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## Notes to FY19 Audited Financial Statement

During the period covered by the audited financial statements for FY19 (July 1<sup>st</sup> 2018 to June 30<sup>th</sup> 2019), Village Enterprise continued to be the service provider on the first Development Impact Bond (DIB) in the poverty alleviation sector launched in November 2017. As part of our role in the DIB, we raised \$2.325 million in investment capital in FY18 to fund DIB project activities through the fall of 2020.

In FY18, we created a supporting vehicle to receive the DIB investor funds and incrementally issue working capital grants to Village Enterprise. This vehicle is composed of two entities: Village Enterprise Capital Connector (VECC) and Village Enterprise Impact Bond (VEIB). Although VECC and VEIB are separate legal entities from Village Enterprise, they are considered affiliates in the following audited financial statements due to their supporting organization status.

The consolidated Statements of Financial Position, Activities, Functional Expenses and Cash Flows are inclusive of the supporting entities, VECC and VEIB, and can be found on pages three through seven of the audited financial statements. Pages seventeen through twenty contain the same statements with individual columns for each organization, Village Enterprise (VEF), VECC and VEIB. Separate tax returns are being filed for Village Enterprise and Village Enterprise Capital Connector.

If you should have any specific questions regarding the formatting or content of these financial statements please contact Chief Finance and Administration Officer, Kathy Perkes, at [kathyp@villageenterprise.org](mailto:kathyp@villageenterprise.org).

# VILLAGE ENTERPRISE FUND, INC. AND AFFILIATES

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## CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

**VILLAGE ENTERPRISE FUND, INC.  
AND AFFILIATES**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Village Enterprise Fund, Inc. and Affiliates

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Village Enterprise Fund, Inc. (a nonprofit organization) and Affiliates, which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Consolidated 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 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 from 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 auditor's 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.

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Village Enterprise Fund, Inc. and Affiliates as of June 30, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The 2019 supplementary consolidating information is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

**MBAF CPAs, LLC**

New York, NY  
January 7, 2020

**VILLAGE ENTERPRISE FUND, INC. AND AFFILIATES**

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2019 AND 2018

<b>ASSETS</b>	<b>2019</b>	<b>2018</b>
Cash and cash equivalents	\$ 2,847,455	\$ 2,914,357
Accounts receivable	195,674	151,368
Promises to give	615,370	1,113,616
Prepaid expenses	24,535	15,178
Property and equipment, net	29,518	42,398
TOTAL ASSETS	<u>\$ 3,712,552</u>	<u>\$ 4,236,917</u>
<b>LIABILITIES AND NET ASSETS</b>		
LIABILITIES		
Accounts payable and accrued expenses	\$ 61,934	\$ 163,360
TOTAL LIABILITIES	<u>61,934</u>	<u>163,360</u>
NET ASSETS		
Without donor restrictions	3,261,596	2,820,063
With donor restrictions	389,022	1,253,494
TOTAL NET ASSETS	<u>3,650,618</u>	<u>4,073,557</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,712,552</u>	<u>\$ 4,236,917</u>

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

**VILLAGE ENTERPRISE FUND, INC. AND AFFILIATES**

**CONSOLIDATED STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>						
Contributions from individuals	\$ 2,187,757	\$ -	\$ 2,187,757	\$ 1,400,383	\$ -	\$ 1,400,383
Contributions from foundations	404,400	509,110	913,510	531,612	1,369,836	1,901,448
Recoverable grants	-	-	-	2,325,500	-	2,325,500
Development impact bond revenue	498,323	-	498,323	127,281	-	127,281
In-kind contributions	-	-	-	126,046	-	126,046
Net assets released from restrictions	1,373,582	(1,373,582)	-	1,227,932	(1,227,932)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>4,464,062</b>	<b>(864,472)</b>	<b>3,599,590</b>	<b>5,738,754</b>	<b>141,904</b>	<b>5,880,658</b>
<b>EXPENSES:</b>						
Program services	3,267,609	-	3,267,609	2,585,928	-	2,585,928
Supporting services:						
Management and general	267,173	-	267,173	291,217	-	291,217
Fundraising	487,747	-	487,747	423,603	-	423,603
<b>TOTAL EXPENSES</b>	<b>4,022,529</b>	<b>-</b>	<b>4,022,529</b>	<b>3,300,748</b>	<b>-</b>	<b>3,300,748</b>
<b>CHANGE IN NET ASSETS</b>	<b>441,533</b>	<b>(864,472)</b>	<b>(422,939)</b>	<b>2,438,006</b>	<b>141,904</b>	<b>2,579,910</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>2,820,063</b>	<b>1,253,494</b>	<b>4,073,557</b>	<b>382,057</b>	<b>1,111,590</b>	<b>1,493,647</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 3,261,596</b>	<b>\$ 389,022</b>	<b>\$ 3,650,618</b>	<b>\$ 2,820,063</b>	<b>\$ 1,253,494</b>	<b>\$ 4,073,557</b>

