

EDUCATION FOR ALL CHILDREN

RYE, NEW HAMPSHIRE

FINANCIAL STATEMENTS

DECEMBER 31, 2016

Bigelow
& COMPANY

CERTIFIED PUBLIC ACCOUNTANTS, PLLC

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Independent Auditors' Report

To the Board of Directors
Education For All Children
Rye, New Hampshire

Report on the Financial Statements

We have audited the accompanying financial statements of Education For All Children (a nonprofit organization) which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and change in net assets, functional expenses, 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.

Auditors' 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 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 auditors' 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 Organization'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 Organization'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 Education For All Children as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Bigelow & Company

BIGELOW & COMPANY
Certified Public Accountants, PLLC

June 5, 2017

EDUCATION FOR ALL CHILDREN
STATEMENTS OF FINANCIAL POSITION

| | December 31, | |
|--|--------------|------------|
| | 2016 | 2015 |
| ASSETS | | |
| Cash | \$ 328,268 | \$ 288,069 |
| Total Assets | \$ 328,268 | \$ 288,069 |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities: | | |
| Accounts payable | \$ - | \$ 5,318 |
| Accrued payroll and related withholdings | 15,252 | 7,075 |
| Total Current Liabilities | 15,252 | 12,393 |
| Net Assets: | | |
| Unrestricted | 218,283 | 233,463 |
| Temporarily restricted | 94,733 | 42,213 |
| Total Net Assets | 313,016 | 275,676 |
| Total Liabilities and Net Assets | \$ 328,268 | \$ 288,069 |

The accompanying notes are an integral part of the financial statements

EDUCATION FOR ALL CHILDREN

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2016

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> |
|---------------------------------------|---------------------|-----------------------------------|-------------------|
| Operating Support and Revenues: | | | |
| Contributions | \$ 179,389 | \$ 365,964 | \$ 545,353 |
| Fundraising events and sales | 127,972 | - | 127,972 |
| Interest income | 33 | - | 33 |
| Net assets released from restrictions | <u>313,444</u> | <u>(313,444)</u> | <u>-</u> |
| Total Operating Support and Revenues | <u>620,838</u> | <u>52,520</u> | <u>673,358</u> |
| Expenses: | | | |
| Program services | 434,721 | - | 434,721 |
| Management and general | 60,153 | - | 60,153 |
| Fundraising | <u>141,144</u> | <u>-</u> | <u>141,144</u> |
| Total Expenses | <u>636,018</u> | <u>-</u> | <u>636,018</u> |
| Change in Net Assets | (15,180) | 52,520 | 37,340 |
| Net Assets, Beginning of Year | <u>233,463</u> | <u>42,213</u> | <u>275,676</u> |
| Net Assets, End of Year | <u>\$ 218,283</u> | <u>\$ 94,733</u> | <u>\$ 313,016</u> |

The accompanying notes are an integral part of the financial statements

EDUCATION FOR ALL CHILDREN

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2015

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> |
|---------------------------------------|--------------------------|-----------------------------------|--------------------------|
| Operating Support and Revenues: | | | |
| Grants and contributions | \$ 165,365 | \$ 282,873 | \$ 448,238 |
| Fundraising events and sales | 75,291 | - | 75,291 |
| Interest income | 17 | - | 17 |
| Net assets released from restrictions | <u>249,243</u> | <u>(249,243)</u> | <u>-</u> |
| Total Operating Support and Revenues | <u>489,916</u> | <u>33,630</u> | <u>523,546</u> |
| Expenses: | | | |
| Program services | 304,977 | - | 304,977 |
| Management and general | 50,335 | - | 50,335 |
| Fundraising | <u>65,381</u> | <u>-</u> | <u>65,381</u> |
| Total Expenses | <u>420,693</u> | <u>-</u> | <u>420,693</u> |
| Change in Net Assets | 69,223 | 33,630 | 102,853 |
| Net Assets, Beginning of Year | <u>164,240</u> | <u>8,583</u> | <u>172,823</u> |
| Net Assets, End of Year | <u><u>\$ 233,463</u></u> | <u><u>\$ 42,213</u></u> | <u><u>\$ 275,676</u></u> |

The accompanying notes are an integral part of the financial statements

EDUCATION FOR ALL CHILDREN
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

| | <u>Program Services</u> | <u>Management and General</u> | <u>Fundraising</u> | <u>Total</u> |
|------------------------------|-----------------------------|-----------------------------------|--------------------|-------------------|
| Student tuition and expenses | \$ 309,095 | \$ - | \$ - | \$ 309,095 |
| Salaries and wages | 93,473 | 26,089 | 63,702 | 183,264 |
| Payroll taxes | 3,278 | 1,888 | 4,608 | 9,774 |
| Fundraising events | - | - | 65,588 | 65,588 |
| Travel | 12,373 | - | - | 12,373 |
| Office supplies | 5,590 | 5,137 | 4,268 | 14,995 |
| Professional fees | 5,013 | 16,822 | - | 21,835 |
| Meetings | 5,599 | 6,958 | - | 12,557 |
| Postage | - | 829 | - | 829 |
| Bank fees | - | 1,727 | - | 1,727 |
| Insurance | 300 | 421 | 173 | 894 |
| Marketing and website | - | - | 2,805 | 2,805 |
| Miscellaneous expense | - | 282 | - | 282 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total | <u>\$ 434,721</u> | <u>\$ 60,153</u> | <u>\$ 141,144</u> | <u>\$ 636,018</u> |

