

Every Village

Financial Statement
and Independent Auditors' Report
for the year ended December 31, 2018

Independent Auditors' Report

To the Board of Directors of
Every Village:

We have audited the accompanying statement of financial position of Every Village as of December 31, 2018, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement – Management is responsible for the preparation and fair presentation of this financial statement 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 this financial statement 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 our audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

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 statement referred to above presents fairly, in all material respects, the financial position of Every Village as of December 31, 2018 in accordance with accounting principles generally accepted in the United States of America.

Blazek & Vetterling

January 16, 2020

Every Village

Statement of Financial Position as of December 31, 2018

ASSETS

Cash	\$ 522,506
Prepaid expenses and other assets	24,206
Property and equipment, net (<i>Note 3</i>)	<u>61,073</u>
TOTAL ASSETS	<u>\$ 607,785</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable and accrued expenses	\$ 48,301
Funds held for others	<u>18,994</u>
Total liabilities	<u>67,295</u>
Commitments (<i>Note 5</i>)	
Net assets:	
Without donor restrictions	285,676
With donor restrictions (<i>Note 4</i>)	<u>254,814</u>
Total net assets	<u>540,490</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 607,785</u>

See accompanying notes to financial statement.

Every Village

Notes to Financial Statement for the year ended December 31, 2018

NOTE 1 – ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES

Organization – Every Village was organized as a Texas nonprofit corporation in 2000. Every Village exists to bring glory to God through the transformation of every village in South Sudan by the spread of the gospel in community development. Every Village joins with the South Sudanese in bringing holistic transformation through integrated programs of water, radio, and missionary strategies. Every Village operates in three regions of South Sudan.

Federal income tax status – Every Village is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code and is classified as a public charity under §509(a)(1) and §170(b)(1)(A)(vi).

Cash – Bank deposits at institutions in the United States exceed the federally insured limit per depositor per institution. Cash includes deposits held in African financial institutions and currency used for daily operations of approximately \$42,400 reported as U. S. dollars.

Contributions receivable that are expected to be collected within one year are reported at net realizable value. Contributions receivable that are expected to be collected after one year are discounted, if material, to estimate the present value of future cash flows. At December 31, 2018, all contributions receivable are due within one year.

Property and equipment is reported at cost, if purchased, or at fair value at the date of gift, if donated. Property and equipment purchases over \$500 are capitalized except for equipment purchased for use in South Sudan is expensed in the year of acquisition due to potential political instability and uncertain ownership rights in the region. Depreciation is calculated on a straight-line basis, using a half-year convention, over estimated useful lives of 5 to 10 years.

Funds held for others consist of amounts collected on behalf of an unrelated charitable beneficiary for disbursement to the specified beneficiary. Every Village acts as an agent in collecting and disbursing these funds and such transactions are not reflected as revenue or expenses.

Net asset classification – Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Net assets without donor restrictions* are not subject to donor-imposed restrictions even though their use may be limited in other respects such as by contract or board designation.
- *Net assets with donor restrictions* are subject to donor-imposed restrictions. Restrictions may be temporary in nature, such as those that will be met by the passage of time or use for a purpose specified by the donor, or may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Net assets are released from restrictions when the stipulated time has elapsed, or purpose has been fulfilled, or both.

Estimates – Management must make estimates and assumptions to prepare the financial statement in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities. Actual results could vary from the estimates that were used.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of December 31, 2018 comprise the following:

Financial assets – cash	\$ 522,506
Less financial assets not available for general expenditure:	
Funds held for others	<u>(18,994)</u>
Total financial assets available for general expenditure	<u>\$ 503,512</u>

For purposes of analyzing resources available to meet general expenditures over a 12-month period, Every Village considers all expenditures related to its ongoing activities, as well as the conduct of services undertaken to support those activities, to be general expenditures.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2018 consists of the following:

Building and improvements	\$ 5,294
Radio equipment	1,857
Office and computer equipment	6,853
Furniture and fixtures	77,560
Vehicles	<u>6,305</u>
Total property and equipment, at cost	97,869
Accumulated depreciation	<u>(36,796)</u>
Property and equipment, net	<u>\$ 61,073</u>

NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2018 are restricted as follows:

Subject to expenditure for specified purpose:	
Hand held radios	\$ 100,042
Water drilling	81,586
Radio operations – Mvolo	53,405
Water sustainability	11,373
Other	<u>8,408</u>
Total net assets with donor restrictions	<u>\$ 254,814</u>

NOTE 5 – COMMITMENTS

Every Village leases office space under noncancelable operating lease agreements. The following is a schedule of future minimum lease payments as of December 31, 2018:

2019	\$ 76,950
2020	76,950
2021	72,024
2022	<u>14,601</u>
Total minimum lease payments	<u>\$ 240,525</u>

In 2018, Every Village entered into a sublease agreement related to one of its noncancelable leases. The sublease is coterminous with the original lease, with the following future sublease rentals:

2019	\$ 79,128
2020	79,128
2021	79,128
2022	<u>19,782</u>
Total minimum sublease income	<u>\$ 257,166</u>

NOTE 6 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 16, 2020, which is the date that the financial statement was available for issuance. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets.