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

**VILLAGE ENTERPRISE FUND, INC. AND AFFILIATES**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2019**

	Program Services			Total Program Services	Supporting Services			Total
	Kenya	Uganda	United States		Management and General	Fundraising		
Grants to small businesses	\$ 556,379	\$ 373,063	\$ -	\$ 929,442	\$ -	\$ -	\$ 929,442	
Personnel	652,416	498,172	351,614	1,502,202	154,080	330,541	1,986,823	
Currency exchange loss	13,427	20,665	-	34,092	2,079	-	36,171	
Depreciation and amortization	-	-	13,005	13,005	367	1,470	14,842	
Field operations	129,527	200,843	5,894	336,264	-	-	336,264	
Insurance	-	-	5,354	5,354	6,035	1,030	12,419	
Fellows and interns	-	175	-	175	-	-	175	
Meetings, conferences and training	-	-	3,977	3,977	2,170	-	6,147	
Occupancy	16,621	21,150	11,934	49,705	8,424	17,082	75,211	
Office	526	200	6,727	7,453	5,077	9,665	22,195	
Other	-	-	-	-	67	-	67	
Postage and shipping	-	-	-	-	1,020	-	1,020	
Professional fees	497	4,704	67,245	72,446	79,703	-	152,149	
Marketing and communications	661	3,366	-	4,027	-	118,801	122,828	
Taxes and fees	-	-	-	-	1,670	-	1,670	
Travel	44,744	116,580	48,633	209,957	3,954	3,954	217,865	
Training	32,697	41,906	1,466	76,069	-	-	76,069	
Utilities	7,572	11,633	2,733	21,938	1,024	3,200	26,162	
Website	-	-	1,503	1,503	1,503	2,004	5,010	
<b>Total expenses</b>	<b>\$ 1,455,067</b>	<b>\$ 1,292,457</b>	<b>\$ 520,085</b>	<b>\$ 3,267,609</b>	<b>\$ 267,173</b>	<b>\$ 487,747</b>	<b>\$ 4,022,529</b>	

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



**VILLAGE ENTERPRISE FUND, INC. AND AFFILIATES**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2018**

	Program Services				Supporting Services			Total
	Kenya	Uganda	United States	Total Program Services	Management and General	Fundraising	Total	
Grants to small businesses	\$ 289,775	\$ 347,779	\$ -	\$ 637,554	\$ -	\$ -	\$ 637,554	
Personnel	593,384	461,334	309,314	1,364,032	130,536	287,791	1,782,359	
Currency exchange loss	6,369	26,017	-	32,386	-	-	32,386	
Depreciation and amortization	-	-	10,155	10,155	666	983	11,804	
Field operations	174,880	63,713	11,826	250,419	-	-	250,419	
Insurance	-	-	4,148	4,148	5,379	-	9,527	
Fellows and interns	1	11,419	4	11,424	-	-	11,424	
Meetings, conferences and training	391	-	4,588	4,979	812	2,950	8,741	
Occupancy	10,793	9,827	10,729	31,349	4,294	12,292	47,935	
Office	411	1,329	8,637	10,377	4,211	9,895	24,483	
Other	-	-	-	-	2,890	-	2,890	
Postage and shipping	-	-	-	-	999	-	999	
Professional fees	5,755	3,980	29,025	38,760	11,570	-	50,330	
Professional fees - in-kind	-	-	-	-	126,046	-	126,046	
Marketing and communications	64	102	2,713	2,879	-	97,504	100,383	
Travel	43,622	72,666	20,317	136,605	2,700	2,700	142,005	
Training	9,140	16,232	46	25,418	-	-	25,418	
Utilities	6,901	10,480	2,783	20,164	1,114	3,188	24,466	
Website	-	-	5,279	5,279	-	6,300	11,579	
<b>Total expenses</b>	<b>\$ 1,141,486</b>	<b>\$ 1,024,878</b>	<b>\$ 419,564</b>	<b>\$ 2,585,928</b>	<b>\$ 291,217</b>	<b>\$ 423,603</b>	<b>\$ 3,300,748</b>	

