
EVERY VILLAGE
FINANCIAL STATEMENTS
DECEMBER 31, 2015

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INDEPENDENT AUDITORS' REPORT

July 18, 2016

To the Board of Directors
EVERY VILLAGE
Houston, Texas

We have audited the accompanying financial statements of EVERY VILLAGE (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of EVERY VILLAGE as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

EEPB, P.C.

Houston, Texas

EVERY VILLAGE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015

ASSETS

CURRENT ASSETS

Cash	\$ 1,492,058
Pledges receivable	19,639
Prepaid expenses and other current assets	19,390

TOTAL CURRENT ASSETS 1,531,087

PROPERTY AND EQUIPMENT, NET 254,859

TOTAL ASSETS \$ 1,785,946

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 14,474
Accrued liabilities	10,516

TOTAL CURRENT LIABILITIES 24,990

NET ASSETS

Unrestricted	526,403
Temporarily restricted	1,234,553

TOTAL NET ASSETS 1,760,956

TOTAL LIABILITIES AND NET ASSETS \$ 1,785,946

The accompanying notes are an integral
part of these financial statements.

EVERY VILLAGE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE:			
Contributions	\$ 722,172	\$ 1,503,312	\$ 2,225,484
Other income	3,315	-	3,315
	<u>725,487</u>	<u>1,503,312</u>	<u>2,228,799</u>
Net assets released from restrictions			
Program expenditures	1,412,183	(1,412,183)	-
Total	<u>2,137,670</u>	<u>91,129</u>	<u>2,228,799</u>
EXPENSES			
Program services			
Missionary programs	558,933	-	558,933
Radio programs	365,568	-	365,568
Water wells	281,623	-	281,623
Mission trips	76,460	-	76,460
Other program expenses	94,790	-	94,790
Total program services	<u>1,377,374</u>	<u>-</u>	<u>1,377,374</u>
Management and general	169,184	-	169,184
Fundraising	307,600	-	307,600
TOTAL EXPENSES	<u>1,854,158</u>	<u>-</u>	<u>1,854,158</u>
CHANGE IN NET ASSETS BEFORE FOREIGN CURRENCY TRANSLATION ADJUSTMENT	283,512	91,129	374,641
FOREIGN CURRENCY TRANSLATION ADJUSTMENT	242	-	242
CHANGE IN NET ASSETS	283,754	91,129	374,883
NET ASSETS, BEGINNING OF YEAR	<u>242,649</u>	<u>1,143,424</u>	<u>1,386,073</u>
NET ASSETS, END OF YEAR	<u>\$ 526,403</u>	<u>\$ 1,234,553</u>	<u>\$ 1,760,956</u>

The accompanying notes are an integral
part of these financial statements.

EVERY VILLAGE

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2015

	Missionary Programs	Radio Programs	Water Wells	Mission Trips	Other Program Expenses	Total Program Services	Management and General	Fundraising	Total
Salaries and related benefits	\$ 367,971	\$ 95,999	\$ 33,405	\$ 20,550	\$ 53,573	\$ 571,498	\$ 50,420	\$ 115,361	\$ 737,279
Travel, meals and lodging	135,284	47,013	687	51,596	9,381	243,961	414	18,670	263,045
Construction expenses	-	1,446	242,500	-	-	243,946	-	-	243,946
Materials and supplies	1,989	126,287	596	939	1,614	131,425	1,867	1,596	134,888
Promotion	-	-	-	-	-	-	-	129,166	129,166
Postage and shipping	267	52,277	49	49	136	52,778	182	1,462	54,422
Professional fees	-	-	-	-	-	-	48,542	328	48,870
Payroll taxes	22,132	8,097	1,571	1,571	748	34,119	2,559	7,318	43,996
Contract labor	2,543	5,560	430	-	7,599	16,132	22,290	-	38,422
Licenses and fees	1,718	6,885	-	27	2,923	11,553	21,314	1,783	34,650
Occupancy	5,333	1,726	1,534	1,534	1,325	11,452	5,740	8,329	25,521
Printing and publication	-	-	-	-	-	-	-	22,022	22,022
Equipment, Software and Furniture	3,680	6,436	-	-	4,218	14,334	1,179	633	16,146
Repairs and maintenance	1,161	6,000	121	-	5,324	12,606	-	-	12,606
Telephone and internet	4,883	2,026	137	170	3,275	10,491	493	715	11,699
Depreciation	6,455	3,747	280	-	630	11,112	-	-	11,112
Miscellaneous	117	1,800	313	24	3,695	5,949	4,890	22	10,861
Other expenses	5,400	269	-	-	226	5,895	2,384	195	8,474
Insurance	-	-	-	-	-	-	6,910	-	6,910
Machinery and Vehicles	-	-	-	-	123	123	-	-	123
Total expenses	\$ 558,933	\$ 365,568	\$ 281,623	\$ 76,460	\$ 94,790	\$ 1,377,374	\$ 169,184	\$ 307,600	\$ 1,854,158

The accompanying notes are an integral
part of these financial statements.

