

THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
CONSOLIDATED FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION
YEARS ENDED JUNE 30, 2017 AND 2016

**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2017 AND 2016**

| | |
|--|-----------|
| INDEPENDENT AUDITORS' REPORT | 1 |
| CONSOLIDATED FINANCIAL STATEMENTS | |
| CONSOLIDATED STATEMENTS OF FINANCIAL POSITION | 3 |
| CONSOLIDATED STATEMENTS OF ACTIVITIES | 4 |
| CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES – 2017 | 5 |
| CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES – 2016 | 6 |
| CONSOLIDATED STATEMENTS OF CASH FLOWS | 7 |
| NOTES TO CONSOLIDATED FINANCIAL STATEMENTS | 8 |
| INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION | 17 |
| SUPPLEMENTARY INFORMATION | |
| CONSOLIDATING STATEMENT OF FINANCIAL POSITION | 18 |
| CONSOLIDATING STATEMENT OF ACTIVITIES | 19 |
| STATEMENT OF FUNCTIONAL EXPENSES – U.S. OPERATIONS | 20 |
| STATEMENTS OF CASH FLOWS – U.S. OPERATIONS | 21 |

INDEPENDENT AUDITORS' REPORT

Board of Directors
The Global Fund for Children
Washington, D.C.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The Global Fund for Children and Affiliates, which comprise the consolidated statements of financial position as of June 30, 2017 and 2016, and the related consolidated statements of activities, 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 consolidated 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 consolidated 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 consolidated financial statements based on our audits. We did not audit the financial statements of The Global Fund for Children UK Trust, a wholly owned affiliate, which statements reflect total assets of \$309,517 and \$188,381 as of June 30, 2017 and 2016, respectively, and total revenues of \$993,960 and \$823,766, respectively, for the years then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for The Global Fund for Children UK Trust, is based solely on the report of the other auditors. 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
The Global Fund for Children

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Global Fund for Children and its Affiliates as of June 30, 2017 and 2016, and the changes in their net assets and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Arlington, Virginia
November 13, 2017

THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016

| | 2017 | 2016 |
|---------------------------------------|--------------|--------------|
| ASSETS | | |
| ASSETS | | |
| Cash and Cash Equivalents | \$ 4,352,207 | \$ 3,829,834 |
| Promises to Give (Net) | 3,041,878 | 1,606,067 |
| Accounts Receivable - Other | 2,665 | 3,319 |
| Prepaid Expenses | 17,355 | 43,346 |
| Investments | 1,704,371 | 1,544,741 |
| Property and Equipment (Net) | 57,419 | 95,877 |
| Deposits | 16,236 | 17,496 |
| | \$ 9,192,131 | \$ 7,140,680 |
| LIABILITIES AND NET ASSETS | | |
| LIABILITIES | | |
| Accounts Payable and Accrued Expenses | \$ 286,922 | \$ 41,387 |
| Grants Payable | 413,019 | 479,191 |
| Accrued Vacation/Payroll | 80,008 | 126,833 |
| Deferred Lease Obligation | 72,545 | 129,605 |
| Capital Lease Obligation | 281 | 3,447 |
| Total Liabilities | 852,775 | 780,463 |
| NET ASSETS | | |
| Unrestricted | 3,453,114 | 2,855,888 |
| Temporarily Restricted | 4,886,242 | 3,504,329 |
| Total Net Assets | 8,339,356 | 6,360,217 |
| Total Liabilities and Net Assets | \$ 9,192,131 | \$ 7,140,680 |

See accompanying Notes to Consolidated Financial Statements.

THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2017 AND 2016

| | 2017 | | | 2016 | | |
|---------------------------------------|---------------------|---------------------------|---------------------|---------------------|---------------------------|---------------------|
| | Unrestricted | Temporarily Restricted | Total | Unrestricted | Temporarily Restricted | Total |
| REVENUE | | | | | | |
| Gifts and Grants | \$ 2,620,571 | \$ 6,062,139 | \$ 8,682,710 | \$ 2,411,770 | \$ 5,352,386 | \$ 7,764,156 |
| Book Revenues and Royalties | 24,685 | - | 24,685 | 19,579 | - | 19,579 |
| Investment Income (Net) | 221,292 | - | 221,292 | (53,276) | - | (53,276) |
| Net Assets Released from Restrictions | 4,680,226 | (4,680,226) | - | 4,070,556 | (4,070,556) | - |
| Total Revenue | <u>7,546,774</u> | <u>1,381,913</u> | <u>8,928,687</u> | <u>6,448,629</u> | <u>1,281,830</u> | <u>7,730,459</u> |
| EXPENSES | | | | | | |
| Program Services: | | | | | | |
| Communications | 291,610 | - | 291,610 | 397,946 | - | 397,946 |
| Programs | 4,652,227 | - | 4,652,227 | 4,424,178 | - | 4,424,178 |
| Total Program Services | <u>4,943,837</u> | <u>-</u> | <u>4,943,837</u> | <u>4,822,124</u> | <u>-</u> | <u>4,822,124</u> |
| Supporting Services: | | | | | | |
| Management and General | 636,241 | - | 636,241 | 657,621 | - | 657,621 |
| Fundraising | 1,369,470 | - | 1,369,470 | 1,407,034 | - | 1,407,034 |
| Total Supporting Services | <u>2,005,711</u> | <u>-</u> | <u>2,005,711</u> | <u>2,064,655</u> | <u>-</u> | <u>2,064,655</u> |
| Total Expenses | <u>6,949,548</u> | <u>-</u> | <u>6,949,548</u> | <u>6,886,779</u> | <u>-</u> | <u>6,886,779</u> |
| CHANGE IN NET ASSETS | 597,226 | 1,381,913 | 1,979,139 | (438,150) | 1,281,830 | 843,680 |
| Net Assets - Beginning of Year | <u>2,855,888</u> | <u>3,504,329</u> | <u>6,360,217</u> | <u>3,294,038</u> | <u>2,222,499</u> | <u>5,516,537</u> |
| NET ASSETS - END OF YEAR | <u>\$ 3,453,114</u> | <u>\$ 4,886,242</u> | <u>\$ 8,339,356</u> | <u>\$ 2,855,888</u> | <u>\$ 3,504,329</u> | <u>\$ 6,360,217</u> |

