

THE GLOBAL VILLAGE PROJECT, INC.

AUDITED FINANCIAL STATEMENTS
Together with
INDEPENDENT AUDITOR'S REPORT

JULY 31, 2016 AND 2015

THE GLOBAL VILLAGE PROJECT, INC.

AUDIT REPORT

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JULY 31, 2016 AND 2015

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October 12, 2016

INDEPENDENT AUDITOR'S REPORT

To the Management
and Board of Directors of
The Global Village Project, Inc.

We have audited the accompanying financial statements of The Global Village Project, Inc. (a nonprofit organization), which comprise the statements of financial position as of July 31, 2016 and 2015, and the related 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 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 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 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 The Global Village Project, Inc. as of July 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Long & Company, P.C.
Certified Public Accountants

THE GLOBAL VILLAGE PROJECT, INC.
STATEMENTS OF FINANCIAL POSITION

JULY 31, 2016 AND 2015

ASSETS	2016	2015
Current Assets:		
Cash and cash equivalents	\$ 805,250	\$ 544,994
Contributions receivable	38,850	87,887
Government grant receivable	4,033	5,824
Prepaid expenses	<u>18,282</u>	<u>8,232</u>
Total Current Assets	<u>866,415</u>	<u>646,937</u>
Property and equipment - net	<u>180,165</u>	<u>59,632</u>
TOTAL ASSETS	<u>\$ 1,046,580</u>	<u>\$ 706,569</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	<u>\$ 10,165</u>	<u>\$ 8,418</u>
Total Liabilities	<u>10,165</u>	<u>8,418</u>
Net Assets		
Unrestricted	923,691	614,872
Temporarily Restricted	<u>112,724</u>	<u>83,279</u>
Total Net Assets	<u>1,036,415</u>	<u>698,151</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,046,580</u>	<u>\$ 706,569</u>

See accompanying notes which are and integral part of these financial statements

THE GLOBAL VILLAGE PROJECT, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JULY 31, 2016

REVENUE AND SUPPORT	Unrestricted	Temporarily Restricted	Total
Contributions	\$ 786,837	80,057	\$ 866,894
Government grant revenue	55,999	-	55,999
Special events (net of direct cost of benefit to donors of \$12,396)	195,615	-	195,615
Interest and dividends	1,080	-	1,080
Net assets released from restrictions	<u>50,612</u>	<u>(50,612)</u>	<u>-</u>
Total Revenue and Support	<u>1,090,143</u>	<u>29,445</u>	<u>1,119,588</u>
EXPENSES AND LOSSES			
Program Services	560,732	-	560,732
Supporting Services			
Management and general	91,512	-	91,512
Fundraising	<u>129,048</u>	<u>-</u>	<u>129,048</u>
Total Expenses	781,292	-	781,292
Loss on sale of donated stock	<u>32</u>	<u>-</u>	<u>32</u>
Total Expenses and Losses	<u>781,324</u>	<u>-</u>	<u>781,324</u>
Change in Net Assets	308,819	29,445	338,264
NET ASSETS AT BEGINNING OF YEAR	<u>614,872</u>	<u>83,279</u>	<u>698,151</u>
NET ASSETS AT END OF YEAR	<u>\$ 923,691</u>	<u>\$ 112,724</u>	<u>\$ 1,036,415</u>

See accompanying notes which are an integral part of these financial statements

THE GLOBAL VILLAGE PROJECT, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JULY 31, 2015

REVENUE AND SUPPORT	Unrestricted	Temporarily Restricted	Total
Contributions	\$ 599,654	83,279	\$ 682,933
Government grant revenue	50,999	-	50,999
Special events (net of direct cost of benefit to donors of \$8,597)	142,366	-	142,366
Interest and dividends	737	-	737
Net assets released from restrictions	<u>32,914</u>	<u>(32,914)</u>	<u>-</u>
Total Revenue and Support	<u>826,670</u>	<u>50,365</u>	<u>877,035</u>
EXPENSES AND LOSSES			
Program Services	470,169	-	470,169
Supporting Services			
Management and general	81,539	-	81,539
Fundraising	<u>83,277</u>	<u>-</u>	<u>83,277</u>
Total Expenses	634,985	-	634,985
Loss on sale of donated stock	<u>305</u>	<u>-</u>	<u>305</u>
Total expenses and Losses	<u>635,290</u>	<u>-</u>	<u>635,290</u>
Change in Net Assets	191,380	50,365	241,745
NET ASSETS AT BEGINNING OF YEAR	<u>423,492</u>	<u>32,914</u>	<u>456,406</u>
NET ASSETS AT END OF YEAR	<u>\$ 614,872</u>	<u>\$ 83,279</u>	<u>\$ 698,151</u>

