

Women's Global
Education Project
Financial Statements
For the Year Ended
December 31, 2016

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, 2016, 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, 2016, 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.

Picker & Associates

Buffalo Grove, Illinois
May 31, 2017

WOMEN'S GLOBAL EDUCATION PROJECT

Statement of Financial Position
December 31, 2016

<u>Assets</u>	
Current assets	
Unrestricted cash	\$ 321,228
Grant and pledge receivables	4,300
Prepaid expenses	1,400
Other receivable	<u>14,292</u>
Total current assets	341,220
Equipment	
Equipment	2,084
Less accumulated depreciation	<u>(1,876)</u>
Net equipment	<u>208</u>
Total assets	<u>\$ 341,428</u>
<u>Liabilities and Net Assets</u>	
Current liabilities	
Accounts payable	\$ 2,625
Accrued payroll and related taxes payable	13,402
Deferred revenue	<u>48,512</u>
Total current liabilities	<u>64,539</u>
Net assets	<u>276,889</u>
Total liabilities and net assets	<u>\$ 341,428</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, 2016

	Unrestricted	Temporarily Restricted	Total
Revenue and support			
Special events, net of expenses	\$ 140,844	\$ -	\$ 140,844
Contributions	176,378	30,000	206,378
Grants	570,967	-	570,967
Interest income	19	-	19
Net assets released from restrictions	65,111	(65,111)	-
	<u>953,319</u>	<u>(35,111)</u>	<u>918,208</u>
Expenses			
General and administrative	59,729	-	59,729
Fundraising	50,634	-	50,634
Program services	776,961	-	776,961
	<u>887,324</u>	<u>-</u>	<u>887,324</u>
Change in net assets	65,995	(35,111)	30,884
Net assets, beginning of year	<u>172,464</u>	<u>73,541</u>	<u>246,005</u>
Net assets, end of year	<u>\$ 238,459</u>	<u>\$ 38,430</u>	<u>\$ 276,889</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, 2016

	General and Administrative	Fundraising	Program Services	Total Expenses
Auto expenses	\$ 243	\$ 66	\$ -	\$ 309
Accounting	852	865	2,608	4,325
Annual filing	45			45
Bank charges	3,711		1,760	5,471
Conference and meetings	350	220		570
Consultants - program			21,790	21,790
Depreciation	82	83	251	416
Dues and subscriptions	425			425
Gifts	78	5		83
Insurance	303	308	929	1,540
Marketing	5,115			5,115
Meal and entertainment	110			110
Miscellaneous administrative	606			606
Office	32	32	97	161
Office equipment	74	76	228	378
Office supplies	146	148	447	741
Payroll processing fees	133	135	406	674
Payroll taxes	2,925	2,971	8,958	14,854
Postage	118	5		123
Printing	947			947
Professional	20	20	60	100
Rent	3,318	3,370	10,162	16,850
Salaries	38,622	39,225	118,278	196,125
Software	149	2,455		2,604
Telephone	547	556	1,676	2,779
Travel	686			686
Utilities	88	90	270	448
Website	4	4	12	20
Kenya program			133,753	133,753
Senegal program			475,276	475,276
Total	\$ 59,729	\$ 50,634	\$ 776,961	\$ 887,324

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, 2016

Cash flows from operating activities	
Changes in net assets	\$ 30,884
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 and pledge receivables	17,750
Prepaid expenses	(1,400)
Other receivable	(13,869)
Increase (decrease) in liabilities:	
Accounts payable	1,275
Accrued payroll and related taxes payable	3,400
Deferred revenue	<u>7,398</u>
Net cash provided by operating activities and net increase in cash	45,855
Cash, beginning of year	<u>275,373</u>
Cash, end of year	<u><u>\$ 321,228</u></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 go 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. The costs of providing the programs and services have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, costs have been allocated accordingly.

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.

On August 18, 2016, the Financial Accounting Standard Board issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. The Update is designed to improve not-for-profit financial statements and provide more useful information to donors, grantors, creditors, and other financial statement users. The amendments in this Update are effective for annual financial statements issued for fiscal years beginning after December 15, 2017 and for interim periods within fiscal years beginning after December 15, 2018. Early application of the amendments in this Update is permitted. The three existing classes of net assets will be condensed into two: unrestricted net assets will become net assets without donor restrictions and temporarily and permanently restricted net assets will collectively become net assets with donor restrictions. Other changes include enhanced disclosures for

WOMEN'S GLOBAL EDUCATION PROJECT

Notes to Financial Statements

Note 2 - Significant accounting policies, cont'd

transparency, liquidity, financial performance measure, expenses by function, and changes in cash flow information. Early adoption has not been applied in these financial statements.

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. 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 - have been recognized in the accompanying statement of activities because the accounting criteria for recognition of such volunteer services have been satisfied.

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.

WOMEN'S GLOBAL EDUCATION PROJECT

Notes to Financial Statements

Note 2 - Significant accounting policies, cont'd

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, 2016 was \$417.

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 2016.

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, 2016, the Organization is no longer subject to examination by federal and state taxing authorities for the periods ending before 2013.

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 compensated absence when actually paid.

Deferred revenue

Deferred revenue represents revenue from grants that have not been earned at December 31, 2016.

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.

WOMEN'S GLOBAL EDUCATION PROJECT

Notes to Financial Statements

Note 2 - Significant accounting policies, cont'd

Date of management's review

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 31, 2017, the date that the financial statements were available to be issued.

Note 3 - Restrictions on net assets

Substantially all of the restrictions on net assets at the end of December 31, 2016 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, 2016, the Organization had temporarily restricted net assets of \$38,430. At December 31, 2016, 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 \$16,850 for the year ending December 31, 2016.

Future minimum lease payments under this lease are as follows:

2017	<u>\$ 12,600</u>
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WOMEN'S GLOBAL EDUCATION PROJECT

Notes to Financial Statements

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 30, 2017. Income from this grant for the year ending December 31, 2016 was \$570,967.