See accompanying Notes to Consolidated Financial Statements.

THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017

| | Program Services | | | Supporting Services | | | Total Expenses |
|---------------------------------------|-------------------|---------------------|---------------------|------------------------|---------------------|---------------------|---------------------|
| | Communications | Programs | Total | Management and General | Fundraising | Total | |
| Grants | \$ - | \$ 2,156,198 | \$ 2,156,198 | \$ - | \$ - | \$ - | \$ 2,156,198 |
| Salaries and Benefits | 90,906 | 1,231,082 | 1,321,988 | 298,980 | 735,544 | 1,034,524 | 2,356,512 |
| Consultants and Professional Services | 123,459 | 384,790 | 508,249 | 168,461 | 241,109 | 409,570 | 917,819 |
| Intern Program | - | 3,491 | 3,491 | - | 500 | 500 | 3,991 |
| Staff Development/Activities | 151 | 2,545 | 2,696 | 6,430 | 928 | 7,358 | 10,054 |
| Knowledge Exchanges | - | 170,697 | 170,697 | - | - | - | 170,697 |
| Conferences and Meetings | - | 7,138 | 7,138 | - | 3,700 | 3,700 | 10,838 |
| Events | - | - | - | - | 64,214 | 64,214 | 64,214 |
| Travel | 20 | 164,794 | 164,814 | 22,461 | 30,967 | 53,428 | 218,242 |
| Annual Report | 754 | 14,087 | 14,841 | 2,522 | 6,545 | 9,067 | 23,908 |
| Communications and Materials | 12,145 | - | 12,145 | - | 426 | 426 | 12,571 |
| Accounting and Auditing | - | - | - | 51,457 | - | 51,457 | 51,457 |
| Legal - Donated Services | - | - | - | 98,856 | - | 98,856 | 98,856 |
| Computers, Software and Technology | 27,976 | 55,422 | 83,398 | 63,987 | 42,488 | 106,475 | 189,873 |
| Office Supplies and Stationary | 155 | 86 | 241 | 8,251 | 230 | 8,481 | 8,722 |
| Printing and Photocopying | 1,072 | 771 | 1,843 | 1,319 | 666 | 1,985 | 3,828 |
| Postage and Shipping | 910 | 754 | 1,664 | 1,318 | 1,374 | 2,692 | 4,356 |
| Equipment Leases and Maintenance | (212) | (1,768) | (1,980) | 9,126 | (929) | 8,197 | 6,217 |
| Dues and Subscriptions | - | 307 | 307 | 2,849 | 1,658 | 4,507 | 4,814 |
| Bank and Payroll Processing Fees | - | 17,731 | 17,731 | 12,896 | 2,795 | 15,691 | 33,422 |
| Registration Fees | - | - | - | 251 | 10,259 | 10,510 | 10,510 |
| Telephone/Fax/Internet | 419 | 8,304 | 8,723 | 31,141 | 1,502 | 32,643 | 41,366 |
| Insurance | - | - | - | 31,883 | - | 31,883 | 31,883 |
| Unfulfilled Pledges | - | 1,500 | 1,500 | - | - | - | 1,500 |
| Depreciation | - | - | - | 42,655 | - | 42,655 | 42,655 |
| Gifts and Flowers | - | 25 | 25 | 346 | 52 | 398 | 423 |
| Foreign Exchange Loss | - | - | - | 1,220 | - | 1,220 | 1,220 |
| Rent | 16,139 | 251,165 | 267,304 | 71,550 | 131,295 | 202,845 | 470,149 |
| Public Relations and Communications | 3,136 | - | 3,136 | - | 117 | 117 | 3,253 |
| Direct Expenses | 277,030 | 4,469,119 | 4,746,149 | 927,959 | 1,275,440 | 2,203,399 | 6,949,548 |
| Indirect Expenses | 14,580 | 183,108 | 197,688 | (291,718) | 94,030 | (197,688) | - |
| Total Expenses | <u>\$ 291,610</u> | <u>\$ 4,652,227</u> | <u>\$ 4,943,837</u> | <u>\$ 636,241</u> | <u>\$ 1,369,470</u> | <u>\$ 2,005,711</u> | <u>\$ 6,949,548</u> |

See accompanying Notes to Consolidated Financial Statements.

THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2016

| | Program Services | | | Supporting Services | | | Total Expenses |
|---------------------------------------|------------------|--------------|--------------|------------------------|--------------|--------------|----------------|
| | Communications | Programs | Total | Management and General | Fundraising | Total | |
| Grants | \$ - | \$ 2,450,762 | \$ 2,450,762 | \$ - | \$ - | \$ - | \$ 2,450,762 |
| Salaries and Benefits | 130,208 | 1,167,076 | 1,297,284 | 309,258 | 934,801 | 1,244,059 | 2,541,343 |
| Consultants and Professional Services | 169,638 | 112,135 | 281,773 | 118,915 | 118,321 | 237,236 | 519,009 |
| Intern Program | 5,518 | 14,131 | 19,649 | - | 10,836 | 10,836 | 30,485 |
| Staff Development/Activities | 24 | 5,000 | 5,024 | 5,921 | 3,088 | 9,009 | 14,033 |
| Knowledge Exchanges | - | 144,069 | 144,069 | - | - | - | 144,069 |
| Conferences and Meetings | - | 2,053 | 2,053 | - | 824 | 824 | 2,877 |
| Events | - | - | - | - | 1,202 | 1,202 | 1,202 |
| Travel | 1,083 | 108,759 | 109,842 | 17,767 | 43,631 | 61,398 | 171,240 |
| Annual Report | 9,899 | 6,144 | 16,043 | 1,525 | 5,495 | 7,020 | 23,063 |
| Communication and Materials | 21,294 | - | 21,294 | - | 2,867 | 2,867 | 24,161 |
| Accounting and Auditing | - | - | - | 48,892 | - | 48,892 | 48,892 |
| Legal - Donated Services | - | - | - | 84,679 | - | 84,679 | 84,679 |
| Computers, Software and Technology | 16,206 | 27,318 | 43,524 | 75,198 | 35,962 | 111,160 | 154,684 |
| Office Supplies and Stationary | - | 38 | 38 | 8,827 | 494 | 9,321 | 9,359 |
| Printing and Photocopying | - | 1,942 | 1,942 | 2,871 | 1,927 | 4,798 | 6,740 |
| Postage and Shipping | - | - | - | 8,634 | 874 | 9,508 | 9,508 |
| Equipment Leases and Maintenance | (78) | (1,479) | (1,557) | 8,206 | 100 | 8,306 | 6,749 |
| Dues and Subscriptions | 361 | 165 | 526 | 1,106 | 1,869 | 2,975 | 3,501 |
| Bank and Payroll Processing Fees | - | 14,130 | 14,130 | 8,182 | 3,497 | 11,679 | 25,809 |
| Registration Fees | - | - | - | 132 | 10,119 | 10,251 | 10,251 |
| Telephone | - | 1,421 | 1,421 | 34,666 | 2,130 | 36,796 | 38,217 |
| Insurance | - | - | - | 30,522 | - | 30,522 | 30,522 |
| Unfulfilled Pledges | - | - | - | - | 985 | 985 | 985 |
| Depreciation | - | - | - | 44,590 | - | 44,590 | 44,590 |
| Foreign Exchange Loss | - | 121 | 121 | 33,863 | 5,024 | 38,887 | 39,008 |
| Rent | 27,869 | 225,589 | 253,458 | 61,810 | 135,773 | 197,583 | 451,041 |
| Direct Expenses | 382,022 | 4,279,374 | 4,661,396 | 905,564 | 1,319,819 | 2,225,383 | 6,886,779 |
| Indirect Expenses | 15,924 | 144,804 | 160,728 | (247,943) | 87,215 | (160,728) | - |
| Total Expenses | \$ 397,946 | \$ 4,424,178 | \$ 4,822,124 | \$ 657,621 | \$ 1,407,034 | \$ 2,064,655 | \$ 6,886,779 |

See accompanying Notes to Consolidated Financial Statements.

THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016

| | 2017 | 2016 |
|---|--------------|--------------|
| CASH FROM OPERATING ACTIVITIES | | |
| Change in Net Assets | \$ 1,979,139 | \$ 843,680 |
| Adjustments to Reconcile Change in Net Assets to Net Cash | | |
| Provided by Operating Activities: | | |
| Depreciation and Amortization | 42,655 | 44,590 |
| Bad Debt Expense | (1,500) | (985) |
| Unrealized (Gain) Loss on Investments | (148,212) | 147,011 |
| Changes in Assets and Liabilities: | | |
| Accounts Receivable - Promises to Give and Other | (1,433,657) | (1,059,957) |
| Prepaid Expenses | 25,991 | (35,983) |
| Deposits | 1,260 | (879) |
| Accounts Payable and Accrued Expenses | 245,535 | (50,179) |
| Grants Payable | (66,172) | 366,935 |
| Accrued Vacation/Payroll | (46,825) | 15,470 |
| Deferred Lease Obligation | (57,060) | (45,710) |
| Net Cash Provided by Operating Activities | 541,154 | 223,993 |
| CASH FROM INVESTING ACTIVITIES | | |
| Purchases of Investments | (71,698) | (93,240) |
| Sale of Investments | 60,280 | - |
| Purchases of Property and Equipment | (4,197) | (6,451) |
| Net Cash Used in Investing Activities | (15,615) | (99,691) |
| CASH FROM FINANCING ACTIVITIES | | |
| Principal Payments on Capital Lease | (3,166) | (2,810) |
| Net Cash Used in Financing Activities | (3,166) | (2,810) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 522,373 | 121,492 |
| Cash and Cash Equivalents - Beginning of Year | 3,829,834 | 3,708,342 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | \$ 4,352,207 | \$ 3,829,834 |
| SUPPLEMENTAL DISCLOSURE OF NON-CASH INFORMATION | | |
| Donated Securities Received | \$ 27,510 | \$ 27,659 |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION | | |
| Cash Paid During the Year for Interest | \$ 242 | \$ 598 |

See accompanying Notes to Consolidated Financial Statements.