The accompanying notes are an integral part of the financial statements

EDUCATION FOR ALL CHILDREN
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

| | <u>Program Services</u> | <u>Management and General</u> | <u>Fundraising</u> | <u>Total</u> |
|------------------------------|-----------------------------|-----------------------------------|--------------------|-------------------|
| Student tuition and expenses | \$ 244,190 | \$ - | \$ - | \$ 244,190 |
| Salaries and wages | 43,481 | 16,127 | 40,091 | 99,699 |
| Payroll taxes | 2,219 | 1,239 | 3,067 | 6,525 |
| Fundraising events | - | - | 15,915 | 15,915 |
| Travel | 7,475 | - | - | 7,475 |
| Office supplies | 4,858 | 4,799 | 4,697 | 14,354 |
| Professional fees | 2,565 | 24,471 | 849 | 27,885 |
| Meetings | - | 4,201 | - | 4,201 |
| Postage | - | 1,182 | - | 1,182 |
| Bank fees | - | 716 | - | 716 |
| Insurance | 189 | 106 | 262 | 557 |
| Marketing and website | - | - | 500 | 500 |
| Miscellaneous income | - | (2,506) | - | (2,506) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total | <u>\$ 304,977</u> | <u>\$ 50,335</u> | <u>\$ 65,381</u> | <u>\$ 420,693</u> |

The accompanying notes are an integral part of the financial statements

EDUCATION FOR ALL CHILDREN

STATEMENTS OF CASH FLOWS

| | <u>Increase (Decrease) in Cash</u> | |
|---|------------------------------------|--------------------------|
| | <u>For the Years ended</u> | |
| | <u>December 31,</u> | |
| | <u>2016</u> | <u>2015</u> |
| Cash Flows From Operating Activities: | | |
| Change in net assets | <u>\$ 37,340</u> | <u>\$ 102,853</u> |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Increase (decrease) in liabilities: | | |
| Accounts payable | (5,318) | 4,730 |
| Accrued expenses | <u>8,177</u> | <u>(771)</u> |
| Total Adjustments | <u>2,859</u> | <u>3,959</u> |
| Net Cash Provided by Operating Activities | <u>40,199</u> | <u>106,812</u> |
| Net Increase in Cash | 40,199 | 106,812 |
| Cash, Beginning of Year | <u>288,069</u> | <u>181,257</u> |
| Cash, End of Year | <u><u>\$ 328,268</u></u> | <u><u>\$ 288,069</u></u> |
| Supplemental disclosure of cash flow information: | | |
| Cash paid during the year for interest | \$ - | \$ - |
| Cash paid during the year for income taxes | - | - |

The accompanying notes are an integral part of the financial statements

EDUCATION FOR ALL CHILDREN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization

Education For All Children (the Organization) is a nonprofit organization incorporated in New Hampshire. The Organization provides an education-to-employment program for bright, disadvantaged Kenyan youth to foster leadership, economic opportunity, and social progress.

Basis of Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to any donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed restrictions on their use that may be met either by actions of the Organization or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed or other legal restrictions requiring that the principal be maintained permanently by the Organization. Generally, the donors permit the Organization to use all or part of the income earned for either general or donor-specified purposes.

Contributions that are restricted by the donor are recorded in temporarily or permanently restricted net assets based on the nature of the restrictions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash Flow Information

The Organization presents its cash flow information using the indirect method. For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2016 and 2015.

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded as contributions receivable at net realizable value. Conditional promises to give are not included as support until the conditions are substantially met. Total intentions to give as of December 31, 2016 were approximately \$756,000.

Donated Services

The Organization receives a significant amount of donated services from unpaid volunteers who assist in fundraising and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition have not been satisfied.

EDUCATION FOR ALL CHILDREN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based upon management's estimate of the relative effort expended for the related function.

Income Taxes

The Organization is a non-profit organization and is exempt from paying federal income taxes under Internal Revenue Code Section 501(c)(3). However, certain activities of exempt organizations, to the extent profitable, may be subject to federal and state taxation as unrelated business income. No provision for income taxes has been made in these financial statements, as management has identified no tax liability.

Management has evaluated significant tax positions against the criteria established by professional standards and believes there are no such tax positions requiring accounting recognition in the financial statements. Management does not believe its evaluation of tax positions will significantly change within twelve months of December 31, 2016. Any changes in tax positions will be recorded when the ultimate outcome becomes known. Any interest and penalties would be classified as part of income taxes, if applicable. The Organization's income tax returns are subject to examination by taxing authorities generally for years ended after December 31, 2012.

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 reported amounts of 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 differ from those estimates. Material estimates that are particularly susceptible to change include the fair value of investments, the allowance for uncollectible pledges, and the functional allocation of expenses.

Reclassifications

Certain reclassifications have been made to the December 31, 2015 financial statements to conform to the December 31, 2016 financial statement presentation. Such reclassifications had no effect on the change in net assets as previously reported.

Subsequent Events

Subsequent events are events or transactions that occur after the financial statement date but before the financial statements are available to be issued. The Organization has evaluated these events through June 5, 2017.

EDUCATION FOR ALL CHILDREN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

3. TEMPORARILY RESTRICTED NET ASSETS

The Organization solicits donations to provide for students' secondary or post-secondary education. Temporarily restricted net assets represent cash received for future student sponsorships. Sponsors typically make a four-year pledge to sponsor a student.