

CRY-CHILD RIGHTS AND YOU AMERICA, INC.

Financial Statements

December 31, 2012

HURLEY, O'NEILL & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

CRY-CHILD RIGHTS AND YOU AMERICA, INC.

Table of Contents

	<u>Page</u>
Independent Auditors' Report	
Statement of Financial Position -----	1
Statement of Activities -----	2
Statement of Cash Flows -----	3
Statement of Functional Expenses -----	4
Notes to Financial Statements -----	5-7

HURLEY, O'NEILL & COMPANY, P.C.
Certified Public Accountants

J. Thomas Hurley, C.P.A.

Gene O'Neill C.P.A.

INDEPENDENT AUDITORS' REPORT

To The Board of Directors
CRY-Child Rights and You America, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of CRY-Child Rights and You America, Inc. (a Delaware not for profit), which comprise the statement of financial position as of December 31, 2012, and the related statements of activities, functional expenses 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 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 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 CRY-Child Rights and You America, Inc., as of December 31, 2012 and the results of its operations and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Hoody & Co., PC

Quincy, Massachusetts
August 26, 2013

CRY - CHILD RIGHTS AND YOU AMERICA, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2012

ASSETS

Current Assets

Cash	\$ 978,301
Accounts receivable	120,695
Prepaid expenses	<u>10,227</u>

Total Current Assets 1,109,223

Property and Equipment

Office equipment	5,654
Less accumulated depreciation	<u>(5,654)</u>

Total Property and Equipment -

Security Deposit 2,800

Total Assets \$ 1,112,023

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 12,479
Grants payable	51,828
Accrued expenses	<u>8,400</u>

Total Current Liabilities 72,707

Unrestricted Net Assets 1,039,316

Total Liabilities and Net Assets \$ 1,112,023

The accompanying footnotes are an integral part of these financial statements

CRY - CHILD RIGHTS AND YOU AMERICA, INC.

**STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2012**

Revenue and Support	
Contributions	\$ 769,800
Fundraising Events	
Revenue raised	593,184
Expenses incurred	<u>(90,224)</u>
Net Fundraising Event Revenue	<u>502,960</u>
Interest income	<u>209</u>
Total Revenue and Support	<u>1,272,969</u>
Expenses	
Program/grant expenses	731,828
Administrative expenses	189,817
Fundraising expenses	<u>165,605</u>
Total Expenses	<u>1,087,250</u>
Increase in Net Assets	185,719
Net Assets, Beginning of Year	<u>853,597</u>
Net Assets, End of Year	<u>\$ 1,039,316</u>

The accompanying footnotes are an integral part of these financial statements

CRY - CHILD RIGHTS AND YOU AMERICA, INC.

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2012

Cash Flows from Operating Activities	
Increase in net assets	\$ 185,719
Adjustments to Reconcile Change in Net	
Assets to Net Cash Provided from Operating Activities	
Depreciation	84
Increase in accounts receivable	22,305
Increase in prepaid expenses	(893)
Increase in grants payable	(41,497)
Increase in accrued expenses	-
Decrease in accounts payable	<u>(15,659)</u>
Net Cash Provided by Operating Activities	<u>150,059</u>
Net Increase in Cash	150,059
Cash at Beginning of Year	<u>828,242</u>
Cash at End of Year	<u>\$ 978,301</u>

The accompanying footnotes are an integral part of these financial statements

CRY - CHILD RIGHTS AND YOU AMERICA, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2012**

Program/Grant Expenses	
India projects	\$ 651,828
US projects	<u>80,000</u>
Total Program/Grant Expenses	<u>\$ 731,828</u>
Fundraising Expenses	
Marketing	\$ 122,240
Professional fees	26,809
Postage	<u>16,556</u>
Total Fundraising Expenses	<u>\$ 165,605</u>
Administrative Expenses	
Payroll	\$ 99,235
Professional services	39,778
Travel and seminar/conference	14,087
Rent	9,720
Insurance	8,856
Service charges	8,671
License and registration fees	5,097
Telephone and internet services	2,277
Postage	1,140
Dues	500
Office supplies	190
Electricity	182
Depreciation	<u>84</u>
Total Administrative Expenses	<u>\$ 189,817</u>

The accompanying footnotes are an integral part of these financial statements

CRY – CHILD RIGHTS AND YOU AMERICA, INC.

**NOTES TO FINANCIAL STATEMENTS
December 31, 2012**

NOTE 1 – ORGANIZATION

CRY-Child Rights and You America, Inc. (CRY America) was established in November 2002 as a Delaware Corporation, and is a not-for-profit organized under Section 501(c)(3) of the US Tax Code. The mission of CRY America is to raise funds for and public awareness of the problems that face underprivileged children, with emphasis on children living in India.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

CRY America maintains its records on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Revenue is recognized as it is earned rather than received and expenses are recognized when the obligation is incurred.

Net assets are broken down into three specific categories as follows:

Unrestricted Net Assets – All contributions are considered to be available for unrestricted use unless specifically restricted by the donor or by law.

Temporarily Restricted Net Assets – Assets resulting from contributions whose use by CRY America is limited by donor/grantor imposed restrictions that either expire by the passage of time or can be fulfilled by actions of CRY America. Once these restrictions expire, temporarily restricted net assets are reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets – Assets resulting from an endowment to be held in perpetuity. Investment income earned on this endowment is temporarily restricted for programs.

B. Use of Estimates

The preparation of financial statements in accordance with the accrual method of accounting requires the use of estimates that affect reported amounts of sources and uses of funds and related disclosures. Actual amounts could differ from those estimates.

C. Cash Equivalents

Cash and cash equivalents consist of cash on deposit with financial institutions and other debt securities that are readily convertible into cash and purchased with original maturities of three months or less.

CRY – CHILD RIGHTS AND YOU AMERICA, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

D. Concentration of Credit Risk

CRY America places its temporary cash investments with high credit quality financial institutions. During the fiscal year, balances in the accounts may exceed the federally insured limit. CRY America has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk to cash.

E. Fixed Assets and Depreciation

Fixed assets are stated at cost. When assets are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. Depreciation is provided for using straight-line and accelerated methods over the following estimated useful lives:

Equipment	5 years
-----------	---------

The composition of fixed assets at December 31, 2012 is as follows:

Office Equipment	\$ 5,654
Less: Accumulated Depreciation	<u>(5,654)</u>
Net Fixed Assets	<u>\$ -</u>

F. Income Taxes

No provision has been made for income taxes since the Organization was formed as a tax exempt organization and has been granted Section 501(c)(3) status by the Internal Revenue Service.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Organization to report information regarding its exposure to various tax positions taken by the Organization. The Organization has determined whether any tax positions have met the recognition threshold and has measured the Organization's exposure to those tax positions. Management believes that the Organization has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Organization are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

CRY – CHILD RIGHTS AND YOU AMERICA, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

NOTE 3 – LICENSING AGREEMENT WITH CHILD RELIEF AND YOU, INDIA

CRY America has entered into an agreement, dated July 23, 2004, with Child Relief and You, India, a public charity trust of India. The agreement allows CRY America to use the CRY India name, trademark and logo. This agreement also outlines services provided to CRY America by CRY India for the purpose of facilitating grants made to India based projects. CRY America has also entered into an agreement with CRY India under which CRY India will provide grant management services for all grants made in India.

NOTE 4 – SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Organization through August 26, 2013 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.