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

**VILLAGE ENTERPRISE FUND, INC. AND AFFILIATES**

CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (422,939)	\$ 2,579,910
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	14,842	11,804
Loss on disposal of property and equipment	699	557
Changes in operating assets and liabilities:		
Accounts receivable	(44,306)	(145,501)
Promises to give	498,246	(133,485)
Prepaid expenses	(9,357)	10,396
Accounts payable and accrued expenses	(101,426)	135,519
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(64,241)	2,459,200
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(2,661)	(20,580)
NET CASH USED IN INVESTING ACTIVITIES	(2,661)	(20,580)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(66,902)	2,438,620
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	2,914,357	475,737
CASH AND CASH EQUIVALENTS - END OF YEAR	<b>\$ 2,847,455</b>	<b>\$ 2,914,357</b>

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

# VILLAGE ENTERPRISE FUND, INC. AND AFFILIATES

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

### 1. NATURE OF ORGANIZATION

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Village Enterprise Fund, Inc. was incorporated in the State of California as Christian Self-Development Fund on June 3, 1987. On August 17, 1994 the name was changed to Village Enterprise Fund, Inc. ("VEF"). VEF's head office is located in San Carlos, California, with key international offices in the East African countries of Kenya and Uganda.

VEF's mission is to end extreme poverty in rural Africa through entrepreneurship and innovation, based on the following model:

- Business training that empowers groups of three people to select, create and operate a small business.
- Seed capital grants of roughly \$150 are awarded to trained groups with approved grant applications. Typical businesses include: agriculture (beans, tomatoes, peanuts); animal husbandry (goats, chickens, pigs); skilled services and construction (tailoring, carpentry, welding, bicycle repair); and retail (vegetable kiosks, restaurants and cafes, household goods).
- On-going mentoring that provides personalized advice and encouragement for at least one year, and helps new entrepreneurs gain confidence, overcome the typical challenges of starting a new venture, become self-sufficient and grow their businesses.
- Business Savings Groups that allow groups of 10 businesses (30 people) to save their profits together and loan each other money as needed. The Savings Groups provide a source of capital to help business owners handle a drop in income or emergency expenses.

#### VEF Affiliates

VEF has created a supporting organization, Village Enterprise Capital Connector Corp. ("VECC"), which is a Delaware corporation.

VECC is the single member of Village Enterprise Impact Bond LLC ("VEIB"), a Delaware nonprofit corporation formed on January 5, 2018, whose mission is to improve income levels of the extreme poor through funding the Village Enterprise micro-enterprise model, known as a Graduation program via the Project set forth in the Outcome Payment Agreement ("OPA") ("the Project").

On November 20, 2017, VEF entered into the OPA with The Global Development Incubator, Inc. ("GDI" or the "Trustee") to be part of a Pay for Success agreement in which VEF is the service provider. Pay for Success is an innovative model to fund social programs. As the service provider, VEF is looking to reduce extreme poverty by providing grants and training to entrepreneurs who will create small businesses. Three Outcome Payers committed to funding an escrow to be held with the Trustee. In accordance with the OPA, the Trustee is responsible for receiving funds from the Outcome Payers and holding them in an escrow account during the term of the Project. The Trustee will use the escrow funds to make Type I payments to VEF throughout the life of the Project. Type II payments will be paid by the Trustee to VEIB for the achievement of results as reported by the Outcomes Evaluator at the conclusion of the Project. It is the Outcomes Evaluator's responsibility to measure, verify, and report on those results to the Trustee. The Trustee commits to disburse payments to VEF according to the level of results measured and verified by the Outcomes Evaluator for the program.

Operating costs of the Project will be funded by grantors who have funded VEIB to fund VEF in carrying out its three-year intervention under the Project. There are two different types of outcome payments. Type I Outcome Payments are reimbursements of seed capital grants to VEF. Type II Outcome Payments, as defined in the OPA, are based on an outcomes formula and other variables that must be met. If VEIB receives any Type II Outcome Payments, the grantors may be refunded a calculated amount of each Type II Outcome Payment.

### 2. SIGNIFICANT ACCOUNTING POLICIES

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#### Basis of Consolidation

All significant intercompany accounts and transactions between VEF, VECC, and VEIB (collectively, "Village Enterprise") have been eliminated in consolidation.