**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Global Fund for Children (“GFC”) is an international non-profit organization that advances the education and dignity of young people around the world. GFC pursues its mission by strengthening innovative community-based educational organizations that serve some of the world’s most vulnerable children, selling books, and inspiring global citizenship and philanthropy through vibrant community education and outreach efforts.

The Global Fund for Children UK Trust (“UK Trust”) is a charity organization that exists to improve the lives of vulnerable children and youth in our world, primarily in Asia, Africa, Latin America, and to a lesser extent, in the London community where the office is based. The UK Trust was officially incorporated as a private limited company in December 2006 and received charity registration in the UK in June 2007. The UK Trust is controlled by the board of GFC; therefore the Organizations are consolidated.

The Global Fund for Children HK Limited (“HK Limited”) is a charity organization that exists to advance education of children and young people through promotion and funding of community education and outreach programs primarily in Hong Kong. HK Limited was officially incorporated as a private limited company in May 2016. As of June 30, 2017, HK Limited received its tax exempt charitable status. GFC is the founding member of HK Limited, and the HK Limited board consists of the Chief Operating Officer and Executive Vice President of GFC; therefore the Organizations are consolidated.

Principles of Consolidation

The consolidated financial statements include the accounts of The Global Fund for Children and The Global Fund for Children UK Trust. Significant inter-company accounts and transactions have been eliminated in consolidation.

There was no significant activity in The Global Fund for Children HK Limited as of June 30, 2017.

Basis of Presentation

GFC is required to report 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. GFC has no permanently restricted net assets.

Income Tax Status

GFC is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Internal Revenue Service has classified GFC as a publicly supported foundation under sections 509(a)(1) and 170(b)(1)(A)(VI) of the IRC. The Global Fund for Children UK Trust is exempt from tax in the UK under Section 505 of the Taxes Act of 1988. As of June 30, 2017, HK Limited received its charity registration. There was no significant activity in HK Limited as of June 30, 2017.

GFC has adopted the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The implementation of this guidance had no impact on GFC’s financial statements. GFC believes it has appropriate support for unrelated trade or business positions and, as a result, does not have uncertain income tax positions that have a material impact on the financial statements. GFC files as a tax-exempt organization.

**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

Management used estimates and assumptions in preparing the consolidated financial statements in accordance with U.S. generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Cash Equivalents

For consolidated financial statement purposes, GFC considers its money market funds to be cash equivalents. Restricted cash is maintained in a separate bank account as a depository for donor-restricted contributions and grants. These funds are released after satisfying the purposes and conditions of the restrictions.

Accounts Receivable

Accounts receivable are recorded at their net realizable value. Accounts 90 days past due are analyzed for collectability and when all collection efforts have been exhausted, the account is written off to bad debts.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. There were no conditional promises to give at June 30, 2017 and 2016.

Investments

Investments consist of equity securities, equity mutual funds and fixed income mutual funds. These investments are recorded in the accompanying financial statements at fair market value. Interest, dividends and realized gains or losses are recorded when earned. Fluctuations in the fair value of the portfolio are recorded as unrealized gains or losses.

Fair Value of Financial Instruments

Fair Value Measurements

GFC accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement. GFC accounts for certain financial assets and liabilities at fair value under various accounting literature. GFC also accounts for certain assets at fair value under applicable industry guidance.

Fair Value Hierarchy

GFC has categorized its consolidated financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments (Continued)

Fair Value Hierarchy (Continued)

Financial assets and liabilities recorded on the consolidated statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that GFC has the ability to access.

Level 2 – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include among others, quoted prices for similar assets or liabilities in active market or non-active market.

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

Property and Equipment

Furniture and equipment are recorded at cost and are depreciated on the straight-line basis over the estimated useful lives of the assets of three to five years. Leasehold improvements are amortized over the life of the lease. GFC capitalizes all purchases of long-lived assets in excess of \$1,000, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Intangible Assets

As of June 30, 2017, GFC owned the intellectual property for 36 titles that are printed as 23 hardcover books, 15 paperback books, 5 board books and 5 resource guides. These books and curricula, which are authored and published under the brand "Global Fund for Children Books" (formerly Shakti for Children™), represent intellectual property which belongs to GFC, and upon which it earns copyright royalties. The value of the intangible assets has not been determined or recorded on the consolidated statements of financial position of the Organization.

Net Assets

Net assets are classified for accounting and reporting purposes according to their nature and purpose and based upon the existence or absence of any restrictions thereon. A description of each net asset group is as follows:

Unrestricted Net Assets – represents funds presently available for use by GFC at its discretion.

Temporarily Restricted Net Assets – represents unspent contributions and grants that are restricted for use in certain GFC programs or by time.

**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants Payable

Grants payable are recorded when committed by the Board of Directors.

Contributions and Grants

Contributions and grants are recorded as revenue in the year notification is received from the donor. Support that is donor-restricted, either by program or by time, is reported as an increase in temporarily restricted net assets. When the restriction expires, that is, when a time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets as net assets released from restrictions.

