

THE GLOBAL VILLAGE PROJECT, INC.

AUDITED FINANCIAL STATEMENTS
Together with
INDEPENDENT AUDITOR'S REPORT

JULY 31, 2017 AND 2016

THE GLOBAL VILLAGE PROJECT, INC.

AUDIT REPORT

TABLE OF CONTENTS

JULY 31, 2017 AND 2016

<u>CONTENTS</u>	<u>Pages</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS:	
• Statements of Financial Position	2
• Statement of Activities - 2017	3
• Statement of Activities - 2016	4
• Statements of Functional Expenses	5
• Statements of Cash Flows	6
• Notes to Financial Statements	7-11
SUPPLEMENTAL INFORMATION	
• Independent Auditor's Report on Supplemental Information	12
• Schedule of State Contractual Assistance	13



November 7, 2017

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, 2017 and 2016, 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, 2017 and 2016, 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, 2017 AND 2016

ASSETS	2017	2016
Current Assets:		
Cash and cash equivalents	\$ 927,300	\$ 805,250
Contributions receivable	10,331	38,850
Government grant receivable	8,283	4,033
Prepaid expenses	<u>22,622</u>	<u>18,282</u>
Total Current Assets	<u>968,536</u>	<u>866,415</u>
Property and equipment - net	<u>159,207</u>	<u>180,165</u>
TOTAL ASSETS	<u>\$ 1,127,743</u>	<u>\$ 1,046,580</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable and accrued expenses	<u>\$ 44,490</u>	<u>\$ 10,165</u>
Total Liabilities	<u>44,490</u>	<u>10,165</u>
Net Assets		
Unrestricted	1,025,790	923,691
Temporarily restricted	<u>57,463</u>	<u>112,724</u>
Total Net Assets	<u>1,083,253</u>	<u>1,036,415</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,127,743</u>	<u>\$ 1,046,580</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, 2017

REVENUES, GAINS, AND SUPPORT	Unrestricted	Temporarily Restricted	Total
Contributions	\$ 701,046	\$ 25,000	\$ 726,046
Government grant revenue	59,610	-	59,610
Special events (net of direct cost of benefit to donors of \$14,994)	219,894	-	219,894
Interest and dividends	858	-	858
Realized gain on sale of donated stock	167	-	167
Net assets released from restrictions	<u>80,261</u>	<u>(80,261)</u>	<u>-</u>
Total Revenue and Support	<u>1,061,836</u>	<u>(55,261)</u>	<u>1,006,575</u>
EXPENSES AND LOSSES			
Program Services	669,729	-	669,729
Supporting Services			
Management and general	101,591	-	101,591
Fundraising	<u>188,417</u>	<u>-</u>	<u>188,417</u>
Total Expenses	959,737	-	959,737
Loss on sale of donated stock	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses and Losses	<u>959,737</u>	<u>-</u>	<u>959,737</u>
Change in Net Assets	102,099	(55,261)	46,838
NET ASSETS AT BEGINNING OF YEAR	<u>923,691</u>	<u>112,724</u>	<u>1,036,415</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,025,790</u>	<u>\$ 57,463</u>	<u>\$ 1,083,253</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, 2016

REVENUES, GAINS, 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
Realized gain on sale of donated stock	-	-	-
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.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JULY 31, 2017 AND 2016

	Program Services		Supporting Services				Total Expenses	
			Management and General		Fundraising			
	2017	2016	2017	2016	2017	2016	2017	2016
Salaries	\$ 372,922	\$ 296,539	\$ 37,714	\$ 34,225	\$ 130,237	\$ 71,675	\$ 540,873	402,439
Fringe Benefits	<u>47,146</u>	<u>36,059</u>	<u>4,768</u>	<u>4,162</u>	<u>16,465</u>	<u>8,716</u>	<u>68,379</u>	<u>48,937</u>
Total	<u>420,068</u>	<u>332,598</u>	<u>42,482</u>	<u>38,387</u>	<u>146,702</u>	<u>80,391</u>	<u>609,252</u>	<u>451,376</u>
Bank & Credit Card Fees	-	-	10,165	8,756	-	-	10,165	8,756
Classroom Expense	51,472	42,426	-	-	-	-	51,472	42,426
Contracted Services	7,085	3,050	300	4,585	15,430	22,380	22,815	30,015
Depreciation	34,848	15,810	9,293	1,825	2,323	3,821	46,464	21,456
Insurance	3,313	3,595	335	415	1,157	869	4,805	4,879
Occupancy	77,717	77,695	9,714	9,712	9,719	9,713	97,150	97,120
Office Expenses	4,148	6,062	1,503	3,637	10,539	10,181	16,190	19,880
Printing & Postage	1,442	1,577	146	182	1,760	1,145	3,348	2,904
Professional Fees	-	-	26,867	22,506	-	-	26,867	22,506
Staff Development	7,197	6,320	558	1,245	-	-	7,755	7,565
Student Services	60,186	69,331	-	-	-	-	60,186	69,331
Telephone/Internet	<u>2,253</u>	<u>2,268</u>	<u>228</u>	<u>262</u>	<u>787</u>	<u>548</u>	<u>3,268</u>	<u>3,078</u>
TOTAL EXPENSES	<u>\$ 669,729</u>	<u>\$ 560,732</u>	<u>\$ 101,591</u>	<u>\$ 91,512</u>	<u>\$ 188,417</u>	<u>\$ 129,048</u>	<u>\$ 959,737</u>	<u>\$ 781,292</u>

