12,446</u>
Net earned revenue	<u>\$ 7,732</u>	<u>\$ 6,300</u>
Total net earned revenue	<u>\$ 408,787</u>	<u>\$ 273,957</u>

See independent auditors' report.

G
0

2
/
1
7
/
2
0
1
4

MORE THAN WORDS, INC.
Notes to the Financial Statements
June 30, 2013 and 2012
(Continued)

NOTE 11 - Leases:

The Organization's facilities are sub-leased under a non-cancelable operating lease from a non-related third party, which was renewed on June 30, 2013 for an additional two years commencing on July 1, 2013 and ending on June 30, 2015. The lease contains usual clauses with respect to electric and utility charges. The Organization's operations are located at 376 Moody Street, Waltham, Massachusetts 02453. Total charges under the lease were \$45,696 in 2013 and \$43,596 in 2012.

Effective September 21, 2009, the Organization entered into a lease agreement for an additional office facility in Waltham, Massachusetts. Under the terms of the lease, the term is for one year, with three one-year term options. During 2013, the Organization elected to exercise the third of three one-year term options, which includes a 3% increase per month. Total charges under the lease were \$9,840 in 2013 and \$9,600 in 2012.

Effective May 1, 2011, the Organization entered into a lease agreement for an additional operating location in Boston, Massachusetts. The terms of the lease include a five year and five month initial lease, with a one five-year term option. The total charges under the lease were \$82,812 in 2013 and \$60,463 in 2012.

The future minimum rental commitments at June 30, 2013 are as follows:

<u>Year ended June 30,</u>	
2014	\$ 140,678
2015	160,878
2016	114,744
2017	<u>28,686</u>
Total	<u>\$ 444,986</u>

NOTE 12 - Evaluation of Subsequent Events:

The Organization has evaluated subsequent events through October 10, 2013 the date which the financial statements were available to be issued. There were no subsequent events that require adjustment to or disclosure in the financial statements.

G
O
2
/
1
7
/
2
0
1
1
4

MORE THAN WORDS, INC.
Schedules of Functional Expenses
For the year ended June 30, 2013, with Comparative Totals for 2012

	<u>2013</u>			<u>2012</u>	
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>	<u>Total</u>
PERSONNEL COSTS:					
Adult staff wages and compensation	\$ 790,407	\$ 21,987	\$ 48,248	\$ 860,642	\$ 731,607
Temporary help	13,942	-	-	13,942	13,737
Payroll taxes	88,522	1,682	5,030	95,234	65,780
Management fee	79,783	2,216	6,803	88,802	39,799
Total personnel and stipend costs	<u>\$ 972,654</u>	<u>\$ 25,885</u>	<u>\$ 60,081</u>	<u>\$ 1,058,620</u>	<u>\$ 850,923</u>
YOUTH STIPENDS:					
Youth staff wages and compensation	\$ 340,949	\$ -	\$ -	\$ 340,949	\$ 268,058
Payroll taxes	34,869	-	-	34,869	30,069
Payroll processing fees	4,567	-	-	4,567	3,367
Total youth stipends	<u>\$ 380,385</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 380,385</u>	<u>\$ 301,494</u>
STORE/TRAINING EXPENSES:					
Internet service fees	\$ 10,303	\$ -	\$ -	\$ 10,303	\$ 8,190
Marketing expenses	4,190	-	-	4,190	5,476
Total online store/training expenses	<u>\$ 14,493</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,493</u>	<u>\$ 13,666</u>
PROGRAM EXPENSES:					
Merchant and bank processing fees	\$ 64	\$ -	\$ -	\$ 64	\$ 39
Insurance	14,975	1,664	-	16,639	11,930
Internet and telephone	12,726	1,414	-	14,140	15,140
Technology	10,925	1,214	-	12,139	13,284
Miscellaneous expense	183	-	-	183	181
Printing and postage	3,136	165	-	3,301	1,591
License, permits and filing fees	1,376	124	-	1,500	1,815
Supplies	43,834	4,870	-	48,704	55,102
Professional services	41,750	4,639	-	46,389	28,439
Professional development	13,643	-	-	13,643	12,018
Travel and meetings	1,782	3,618	-	5,400	3,343
Vehicle	21,911	-	-	21,911	11,948
Total program expenses	<u>\$ 166,305</u>	<u>\$ 17,708</u>	<u>\$ -</u>	<u>\$ 184,013</u>	<u>\$ 154,830</u>

See accompanying notes and independent auditors' report.

G
0
2
/
1
7
/
2
0
1
1
4

MORE THAN WORDS, INC.

Schedules of Functional Expenses - Continued

For the year ended June 30, 2013, with Comparative Totals for 2012

	2013			2012	
	Program Services	General and Administrative	Fundraising	Total	Total
OCCUPANCY EXPENSES:					
Facility repair and maintenance	\$ 11,101	\$ 584	\$ --	\$ 11,685	\$ 8,436
Rent, parking and other	131,431	6,917	--	138,348	115,082
Utilities	16,351	861	--	17,212	14,863
Total occupancy expense	<u>\$ 158,883</u>	<u>\$ 8,362</u>	<u>\$ --</u>	<u>\$ 167,245</u>	<u>\$ 138,381</u>
FUNDRAISING EXPENSES:					
Event supplies	\$ --	\$ --	\$ 5,441	\$ 5,441	\$ 9,404
Postage	--	--	477	477	1,408
Professional fundraisers	--	--	500	500	14,852
Total fundraising expenses	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 6,418</u>	<u>\$ 6,418</u>	<u>\$ 25,664</u>
TOTAL EXPENSES BEFORE DEPRECIATION	<u>\$ 1,692,720</u>	<u>\$ 51,955</u>	<u>\$ 66,499</u>	<u>\$ 1,811,174</u>	<u>\$ 1,484,958</u>
DEPRECIATION EXPENSE	<u>\$ 42,507</u>	<u>\$ 2,237</u>	<u>\$ --</u>	<u>\$ 44,744</u>	<u>\$ 33,040</u>
TOTAL EXPENSES	<u>\$ 1,735,227</u>	<u>\$ 54,192</u>	<u>\$ 66,499</u>	<u>\$ 1,855,918</u>	<u>\$ 1,517,998</u>

See accompanying notes and independent auditors' report.