Contributed Services

Contributed services are recorded at their fair market value.

Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, salary and other overhead costs have been allocated among the programs and supporting services benefited based on time expended.

Foreign Exchange Transactions

Assets, liabilities and transactions related to the Global Fund for Children UK Trust which are included in the consolidated financial statements are converted to US dollars. Assets and liabilities are converted at year-end using the spot exchange rate. Operations throughout the year are converted using the average exchange rate.

Concentration of Credit Risk

GFC maintains demand deposits which may, at times, exceed federally insured limits.

Reclassification

Certain amounts in the year 2016 have been reclassified for comparative purposes to conform to the presentation in year 2017. These reclassifications have no effect on the previously reported change in net assets.

Subsequent Events

In preparing these financial statements, GFC has evaluated events and transactions for potential recognition or disclosure through November 13, 2017, the date the consolidated financial statements were available to be issued.

THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 2 PROMISES TO GIVE

Promises to give as of June 30, 2017 and 2016, are unconditional. Amounts due after one year are discounted at the rates of 3.15% and 2.5%. Promises to give are considered fully collectible and are due as follows at June 30:

| | <u>2017</u> | <u>2016</u> |
|--|---------------------|---------------------|
| Promises to Give Due in Less Than One Year | \$ 1,624,040 | \$ 1,049,969 |
| Promises to Give Due in One to Five Years | 1,462,500 | 570,000 |
| | <u>3,086,540</u> | <u>1,619,969</u> |
| Less Present Value Discount | (44,662) | (13,902) |
| Net Promises to Give | <u>\$ 3,041,878</u> | <u>\$ 1,606,067</u> |

As of June 30, 2017 and 2016, promises to give consists of pledges from three donors, representing approximately 83% and 76%, respectively, of the net pledges.

NOTE 3 INVESTMENTS

Investments are recorded at fair value and are comprised of the following at June 30:

| | <u>2017</u> | | <u>2016</u> | |
|---------------------------|---------------------|---------------------|---------------------|---------------------|
| | <u>Cost</u> | <u>Fair Value</u> | <u>Cost</u> | <u>Fair Value</u> |
| Fixed Income Mutual Funds | \$ 435,928 | \$ 432,125 | \$ 429,674 | \$ 432,342 |
| Equity Mutual Funds | 1,016,555 | 1,272,246 | 951,119 | 1,052,127 |
| Cash | - | - | 60,272 | 60,272 |
| | <u>\$ 1,452,483</u> | <u>\$ 1,704,371</u> | <u>\$ 1,441,065</u> | <u>\$ 1,544,741</u> |

Investment income consisted of the following for the years ended June 30:

| | <u>2017</u> | <u>2016</u> |
|--------------------------------|-------------------|--------------------|
| Interest and Dividends | \$ 73,080 | \$ 93,735 |
| Gains (Losses) on Investments | 148,212 | (147,011) |
| Total Investment Income (Loss) | <u>\$ 221,292</u> | <u>\$ (53,276)</u> |

In general, investments are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect amounts reported in future consolidated statements of activities.

**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 4 FAIR VALUE MEASUREMENTS

The following table presents GFC's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of June 30:

| | 2017 | | | |
|---------------------------|---------------------|----------------|----------------|---------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Fixed Income Mutual Funds | \$ 432,125 | \$ - | \$ - | \$ 432,125 |
| Equity Mutual Funds | 1,272,246 | - | - | 1,272,246 |
| | \$ 1,704,371 | \$ - | \$ - | \$ 1,704,371 |
| | 2016 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Cash | \$ 60,272 | \$ - | \$ - | \$ 60,272 |
| Fixed Income Mutual Funds | 432,342 | - | - | 432,342 |
| Equity Mutual Funds | 1,052,127 | - | - | 1,052,127 |
| | \$ 1,544,741 | \$ - | \$ - | \$ 1,544,741 |

NOTE 5 CAPITAL LEASE OBLIGATION

GFC has capital lease obligation for a copier terminating in 2018. The liability under this capital lease at June 30, 2017, is \$281.

The capitalized equipment has a cost of \$10,900 at June 30, 2017 and 2016. Principal payments and interest payments totaled \$3,166 and \$242 for the year ended June 30, 2017. Principal payments and interest payments totaled \$2,810 and \$598 for the year ended June 30, 2016. The capitalized equipment has accumulated depreciation of \$10,673 and \$7,948 for the years ended June 30, 2017 and 2016, respectively. Depreciation expense of \$2,725 was recognized on the capitalized equipment for each of the years ended June 30, 2017 and 2016.

NOTE 6 TEMPORARILY RESTRICTED NET ASSETS

At June 30, 2017 and 2016, net assets were temporarily restricted as follows:

| | 2017 | 2016 |
|----------|---------------------|---------------------|
| Programs | \$ 4,886,242 | \$ 3,504,329 |

**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 6 TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)

The following is a summary of net assets released from donor restrictions that satisfied the restricted purposes specified by the donors and net assets released due to the passage of time for the years ended June 30:

| | 2017 | 2016 |
|----------|--------------|--------------|
| Programs | \$ 4,680,226 | \$ 4,070,556 |

NOTE 7 PROGRAM SERVICES

Program services are segregated by type of activity within the consolidated statements of activities. The specific activities that are included in each program area are as follows:

Programs

Grantmaking

The Global Fund for Children identifies and invests in community-based organizations around the world that use education as a vehicle to protect and expand the rights of vulnerable or marginalized children. GFC’s grants are allocated into four major portfolios – Learning, Enterprise, Safety, and Health – and two smaller ones, Responding to Crises and Creative Opportunities.