## VILLAGE ENTERPRISE FUND, INC. AND AFFILIATES

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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### Financial Statement Presentation

Village Enterprise's consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The classification of the Village Enterprise's net assets and its support, revenues, and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the two classes of net assets – with donor restrictions or without donor restrictions – be displayed in a statement of financial position and that the amount of change in each of those classes of net assets be displayed in a statement of activities.

These classes are defined as follows:

Net Assets with Donor Restrictions consist of contributions and other inflows of assets whose use is subject to donor-imposed restrictions that are more specific than broad limits reflecting the nature of the not-for-profit entity, the environment in which it operates and the purposes specified in its articles of incorporation or bylaws or comparable documents. Donor-imposed restrictions may be temporary in nature, such as stipulating that resources may be used only after a specified date or limited to specific programs or services. Certain donor-imposed restrictions are perpetual in nature.

Net Assets without Donor Restrictions consist of contributions and other inflows of assets whose use is not subject to donor-imposed restrictions. This net asset category includes both contributions not subject to donor restrictions and exchange transactions.

### Principles of Foreign Exchange

The financial position and results of operations of the foreign offices are measured using each foreign offices' local currencies as the functional currency. Accordingly, assets and liabilities of the foreign offices have been translated into U.S. dollars at exchange rates in effect on the statement of financial position date. Differences in these exchange rates, which result in cumulative currency translation adjustments, have been recorded as currency exchange loss, which is on the consolidated statements of functional expenses. The related revenues and expenses have been translated at average rates of exchange in effect during the year. Foreign currency transaction gains and losses, which are based on differences between transaction amounts settled in currencies other than the functional currency, are included in operations.

Foreign operations are subject to risks inherent in operating under different legal systems and various political and economic environments. Among the risks are changes in existing tax laws, possible limitations on foreign investment and income repatriation, government price or foreign exchange controls, and restrictions on currency exchange. Village Enterprise does not engage in hedging activities to mitigate its exposure to fluctuations in foreign currency exchange rates.

### Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with a purchased maturity date of three months or less. The value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

### Accounts Receivable and Promises to Give

Substantially all of Village Enterprise's promises to give are foundation grants that have been pledged or earned in the current year but have not yet been received. Contributions are unconditional promises to give that are expected to be collected within one year and are recorded at net realizable value. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

## VILLAGE ENTERPRISE FUND, INC. AND AFFILIATES

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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### **Donated Securities**

Donated securities are measured at fair value on the date of receipt. It is the intention of Village Enterprise to sell all gifts of public securities upon receipt or as soon thereafter as possible. For the years ended June 30, 2019 and 2018, Village Enterprise received donated securities amounting to \$37,687 and \$216,758, respectively.

### **Property and Equipment and Depreciation**

All acquisitions of property and equipment in excess of \$750 and expenditures for repairs, maintenance renewals and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment is recorded at cost or, if donated, the approximate fair value on the date of donation. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis, primarily between three and five years.

### **Revenue Recognition and Net Assets**

Contribution revenue and recoverable grants are recognized when the donor makes a promise to give that is, in substance, unconditional. Grant revenue is recognized as earned and expenses are recognized as incurred. Development impact bond revenue represents reimbursements of grants from the Trustee in accordance with the Agreement. Contributions of assets are recorded at fair value at the date of donation. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. All unconditional promises to give, which are expected to be received beyond one year, are discounted to their net present value.

### **Recoverable Grant Agreements**

VEIB entered into seven recoverable grant agreements with various organizations and individuals with the intent to provide Village Enterprise financial outlays that are directly used in the delivery of services for the Project in accordance with the OPA. When VEIB receives outcome payments in future years, VEIB shall return to the grantor a corresponding share of their respective payment. The maximum recoverable amount is the amount of the grant, plus interest of 9.9% per annum on the outstanding amount, calculated on the basis of a 365-day year and compounded annually.

For the year ended June 30, 2018, the total amount of recoverable grants committed was \$2,325,500.

### **Functional Allocation of Expenses**

Expenses that can be directly identified with the program or supporting service with which they relate are charged accordingly. Other expenses that apply to more than one functional category have been allocated between program, management and general, and fundraising, based on the time spent on these functions by specific employees. Other costs are charged directly to the appropriate functional category.

### **Compensated Absences**

Village Enterprise accrues vacation expense as incurred and payable to employees at current rates.

