

Women's Global
Education Project
Financial Statements
For the Year Ended
December 31, 2013

WOMEN'S GLOBAL EDUCATION PROJECT

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Independent Auditor's Report

To the Board of Directors of
Women's Global Education Project
Oak Park, Illinois

We have audited the accompanying financial statements of Women's Global Education Project (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and changes in net assets, 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 Women's Global Education Project as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Dicker + Associates

Buffalo Grove, Illinois
May 6, 2014

WOMEN'S GLOBAL EDUCATION PROJECT

Statement of Financial Position
December 31, 2013

<u>Assets</u>	
Current assets	
Unrestricted cash	\$ 91,573
Total current assets	91,573
Equipment	
Equipment	2,084
Less accumulated depreciation	<u>(625)</u>
Net equipment	<u>1,459</u>
Total assets	<u>\$ 93,032</u>
<u>Liabilities and Net Assets</u>	
Current liabilities	
Accounts payable	\$ 2,314
Payroll taxes payable	3,552
Deferred revenue	<u>7,990</u>
Total current liabilities	<u>13,856</u>
Unrestricted net assets	<u>79,176</u>
Total liabilities and net assets	<u>\$ 93,032</u>

The accompanying notes are an integral part of these financial statements

WOMEN'S GLOBAL EDUCATION PROJECT

Statement of Activities and Changes in Net Assets For the Year Ended December 31, 2013

	Unrestricted	Temporarily Restricted	Total
Revenue and support			
Special events, net of expenses	\$ 45,255	\$ -	\$ 45,255
Contributions	181,414		181,414
Grants	52,475	10,000	62,475
Interest income	3	-	3
Net assets released from restrictions	10,000	(10,000)	-
	<u>289,147</u>	<u>-</u>	<u>289,147</u>
Total revenue and support			
Expenses			
General and administrative	27,305	-	27,305
Fundraising	17,373	-	17,373
Program services	223,782	-	223,782
	<u>268,460</u>	<u>-</u>	<u>268,460</u>
Total expenses			
Change in net assets	20,687	-	20,687
Net assets, beginning of year	58,489	-	58,489
Net assets, end of year	<u>\$ 79,176</u>	<u>\$ -</u>	<u>\$ 79,176</u>

The accompanying notes are an integral part of these financial statements

WOMEN'S GLOBAL EDUCATION PROJECT

Statement of Functional Expenses For the Year Ended December 31, 2013

	General and Administrative	Fundraising	Program Services	Total Expenses
Auto expenses	\$ 43	\$ 40	\$ 46	\$ 129
Gifts	22	20	23	65
Annual filing	10	9	9	28
Bank charges	744	686	789	2,219
Conference and meetings	18	17	20	55
Dues and subscriptions	137	127	146	410
Insurance	168	155	177	500
Meal and entertainment	26	24	29	79
Miscellaneous administrative	312	-	-	312
Office	142	131	152	425
Office supplies	235	216	249	700
Postage	211	195	224	630
Printing	1,450	1,338	1,539	4,327
Rent	872	804	924	2,600
Software	786	725	833	2,344
Website	43	39	45	127
Marketing	785	724	833	2,342
Telephone	534	492	566	1,592
Utilities	3	-	17	20
Salaries	6,209	10,333	44,064	60,606
Payroll taxes	475	791	3,370	4,636
Health Insurance	550	507	584	1,641
Payroll processing fees	373	-	148	521
Accounting	3,648	-	1,445	5,093
Consultants	9,092	-	3,602	12,694
Depreciation	417	-	-	417
Kenya program	-	-	67,677	67,677
Senegal program	-	-	96,271	96,271
Total	<u>\$ 27,305</u>	<u>\$ 17,373</u>	<u>\$ 223,782</u>	<u>\$ 268,460</u>

The accompanying notes are an integral part of these financial statements

WOMEN'S GLOBAL EDUCATION PROJECT

Statement of Cash Flows For the Year Ended December 31, 2013

Cash flows from operating activities	
Changes in net assets	\$ 20,687
Adjustments to reconcile changes in net assets to net cash provided by operating activities and net increase in cash	
Depreciation expense	417
(Increase) decrease in assets:	
Grant receivable	25,000
Increase (decrease) in liabilities:	
Accounts payable	(6,894)
Payroll taxes payable	2,211
Deferred revenue	<u>(17,010)</u>
Net cash provided by operating activities and net increase in cash	24,411
Cash, beginning of year	<u>67,162</u>
Cash, end of year	<u>\$ 91,573</u>

The accompanying notes are an integral part of these financial statements

WOMEN'S GLOBAL EDUCATION PROJECT

Notes to Financial Statements

Note 1 - Organization and nature of activities

The Women's Global Education Project, incorporated on March 17, 2003, is a not-for-profit corporation organized under the laws of the State of Illinois, and has been classified by the U.S. Internal Revenue Service as a 501(c)(3) not-for-profit organization. The Organization believes education for girls – especially for those in the remote, rural areas of the world- is one of the most effective ways to fight global poverty. The mission of the Organization is to work to address the complex barriers-economic, cultural and social-keeping girls out of school and uses a multi-tiered approach that includes scholarship support, family involvement and community awareness to help more girls to and succeed in school.