In addition to these program grants, grantee partners are also able to access other value-added services, such as assistance in organizational development, and access to various knowledge initiatives like the knowledge exchange workshops. For the year ended June 30, 2017, GFC awarded 305 grants to 188 community-based organizations.

Books

Since 1994, GFC has developed internally an award-winning collection of books to teach children the value of diversity and help them to be aware, caring citizens of the world. With 35 children’s books, and over 2 million copies in circulation, GFC’s books have reached a wide audience. As of June 30, 2013, GFC ceased development of additional titles. GFC will retain the rights and royalties on existing titles and will participate in future royalty agreements for books produced on its behalf using the GFC name.

Communications

Through its communications efforts, GFC uses digital media, photography and stories to tell the about its work and that of its grantee partners to transform the lives of children born into hardship and hopelessness. Through its issues and regional briefs, through leadership efforts, and its website, GFC promotes grassroots organizations making a real difference.

**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 8 CONTRIBUTED SERVICES

During June 30, 2017 and 2016, GFC received services with an estimated fair value of \$413,856 and \$226,144 respectively, in the form of pro bono professional and legal services. These services were dedicated to administrative legal advice.

NOTE 9 OFFICE LEASE

GFC rents office space for its headquarters under a non-cancelable operating lease. GFC entered into a 123-month non-cancelable operating lease to expand the headquarters office space effective in April 2008. Rent expense related to this office space and the UK Trust totaled \$470,149 and \$451,041 for the years ended June 30, 2017 and 2016, respectively. Rent expense reflected on the consolidated statement of functional expense and the statement of activities – U. S. Operations for the years ended June 30, 2017 and 2016, includes the expense of storage space.

Rent for the operating lease is recognized on a straight line basis over the term of the lease. Tenant allowances have been recorded as leasehold improvements and a liability for deferred lease obligation. The leasehold improvements and related liability have been amortized over the term of the lease. The liability related to the straight line rent and unamortized portion of the tenant allowances are recorded in the accompanying consolidated statements of financial position as deferred lease obligation.

Future minimum payments on the office lease are as follows:

| <u>Year Ending June 30,</u> | |
|-----------------------------|-------------------|
| 2018 | \$ 477,418 |
| 2019 | 17,588 |
| Total | <u>\$ 495,006</u> |

NOTE 10 TAX SHELTERED ANNUITY PLAN

GFC maintains a contributory defined contribution plan under Section 403(b) of the Internal Revenue Code for the benefit of its employees. All employees, except for part-time employees who normally work less than 20 hours per week, may participate in the Plan. Following three months of service, the Organization is required to match participant contributions as defined in the agreement, but not to exceed 4% of total gross salary. In addition, GFC may choose to make a discretionary contribution to the Plan. In order to be eligible to receive a discretionary contribution, an employee must complete two years of service.

Pension expense for the Plan totaled \$69,595 and \$59,751 for the years ended June 30, 2017 and 2016, respectively.

THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 11 CONTINGENCIES

GFC receives a portion of its revenue from grants and contracts. The ultimate determinations of amounts received under these programs often are based upon allowable costs, reported to the donor. In some instances, the donor reserves the right to audit the program costs. Until the final settlement is reached with each donor, there exists a contingency to refund any amount received for costs deemed unallowable in an audit conducted by a donor. Such settlements, if any, will be recognized as revenue or expense in the period the amount is determined.


NOTE 12 LINE OF CREDIT

The Organization has a revolving line of credit in the amount of \$750,000. There is no maturity date. The interest rate on funds borrowed is Prime plus .54% at June 30, 2017. GFC is subject to certain covenants as defined in the agreement. GFC did not draw down on its line of credit during the years ended June 30, 2017 or 2016.

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
The Global Fund for Children and Affiliates
Washington, D.C.

We have audited the consolidated financial statements of The Global Fund for Children and Affiliates as of and for the years ended June 30, 2017 and 2016, and our report thereon dated November 13, 2017, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 18-21, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.



CliftonLarsonAllen LLP

Arlington, Virginia
November 13, 2017

THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

| ASSETS | GFC | UK Trust | Eliminations | Consolidated |
|---------------------------------------|---------------------|-------------------|---------------------|---------------------|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 4,171,991 | \$ 180,216 | \$ - | \$ 4,352,207 |
| Accounts Receivable: | | | | |
| Promises to Give (Net) | 2,916,338 | 125,540 | - | 3,041,878 |
| Other | 17,914 | - | (15,249) | 2,665 |
| Prepaid Expenses | 17,355 | - | - | 17,355 |
| Investments | 1,704,371 | - | - | 1,704,371 |
| Property and Equipment (Net) | 57,419 | - | - | 57,419 |
| Deposits | 12,475 | 3,761 | - | 16,236 |
| | <u>\$ 8,897,863</u> | <u>\$ 309,517</u> | <u>\$ (15,249)</u> | <u>\$ 9,192,131</u> |
| LIABILITIES AND NET ASSETS | | | | |
| LIABILITIES | | | | |
| Accounts Payable and Accrued Expenses | \$ 275,687 | \$ 26,484 | \$ (15,249) | \$ 286,922 |
| Grants Payable | 413,019 | - | - | 413,019 |
| Accrued Vacation/Payroll | 76,132 | 3,876 | - | 80,008 |
| Deferred Lease Obligation | 72,545 | - | - | 72,545 |
| Capital Lease Obligation | 281 | - | - | 281 |
| Total Liabilities | <u>837,664</u> | <u>30,360</u> | <u>(15,249)</u> | <u>852,775</u> |
| NET ASSETS | | | | |
| Unrestricted | 3,238,096 | 215,018 | - | 3,453,114 |
| Temporarily Restricted | 4,822,103 | 64,139 | - | 4,886,242 |
| Total Net Assets | <u>8,060,199</u> | <u>279,157</u> | <u>-</u> | <u>8,339,356</u> |
| | <u>\$ 8,897,863</u> | <u>\$ 309,517</u> | <u>\$ (15,249)</u> | <u>\$ 9,192,131</u> |

**THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)**

| | GFC | | | UK Trust | | | Elimination | Consolidated | | |
|---------------------------------------|---------------------|------------------------|---------------------|-------------------|------------------------|-------------------|--------------|---------------------|------------------------|---------------------|
| | Unrestricted | Temporarily Restricted | Total | Unrestricted | Temporarily Restricted | Total | | Unrestricted | Temporarily Restricted | Total |
| REVENUE | | | | | | | | | | |
| Gifts and Grants | \$ 2,618,912 | \$ 5,635,936 | \$ 8,254,848 | \$ 567,757 | \$ 426,203 | \$ 993,960 | \$ (566,098) | \$ 2,620,571 | \$ 6,062,139 | \$ 8,682,710 |
| Book Revenues and Royalties | 24,685 | - | 24,685 | - | - | - | - | 24,685 | - | 24,685 |
| Investment Income (Net) | 221,292 | - | 221,292 | - | - | - | - | 221,292 | - | 221,292 |
| Net Assets Released from Restrictions | 4,316,293 | (4,316,293) | - | 363,933 | (363,933) | - | - | 4,680,226 | (4,680,226) | - |
| Total Revenue | 7,181,182 | 1,319,643 | 8,500,825 | 931,690 | 62,270 | 993,960 | (566,098) | 7,546,774 | 1,381,913 | 8,928,687 |
| EXPENSES | | | | | | | | | | |
| Program Services: | | | | | | | | | | |
| Communications | 291,610 | - | 291,610 | - | - | - | - | 291,610 | - | 291,610 |
| Programs | 4,652,227 | - | 4,652,227 | 566,098 | - | 566,098 | (566,098) | 4,652,227 | - | 4,652,227 |
| Total Program Services | 4,943,837 | - | 4,943,837 | 566,098 | - | 566,098 | (566,098) | 4,943,837 | - | 4,943,837 |
| Supporting Services: | | | | | | | | | | |
| Management and General | 510,455 | - | 510,455 | 125,786 | - | 125,786 | - | 636,241 | - | 636,241 |
| Fundraising | 1,204,189 | - | 1,204,189 | 165,281 | - | 165,281 | - | 1,369,470 | - | 1,369,470 |
| Total Supporting Services | 1,714,644 | - | 1,714,644 | 291,067 | - | 291,067 | - | 2,005,711 | - | 2,005,711 |
| Total Expenses | 6,658,481 | - | 6,658,481 | 857,165 | - | 857,165 | (566,098) | 6,949,548 | - | 6,949,548 |
| CHANGE IN NET ASSETS | 522,701 | 1,319,643 | 1,842,344 | 74,525 | 62,270 | 136,795 | - | 597,226 | 1,381,913 | 1,979,139 |
| Net Assets - Beginning of Year | 2,715,395 | 3,502,460 | 6,217,855 | 140,493 | 1,869 | 142,362 | - | 2,855,888 | 3,504,329 | 6,360,217 |
| NET ASSETS - END OF YEAR | <u>\$ 3,238,096</u> | <u>\$ 4,822,103</u> | <u>\$ 8,060,199</u> | <u>\$ 215,018</u> | <u>\$ 64,139</u> | <u>\$ 279,157</u> | <u>\$ -</u> | <u>\$ 3,453,114</u> | <u>\$ 4,886,242</u> | <u>\$ 8,339,356</u> |

THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
STATEMENT OF FUNCTIONAL EXPENSES – U.S. OPERATIONS
YEAR ENDED JUNE 30, 2017
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