### **Allowance for Doubtful Accounts**

Village Enterprise uses the allowance method to determine uncollectible accounts. Such estimates are based on management's assessments of the creditworthiness of its customers, the aged basis of the receivable, as well as current economic conditions and historical information. No interest is charged on past due balances and balances greater than 90 days past due are reviewed by management. Village Enterprise determined that no allowance for uncollectible accounts receivable was necessary at June 30, 2019 and 2018.

## VILLAGE ENTERPRISE FUND, INC. AND AFFILIATES

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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### **In-Kind Contributions**

Village Enterprise recognizes contributions of donated services when they create or enhance nonfinancial assets or require specialized skills that would typically need to be purchased if not provided by donation. Such services are recorded as in-kind contributions at an amount based on market values of services donated. Contributions are recorded in the period received. There were no in-kind contributions for the year ended June 30, 2019. Total in-kind contributions consisting of legal services amounted to \$126,046 for the year ended June 30, 2018.

### **Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

### **Concentrations of Credit Risk**

Village Enterprise maintains cash balances at various banks in the United States, Uganda and Kenya. Cash held at the banks in Africa is not insured by the Federal Deposit Insurance Corporation ("FDIC"). As of June 30, 2019 and 2018, cash balances in African banks amounted to \$26,706 and \$55,021, respectively. Cash balances held in the U.S. banks are insured by the FDIC up to \$250,000 per bank.

### **Subsequent Events**

Village Enterprise has evaluated subsequent events through January 7, 2020, which is the date the financial statements were available to be issued.

### **Reclassifications**

Certain accounts in the June 30, 2018 financial statements have been reclassified to conform to the June 30, 2019 presentation. The reclassifications had no effect on net assets.

### **Adopted Accounting Pronouncement**

#### ***Financial Statement Presentation***

During the year ended June 30, 2019, Village Enterprise adopted Accounting Standards Update 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*, which amends the current reporting model and enhances required disclosures of not-for-profit organizations. The major changes of this update include, but are not limited to: (a) requiring the presentation of two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions," (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize contributions used to acquire or construct long-lived assets absent explicit donor restrictions otherwise, (d) requiring the presentation of an analysis of expenses by function and nature, (e) requiring the disclosure of information regarding liquidity and availability of resources, and (f) presenting investment return net of external and direct internal investment expenses. In addition, the update removes the requirement that statements of cash flows using the direct method also present a reconciliation consistent with the indirect method. Village Enterprise has applied the update retrospectively to all periods presented and adjusted the presentation of these consolidated financial statements accordingly. As a result, Village Enterprise reclassified the amounts formerly classified as unrestricted net assets to net assets without donor restrictions. In addition, Village Enterprise reclassified amounts formerly classified as temporarily restricted net assets to net assets with donor restrictions. The adoption of this update had no other effect on Village Enterprise's financial position and changes in net assets as of and for the years ended June 30, 2019 and 2018. Finally, Village Enterprise has elected to continue to present the statement of cash flows using the indirect method.

## VILLAGE ENTERPRISE FUND, INC. AND AFFILIATES

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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#### Recent Accounting Pronouncements

##### Revenue Recognition

In May 2014, the Financial Accounting Standards Board ("FASB") issued an accounting standards update which affects the revenue recognition of entities that enter into either (1) certain contracts to transfer goods or services to customers or (2) certain contracts for the transfer of nonfinancial assets. The update indicates an entity should recognize revenue in an amount that reflects the consideration the entity expects to be entitled to in exchange for the goods or services transferred by the entity. The update is to be applied to the beginning of the year of implementation or retrospectively and is effective for annual periods beginning after December 15, 2018 and in interim periods in annual periods beginning after December 15, 2019. Early application is permitted but no earlier than annual reporting periods beginning after December 31, 2016. Village Enterprise is currently evaluating the effect the update will have on its financial statements.

##### Contributions

In June 2018, the FASB issued an accounting standards update in an effort to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The FASB believes the update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (non-reciprocal transactions) within the scope of not-for-profit guidance, or as an exchange (reciprocal) transaction subject to other guidance and (2) determining whether a contribution is conditional or not. The update is effective on a modified prospective basis for fiscal years beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019, with early adoption permitted. Village Enterprise is currently evaluating the potential accounting, transition, and disclosure effects the update will have on its financial statements.