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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Change in Net Assets	\$ 46,838	\$ 338,264
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	46,464	21,456
Donation of property & equipment	-	(9,184)
Donation of common stock	(20,377)	(13,082)
(Gain) loss on sales of donated stock	(167)	32
(Increase) decrease in operating assets:		
Contributions receivable	28,519	54,861
Government grant receivable	(4,250)	(4,033)
Prepaid expenses	(4,340)	(10,050)
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	<u>34,325</u>	<u>1,747</u>
 Net Cash Provided by Operating Activities	 <u>127,012</u>	 <u>380,011</u>
 Cash Flows from Investing Activities		
Proceeds from sale of donated stock	20,544	13,050
Purchases of property and equipment	<u>(25,506)</u>	<u>(132,805)</u>
 Net Cash (Used) by Investing Activities	 <u>(4,962)</u>	 <u>(119,755)</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 122,050	 260,256
 CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	 <u>805,250</u>	 <u>544,994</u>
 CASH AND CASH EQUIVALENTS - END OF YEAR	 <u>\$ 927,300</u>	 <u>\$ 805,250</u>
 SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
 Donation of literacy readers	 <u>\$ -</u>	 <u>\$ 9,184</u>

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

THE GLOBAL VILLAGE PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2017 AND 2016

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 40-50 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 2016 amounts have been reclassified to conform to 2017 presentation.

THE GLOBAL VILLAGE PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2017 AND 2016

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, 2017 AND 2016

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, 2017 and 2016.

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, 2017, and 2016, cash and cash equivalents and contributions receivable carrying amounts approximate fair value based on their short-term availability.

THE GLOBAL VILLAGE PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2017 AND 2016

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, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Unrestricted	\$ 10,331	\$ 6,183
Temporarily restricted	<u>-</u>	<u>32,667</u>
	10,331	38,850
Receivable in less than one year	<u>10,331</u>	<u>38,850</u>
Total unconditional promises to give	<u>\$ 10,331</u>	<u>\$ 38,850</u>

Unconditional promises to give receivable are considered fully collectible.

Note 3 - GOVERNMENT GRANT RECEIVABLE

Government grant receivable represents amounts billed and due from the Georgia Department of Human Services. The amount of \$8,283 as of July 31, 2017 and \$4,033 as of July 31, 2016 was fully collectible and due within one year.

Note 4 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at July 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Computers & Office Equipment	\$ 52,232	\$ 47,238
Furniture & Fixtures	24,351	3,839
Readers	33,277	33,277
School Buses	112,935	112,935
Leasehold Improvements	<u>19,230</u>	<u>19,230</u>
	242,025	216,519
Less Accumulated Depreciation	<u>82,818</u>	<u>36,354</u>
	<u>\$ 159,207</u>	<u>\$ 180,165</u>
Depreciation Expense	<u>\$ 46,464</u>	<u>\$ 21,456</u>

THE GLOBAL VILLAGE PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2017 AND 2016

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, 2017 and 2016 as follows:

	<u>2017</u>	<u>2016</u>
Contributed Space		
Contributed Literary Readers	\$ 85,110	\$ 85,110
	<u>-</u>	<u>10,069</u>
	<u>\$ 85,110</u>	<u>\$ 95,179</u>

Note 6 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are held for the following purposes or periods as of July 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Arts Coordinator	\$ 25,000	\$ -
S.T.E.A.M. Program	-	32,667
Assesment Grant	<u>32,463</u>	<u>80,057</u>
	<u>\$ 57,463</u>	<u>\$ 112,724</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 three 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 \$185,637 as of July 31, 2017 and \$63,989 as of July 31, 2016.

Note 9 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 7, 2017, which was the date the financial statements were available to be issued.

THE GLOBAL VILLAGE PROJECT, INC.

SUPPLEMENTAL INFORMATION

JULY 31, 2017



November 7, 2017

INDEPENDENT AUDITOR'S
REPORT ON SUPPLEMENTAL INFORMATION

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

We have audited the financial statements of The Global Village Project, Inc., as of and for the year ended July 31, 2017, and have issued our report thereon dated November 7, 2017, 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, 2017

Grantor/Program Name	CFDA No.	Contract Period	Grant Amount	Revenue Recognized 7/31/2016	Revenue Recognized 7/31/2017	Amount Due from State	Amount Due to State
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	\$ 50,999	\$ 14,000	\$ -	\$ -
Contract #42700-040-0000054033	93.576	10/1/16-9/30/17	55,965	<u>-</u>	<u>45,610</u>	<u>8,283</u>	<u>-</u>
Total State Contractual Assistance				<u>\$ 50,999</u>	<u>\$ 59,610</u>	<u>\$ 8,283</u>	<u>\$ -</u>

See Independent Auditor's Report