| | Program Services | | | Supporting Services | | | Total Expenses |
|---------------------------------------|------------------|--------------|--------------|------------------------|--------------|--------------|----------------|
| | Communications | Programs | Total | Management and General | Fundraising | Total | |
| Grants | \$ - | \$ 2,156,198 | \$ 2,156,198 | \$ - | \$ - | \$ - | \$ 2,156,198 |
| Salaries and Benefits | 90,906 | 1,231,082 | 1,321,988 | 232,363 | 636,362 | 868,725 | 2,190,713 |
| Consultants and Professional Services | 123,459 | 384,790 | 508,249 | 154,316 | 241,109 | 395,425 | 903,674 |
| Intern Program | - | 3,491 | 3,491 | - | 500 | 500 | 3,991 |
| Staff Development/Activities | 151 | 2,545 | 2,696 | 5,939 | 928 | 6,867 | 9,563 |
| Knowledge Exchanges | - | 170,697 | 170,697 | - | - | - | 170,697 |
| Conferences | - | 7,138 | 7,138 | - | 3,700 | 3,700 | 10,838 |
| Travel | 20 | 164,794 | 164,814 | 22,461 | 29,082 | 51,543 | 216,357 |
| Annual Report | 754 | 14,087 | 14,841 | 2,522 | 6,545 | 9,067 | 23,908 |
| Communication and Materials | 12,145 | - | 12,145 | - | 426 | 426 | 12,571 |
| Accounting & Auditing | - | - | - | 38,973 | - | 38,973 | 38,973 |
| Legal - Donated Services | - | - | - | 98,856 | - | 98,856 | 98,856 |
| Computers, Software and Technology | 27,976 | 55,422 | 83,398 | 63,505 | 42,488 | 105,993 | 189,391 |
| Office Supplies and Stationary | 155 | 86 | 241 | 7,091 | 230 | 7,321 | 7,562 |
| Printing and Photocopying | 1,072 | 771 | 1,843 | 794 | 666 | 1,460 | 3,303 |
| Postage and Shipping | 910 | 754 | 1,664 | 1,078 | 1,374 | 2,452 | 4,116 |
| Equipment Lease and Maintenance | (212) | (1,768) | (1,980) | 9,126 | (929) | 8,197 | 6,217 |
| Dues and Subscriptions | - | 307 | 307 | 2,849 | 1,658 | 4,507 | 4,814 |
| Bank and Payroll Processing | - | 17,731 | 17,731 | 11,348 | 2,795 | 14,143 | 31,874 |
| Registration Fees | - | - | - | - | 10,259 | 10,259 | 10,259 |
| Telephone/Fax/Internet | 419 | 8,304 | 8,723 | 29,835 | 1,502 | 31,337 | 40,060 |
| Insurance | - | - | - | 30,313 | - | 30,313 | 30,313 |
| Unfulfilled Pledges | - | 1,500 | 1,500 | - | - | - | 1,500 |
| Depreciation | - | - | - | 42,655 | - | 42,655 | 42,655 |
| Gifts and Flowers | - | 25 | 25 | 346 | 52 | 398 | 423 |
| Foreign Exchange (Gain) Loss | - | - | - | (191) | - | (191) | (191) |
| Rent | 16,139 | 251,165 | 267,304 | 47,994 | 131,295 | 179,289 | 446,593 |
| Public Relations and Communications | 3,136 | - | 3,136 | - | 117 | 117 | 3,253 |
| Direct Expenses | 277,030 | 4,469,119 | 4,746,149 | 802,173 | 1,110,159 | 1,912,332 | 6,658,481 |
| Indirect Expenses | 14,580 | 183,108 | 197,688 | (291,718) | 94,030 | (197,688) | - |
| Total Expenses | \$ 291,610 | \$ 4,652,227 | \$ 4,943,837 | \$ 510,455 | \$ 1,204,189 | \$ 1,714,644 | \$ 6,658,481 |

THE GLOBAL FUND FOR CHILDREN AND AFFILIATES
STATEMENTS OF CASH FLOWS – U.S. OPERATIONS
YEARS ENDED JUNE 30, 2017 AND 2016
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION)

| | <u>2017</u> | <u>2016</u> |
|--|---------------------|---------------------|
| CASH FROM OPERATING ACTIVITIES | | |
| Change in Net Assets | \$ 1,842,344 | \$ 842,040 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities: | | |
| Depreciation and Amortization | 42,655 | 44,590 |
| Bad Debt Expense | (42,655) | (985) |
| Unrealized (Gain) Loss on Investments | (148,212) | 147,011 |
| Changes in Assets and Liabilities: | | |
| Accounts Receivable - Promises to Give and Other | (1,344,196) | (1,000,709) |
| Prepaid Expenses | 25,230 | (36,012) |
| Deposits | (1,208) | 1,931 |
| Accounts Payable and Accrued Expenses | 235,356 | (18,686) |
| Grants Payable | (66,172) | 366,935 |
| Accrued Vacation/Payroll | (10,043) | 731 |
| Deferred Lease Obligation | (57,060) | (45,710) |
| Net Cash Provided by Operating Activities | <u>476,039</u> | <u>301,136</u> |
| CASH FROM INVESTING ACTIVITIES | | |
| Purchases of Investments | (71,698) | (93,240) |
| Proceeds from Sale of Investments | 60,280 | - |
| Purchases of Property and Equipment | (4,197) | (6,451) |
| Net Cash Used in Investing Activities | <u>(15,615)</u> | <u>(99,691)</u> |
| CASH FROM FINANCING ACTIVITIES | | |
| Principal Payments on Capital Lease | (3,166) | (2,810) |
| Net Cash Used in Financing Activities | <u>(3,166)</u> | <u>(2,810)</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 457,258 | 198,635 |
| Cash and Cash Equivalents - Beginning of Year | <u>3,714,733</u> | <u>3,516,098</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 4,171,991</u> | <u>\$ 3,714,733</u> |
| SUPPLEMENTAL DISCLOSURE OF NON-CASH INFORMATION | | |
| Donated Securities Received | <u>\$ 27,510</u> | <u>\$ 27,569</u> |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION | | |
| Cash Paid During the Year for Interest | <u>\$ 242</u> | <u>\$ 598</u> |