EVERY VILLAGE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets before foreign currency translation adjustment	\$ 374,641
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	11,112
Effect of exchange rate changes on cash	242
Changes in working capital:	
(Increase) decrease in pledges receivable	138,301
(Increase) decrease in employee receivables	3,039
(Increase) decrease in prepaids	5,498
Increase (decrease) in accounts payable	7,978
Increase (decrease) in accrued liabilities	<u>4,812</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>545,623</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	<u>(265,971)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(265,971)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>-</u>
NET INCREASE IN CASH	279,652
CASH, BEGINNING OF YEAR	<u>1,212,406</u>
CASH, END OF YEAR	<u><u>\$ 1,492,058</u></u>
INTEREST PAID	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

EVERY VILLAGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Every Village exists to bring glory to God through the transformation of every village in South Sudan by the spread of the gospel and community development. Every Village joins with the South Sudanese in bringing holistic transformation to every village throughout the nation using a four-step process of ministry:

- Trips: Short-term teams go into new areas of South Sudan—initiating relationships, providing community training, and completing survey work.
- Water: Implementing clean water wells helps meet one of the greatest felt needs in South Sudan and deepens Every Village's credibility with communities.
- Missionaries: Long-term missionaries empower South Sudanese to be leaders in a church planting movement, engaging them with training and discipleship.
- Radio: Radio broadcasting supports the work of long-term missionaries, transmitting the gospel and community development teaching through solar-powered, hand-held radios distributed in local communities.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Functional Currency

Monetary assets and liabilities of the Organization denominated in currencies other than the United States dollar (its functional currency), are translated into United States dollars at exchange rates in effect at the balance sheet date each month. The resulting exchange gains or losses are included in the statement of activities. Monetary transactions are translated at average rates on a monthly basis.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Federal information returns are filed annually. The Organization is subject to routine examinations of its returns; however, there are no examinations for any tax periods currently in progress.

EVERY VILLAGE
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

Net Asset Classification

The Organization has adopted ASC 958-210-45, “*Financial Statements of Not-for-Profit Organizations*.” Under ASC 958-210-45, the Organization is required to report information regarding its financial position and activities according to the following classes of net assets:

- *Unrestricted net assets* include those net assets whose use is not restricted by donor-imposed stipulations and are available for general obligations of the Organization.
- *Temporarily restricted net assets* include contributions restricted by the donor for specific purposes or time periods. When a purpose restriction is accomplished or a time restriction ends, temporarily restricted net assets are released to unrestricted net assets.
- *Permanently restricted net assets* include contributions permanently restricted by the donor and cannot be used by the Organization. There were no permanently restricted net assets at December 31, 2015.

Contributions

The Organization has adopted ASC 958-605-45, “*Accounting for Contributions Received and Contributions Made*”. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Contributed Services

During the year ended December 31, 2015, the value of contributed services meeting the requirements for recognition in the financial statements was \$4,170, which was for accounting services contributed on a monthly basis. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

Fixed Assets

Purchased property and equipment are recorded at cost. Donations of property and equipment are recorded as contributions at estimated fair value at the date of gift. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a particular purpose. Property and equipment purchases over \$500 are capitalized. Water wells drilled are expensed as drilled as

EVERY VILLAGE
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

these wells, once completed and functioning, are handed over to the community to own.

Depreciation is computed using the straight line method, using a half-year convention, over the estimated useful lives of 2 to 40 years.

Compensated Absences

Employees of the Organization are entitled to paid vacation depending on job classification, length of service and other factors. The Organization's practice is to recognize the costs of compensated absences when paid to employees.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – PLEDGES RECEIVABLE

At December 31, 2015, pledges receivable are current and are expected to be collected in less than one year. The balance of pledge receivables as of December 31, 2015 was \$19,639.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

Building and Improvements	\$104,366
Machinery and Equipment	63,369
Radio Towers	8,157
Vehicles	9,105
Construction in Progress	<u>80,974</u>
Total property and equipment, at cost	265,971
Accumulated depreciation	<u>(11,112)</u>
Property and equipment, net	<u>\$254,859</u>

EVERY VILLAGE
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – LEASES

The Organization leases office space and storage facilities locally and housing at its international locations. The following represents future minimum rental payments under non-cancelable operating leases for the period ended December 31, 2015.

2016	\$ 43,083
2017	8,376
2018	<u>730</u>
Total	<u>\$ 52,189</u>

Total rent expense for occupancy leases for the year ended December 31, 2015 was \$25,521.

NOTE 5 – FOREIGN OPERATIONS

The Organization provides spiritual and community development training to the South Sudanese. The regions served in South Sudan are Bahr-el-Ghazal, Greater Upper Nile, and Equatoria. Because of the volatile state of these areas, it is at least reasonably possible that war or other disruptive activities could affect the financial statements in the near future.

NOTE 6 – UNCERTAIN TAX POSITIONS

As discussed in Note 1, the Organization is exempt from income taxes. The Organization has evaluated whether it has any uncertain tax provisions as of December 31, 2015 and determined that it does not and does not expect this to change significantly over the next twelve months. The Organization will recognize interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense. As of December 31, 2015, the Organization has not accrued interest or penalties related to uncertain tax positions. The Organization remains subject to income tax examinations for tax years 2012 and beyond.

NOTE 7 – RETIREMENT PLAN

The Organization established a 403(b) defined contribution plan (the Plan) for eligible employees in 2015. Employees are eligible to contribute to the Plan on their dates of hire. Employees who complete one year of service with 1,000 hours during the year are eligible for employer contributions. All employees who were employed by the Organization on January 1, 2015 were granted immediate eligibility for employer contributions. The Organization matches employee contributions by 50% up to 6% of the employee's salary. Employee and employer contributions are fully vested at all times. The Organization contributed \$9,010 to the Plan in 2015.

EVERY VILLAGE
NOTES TO FINANCIAL STATEMENTS

NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 18, 2016, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.