Note 2 - Summary of significant accounting policies

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Financial statement presentation

The Organization reports 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. Temporarily restricted net assets represent resources available for use, but expendable only for the purposes specifically stated by the donor. The Organization is also required to present a statement of cash flows.

Government grants are accounted for as unrestricted, exchange transactions. Income from these and other exchange transactions is deferred and recognized over the periods to which it is related.

Contributions

All contributions received are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporarily restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

WOMEN'S GLOBAL EDUCATION PROJECT

Notes to Financial Statements

Note 2 - Significant accounting policies, cont'd

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Conditional grants for which the conditions have not been met and unearned grant receipts are reported as liabilities until the conditions have been met or the revenues have been earned.

Contributed services

The Organization receives donated services from several unpaid organizations and individuals who volunteer their time and facilities and perform a variety of tasks that assist the Organization. The amounts totaling \$2,029 have been recognized in the accompanying statement of activities because the accounting criteria for recognition of such volunteer services have been satisfied.

Special events

The Organization presents special event revenue net of the related costs of direct benefit to donors. These costs totaled \$2,472 for the year ended December 31, 2013.

Cash and cash equivalents

For purposes of the statement of cash flows, cash and cash equivalents are designed as cash on hand, demand deposits, and temporary cash investments. Cash equivalents are generally short-term highly liquid investments with maturities of three months or less.

Equipment

Purchased equipment is capitalized at cost. Equipment is depreciated using the straight-line method over the estimated useful lives of 5 years. Depreciation expense for the year ended December 31, 2013 was \$417.

WOMEN'S GLOBAL EDUCATION PROJECT

Notes to Financial Statements

Note 2 - Significant accounting policies, cont'd

Income taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and accordingly, has made no provision for federal income taxes in the accompanying financial statements. There was no unrelated business income for 2013.

The Organization adopted the accounting for uncertainty in income tax guidance, which clarifies accounting and recognition for tax positions taken on its income tax returns. In evaluating the Organization's tax provisions and accruals, the Organization believes that its estimates are appropriate and the Organization has no material unrecognized income tax positions. The Organization's tax filings are subject to audit by various taxing authorities. At December 31, 2013, the Organization is no longer subject to examination by federal and state taxing authorities for the periods ending before 2010.

Compensated absences

Employees are entitled to paid vacation, sick days and personal days off, depending on job classification, length of service, and other factors. It is impractical to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. It is the Organization's policy to recognize the best of compensated absence when actually paid.

Deferred revenue

Deferred revenue represents revenue from grants that have not been earned at December 31, 2013.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Date of management's review

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through May 6, 2014, the date that the financial statements were available to be issued.

WOMEN'S GLOBAL EDUCATION PROJECT

Notes to Financial Statements

Note 3 - Restrictions on net assets

Substantially all of the restrictions on net assets at the end of December 31, 2013 are related to restricted donations received for the Organization's special programs or services. These temporarily restricted assets are released from restriction by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by the donor. At December 31, 2013, the Organization had no permanently restricted net assets.

Note 4 - Support

A portion of the Organization's support is provided by major fundraising events. The Organization has successfully held a major annual fundraising event and expects the event and the support received to continue. The remaining support is provided by contributions and other donations from individuals and businesses in the community.

Note 5 - Leasing arrangements

The Organization conducts its operations from offices that are leased under a three year commercial lease agreement expiring on December 31, 2016. The rent expense was \$2,600 for the year ending December 31, 2013.

Future minimum lease payments under this lease are as follows:

2014	\$15,600
2015	15,600
2016	<u>15,600</u>
	<u>\$46,800</u>

Note 6 - Grant Income

Effective September 9, 2013, the Organization was awarded a grant from the United States Agency for International Development for \$1,700,904. This grant is to provide support for a program in basic education to improve reading competency for primary school children with an emphasis on promoting girls' literacy in Africa. The grant matures on September 8, 2017. Income from this grant for the year ending December 31, 2013 was \$27,475.