See accompanying notes which are an integral part of these financial statements

THE GLOBAL VILLAGE PROJECT, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JULY 31, 2016 AND 2015

	Program Services		Supporting Services				Total Expenses	
			Management and General		Fundraising			
	2016	2015	2016	2015	2016	2015	2016	2015
Salaries	\$ 296,539	\$ 265,047	\$ 34,225	\$ 38,492	\$ 71,675	\$ 46,167	\$ 402,439	349,706
Fringe Benefits	36,059	23,068	4,162	3,350	8,716	4,018	48,937	30,436
Total	332,598	288,115	38,387	41,842	80,391	50,185	451,376	380,142
Bank & Credit Card Fees	-	-	8,756	8,294	-	-	8,756	8,294
Classroom Expense	42,426	39,767	-	-	-	-	42,426	39,767
Contracted Services	3,050	3,600	4,585	1,500	22,380	6,855	30,015	11,955
Depreciation	15,810	6,160	1,825	895	3,821	1,073	21,456	8,128
Insurance	3,595	4,599	415	668	869	801	4,879	6,068
Occupancy	77,695	73,629	9,712	10,693	9,713	12,825	97,120	97,147
Office Expenses	2,839	1,719	3,265	734	9,402	9,986	15,506	12,439
Printing & Postage	1,577	70	182	10	1,145	747	2,904	827
Professional Fees	-	-	22,506	16,232	-	-	22,506	16,232
Staff Development	6,320	3,955	1,245	-	-	-	7,565	3,955
Student Services	69,331	43,937	-	-	-	-	69,331	43,937
Supplies	3,223	1,515	372	220	779	264	4,374	1,999
Telephone/Internet	2,268	3,103	262	451	548	541	3,078	4,095
TOTAL EXPENSES	\$ 560,732	\$ 470,169	\$ 91,512	\$ 81,539	\$ 129,048	\$ 83,277	\$ 781,292	\$ 634,985

See accompanying notes which are an integral part of these financial statements

THE GLOBAL VILLAGE PROJECT, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JULY 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Change in Net Assets	\$ 338,264	\$ 241,745
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	21,456	8,128
Donation of property & equipment	(9,184)	(11,886)
Donation of common stock	(13,082)	(16,977)
(Gain) loss on sales of donated stock	32	305
(Increase) decrease in operating assets:		
Contributions receivable	54,861	(70,005)
Government grant receivable	(4,033)	(5,824)
Prepaid expenses	(10,050)	3,054
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	<u>1,747</u>	<u>(1,186)</u>
 Net Cash Provided by Operating Activities	 <u>380,011</u>	 <u>147,354</u>
 Cash Flows from Investing Activities		
Proceeds from sale of donated stock	13,050	16,671
Purchases of property and equipment	<u>(132,805)</u>	<u>(31,911)</u>
 Net Cash (Used) by Investing Activities	 <u>(119,755)</u>	 <u>(15,240)</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 260,256	 132,114
 CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	 <u>544,994</u>	 <u>412,880</u>
 CASH AND CASH EQUIVALENTS - END OF YEAR	 <u>\$ 805,250</u>	 <u>\$ 544,994</u>
 SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
 Donation of literacy readers	 <u>\$ 9,184</u>	 <u>\$ 11,886</u>

See accompanying notes which are an integral part of these financial statements

THE GLOBAL VILLAGE PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2016 AND 2015

NATURE OF ACTIVITIES AND PROGRAM DESCRIPTIONS

Mission and Vision Statements

The Global Village Project, Inc. is an innovative special purpose school for refugee girls and young women with interrupted schooling. The Organization's mission is to develop a strong educational foundation for each student within a caring community using a strengths-based approach and intensive instruction in English language and literacy, academic subjects, and the arts.

The vision of The Global Village Project, Inc. is to ensure that all refugee girls and young women with interrupted schooling have access to the education necessary to pursue their dreams.

Program Description

The Global Village Project (GVP) was incorporated in 2009 and operates a special purpose middle school for refugee girls and young women aged 11-19. The school's innovative high school preparatory program is designed to equip recently arrived young women with the academic and social knowledge and skills needed for successful study in a high school. The school serves 30-40 students each year who pay no tuition. Lunch at Agnes Scott College and transportation are provided free of charge. Over a hundred volunteers support the academic program each week. Most students that complete the academic program enter public high schools in DeKalb County, Georgia. GVP serves additional students through its mentor program, designed to ensure that the gains made at GVP allow them to complete their education.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The Global Village Project, Inc. presents its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles, under which 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) based upon the existence or absence of donor-imposed restrictions.

Estimates

Preparation of financial statements in accordance 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.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Reclassifications

Certain 2015 amounts have been reclassified to conform to 2016 presentation.

THE GLOBAL VILLAGE PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2016 AND 2015

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Promises to Give and Contributions

Contributions are recognized when a donor makes a promise to give to the Organization that is, in substance, unconditional. All contributions are considered to be available for unrestricted use unless 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 temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the support is recognized.

Donated Assets and Services

Contributions of marketable securities and other non-cash items and donated use of facilities are recorded at their fair market values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Grant Revenue

The Organization receives its grant revenue from federal, state, and local government agencies. Federal, state and local government grants are considered to be exchange transactions. The Organization recognizes grant revenue to the extent of related expenses incurred in compliance with the grant provisions. Grant funds received which are unexpended at year end are reported on the statement of financial position as grant funds received in advance.

Property and Equipment

The Organization capitalizes all expenditures for property and equipment of \$750 or greater. Purchased property and equipment are stated at cost. Depreciation of property is computed on a straight-line basis over the estimated service lives of the assets. The following lives have been assigned to the capitalized assets:

Computer and Office Equipment	5 years
Furniture and Fixtures	5-10 years
Books and Literary Readers	3-5 years
School Buses	5 years
Leasehold Improvements	5 years

Donations of fixed assets are recorded as support at their estimated fair market value. Such donations are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions regarding their use and contributions of cash that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations regarding how long the long-lived assets must be maintained, the Organization reports expiration of donor restrictions when the donated or acquired long-lived assets are acquired or placed in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

THE GLOBAL VILLAGE PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2016 AND 2015

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tax-Exempt Status

The Global Village Project, Inc. qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements. The Global Village Project, Inc. is not classified as a private foundation.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the year ended July 31, 2016 and 2015.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services 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.

Fair Value Measurements

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal, or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used in the methodology to measure fair value:

- **Level 1** – quoted prices (unadjusted) in active markets that are accessible at the measurement date for the assets or liabilities;
- **Level 2** – observable prices that are based on inputs not quoted in active markets, but corroborated by market data; and
- **Level 3** – unobservable inputs are used when little or no market data is available

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

As of July 31, 2016 and 2015, cash and cash equivalents and contributions receivable carrying amounts approximate fair value base on their short-term availability.

THE GLOBAL VILLAGE PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2016 AND 2015

Note 2 - CONTRIBUTIONS RECEIVABLE

Contributions receivable reported in the statements of financial position represent unconditional promises to give and are classified as follows for the years ended July 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Unrestricted	\$ 6,183	\$ 8,578
Temporarily restricted	<u>32,667</u>	<u>81,000</u>
	38,850	89,578
Receivable in less than one year	38,850	56,578
Receivable in one to five years	<u>-</u>	<u>33,000</u>
Total unconditional promises to give	38,850	89,578
Less discount to present value	<u>-</u>	<u>(1,691)</u>
	<u>\$ 38,850</u>	<u>\$ 87,887</u>

Unconditional promises to give receivable in more than one year are discounted at 4%.

Note 3 - GOVERNMENT GRANT RECEIVABLE

Government grant receivable represents amounts billed and due from the Georgia Department of Human Services. The amount of \$4,033 as of July 31, 2016 and \$5,824 as of July 31, 2015 was fully collectible and due within one year.

Note 4 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at July 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Computers & Office Equipment	\$ 47,238	\$ 36,658
Furniture & Fixtures	3,839	3,839
Readers	33,277	24,093
School Buses	112,935	-
Leasehold Improvements	<u>19,230</u>	<u>9,940</u>
	216,519	74,530
Accumulated Depreciation	<u>36,354</u>	<u>14,898</u>
	<u>\$ 180,165</u>	<u>\$ 59,632</u>
Depreciation Expense	<u>\$ 21,456</u>	<u>\$ 8,128</u>

THE GLOBAL VILLAGE PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2016 AND 2015

Note 5 – NONCASH CONTRIBUTIONS

The Organization received donated services, literacy readers, and donated use of facilities. The donated space was provided by a church to operate its program. The Organization recorded contribution revenue based on the estimated fair market value of the donations. The amounts recorded as contribution revenue for the years ended July 31, 2016 and 2015 as follows:

	<u>2016</u>	<u>2015</u>
Contributed Space	\$ 85,110	\$ 97,110
Contributed Services	-	4,549
Contributed Literacy Readers	<u>10,069</u>	<u>11,885</u>
	<u>\$ 95,179</u>	<u>\$ 113,544</u>

Note 6 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are held for the following purposes or periods as of July 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Music Program	\$ -	\$ 15,000
Field Trips	-	2,093
S.T.E.A.M. Program	32,667	66,000
School Supplies	-	186
Assesment Grant	<u>80,057</u>	<u>-</u>
	<u>\$ 112,724</u>	<u>\$ 83,279</u>

Note 7 – LEASE COMMITMENT

On August 1, 2015, the Organization entered into a lease agreement with a church for the use of space for its operations. The term of the lease is for fifty-three (53) months with 2 one-year renewal options. The Organization is not required to pay any rent under the lease. The value of the free use of the space is recorded as a noncash donation. However, the lease requires the Organization to pay \$1,000 per month to cover utilities.

Note 8 – CASH BALANCES IN EXCESS OF FDIC

The Organization maintains its cash balances at two financial institutions. Deposits are insured by Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Bank balances may exceed insured limits from time-to-time. The Organization's deposits in excess of insured limits was \$63,989 as of July 31, 2016 and \$56,345 as of July 31, 2015.

Note 9 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 12, 2016, which was the date the financial statements were available to be issued.

THE GLOBAL VILLAGE PROJECT, INC.

SUPPLEMENTAL INFORMATION

JULY 31, 2016



October 12, 2016

INDEPENDENT AUDITOR'S
REPORT ON SUPPLEMENTAL INFORMATION

Board of Directors of
The Global Village Project, Inc., Inc.

We have audited the financial statements of The Global Village Project, Inc., Inc. as of and for the year ended July 31, 2016, and have issued our report thereon dated October 12, 2016, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of state contractual assistance is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Long & Company, P.C.
Certified Public Accountants

THE GLOBAL VILLAGE PROJECT, INC.
SCHEDULE OF STATE CONTRACTUAL ASSISTANCE
FOR THE YEAR ENDED JULY 31, 2016

<u>Grantor/Program Name</u>	<u>CFDA No.</u>	<u>Contract Period</u>	<u>Grant Amount</u>	<u>Revenue Recognized 7/31/2015</u>	<u>Amount Due from State</u>	<u>Amount Due to State</u>
U.S. Department of Health and Human Services						
Passed through the Georgia Department of Human Services						
Refugee and Entrant Assistance - Discretionary Grants						
Contract #42700-040-0000036432	93.576	8/15/15-9/30/16	64,999	<u>50,999</u>	<u>4,033</u>	<u>-</u>
Total State Contractual Assistance				<u>\$ 50,999</u>	<u>\$ 4,033</u>	<u>\$ -</u>

See Independent Auditor's Report