##### Leases

In February 2016, the FASB issued an accounting standards update which amends existing lease guidance. The update requires lessees to recognize a right-of-use asset and related lease liability for many operating leases now currently off-balance-sheet under current U.S. GAAP. Also, the FASB has issued amendments to the update with practical expedients related to land easements, lessor accounting, and disclosures related to accounting changes and error corrections. Village Enterprise is currently evaluating the effect the update will have on its financial statements.

The update originally required transition to the new lease guidance using a modified retrospective approach which would reflect the application of the update as of the beginning of the earliest comparative period presented. A subsequent amendment to the update provides an optional transition method that allows entities to initially apply the new lease guidance with a cumulative-effect adjustment to the opening balance of equity in the period of adoption. If this optional transition method is elected, after the adoption of the new lease guidance, Village Enterprise's presentation of comparative periods in the financial statements will continue to be in accordance with current lease accounting. Village Enterprise is evaluating the method of adoption it will elect. The update is effective for fiscal years beginning after December 15, 2020, and for interim periods within fiscal years beginning after December 15, 2021, with early application permitted.

**VILLAGE ENTERPRISE FUND, INC. AND AFFILIATES**

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018

**3. LIQUIDITY MANAGEMENT AND AVAILABILITY OF RESOURCES**

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Village Enterprise maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, Village Enterprise maintains cash in excess of monthly requirements in an interest bearing savings account which is highly liquid.

Village Enterprise's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

June 30,	2019	2018
Cash and cash equivalents	\$ 2,847,455	\$ 2,914,357
Accounts receivable	195,674	151,368
Promises to give	615,370	1,113,616
Total financial assets	<u>3,658,499</u>	<u>4,179,341</u>
Less amounts unavailable for general expenditures within one year due to:		
Restricted by donors with purpose restrictions	<u>(314,022)</u>	<u>(1,253,494)</u>
Total financial assets available to management for general expenditures within one year	<u><b>\$ 3,344,477</b></u>	<u><b>\$ 2,925,847</b></u>

**4. PROPERTY AND EQUIPMENT**

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Property and equipment consists of the following at June 30:

	<u>2019</u>	<u>2018</u>	<b>Estimated Useful Life</b>
Computers and equipment	\$ 20,977	\$ 32,908	5 years
Vehicles	75,593	75,593	5 years
	96,570	108,501	
Less accumulated depreciation	<u>(67,052)</u>	<u>(66,103)</u>	
	<u><b>\$ 29,518</b></u>	<u><b>\$ 42,398</b></u>	

Depreciation expense for the years ended June 30, 2019 and 2018 amounted to \$14,842 and \$11,804, respectively.

**5. PROMISES TO GIVE**

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Village Enterprise records unconditional promises to give from foundations at their net present value.

	<u>2019</u>	<u>2018</u>
Promises to give in less than one year	\$ 548,782	\$ 991,922
Promises to give in one to five years	66,588	121,694
Total promises to give	<u><b>\$ 615,370</b></u>	<u><b>\$ 1,113,616</b></u>



## VILLAGE ENTERPRISE FUND, INC. AND AFFILIATES

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

#### 6. GRANTS TO SMALL BUSINESSES

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Village Enterprise awards grants of roughly \$150 each to small startup businesses. The grant amounts are recorded as an expense at the time the grant is approved and awarded.

To qualify for the grant, businesses must submit a Small Business Application Form and other baseline surveys, attend training sessions, attend savings group meetings and begin saving on an individual level. Groups of three can apply for a second grant to either continue their businesses or start a new business. Grant applications and approvals go through the same process and approval before being awarded as the first grant. The businesses must submit a Progress Report form and additional survey data, as well as attend required training sessions. They must be functioning as a business group after being assessed by Village Enterprise's spot-checking team and have invested the first grant appropriately.

All grants were disbursed prior to year-end and there were no grants payable at June 30, 2019 or 2018.

#### 7. RELATED PARTY

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VEIB entered into a grant agreement with Village Enterprise on June 27, 2019 to provide working capital totaling \$900,000 for activities under the Project as set forth in the Agreement. This amount was due to Village Enterprise during the year ended June 30, 2019 and has been eliminated in consolidation.

VEIB entered into a grant agreement with Village Enterprise on June 26, 2018 to provide working capital totaling \$1,000,000 for activities under the Project as set forth in the Agreement. The amount was paid to Village Enterprise in full during the year ended June 30, 2018 and has been eliminated in consolidation.

#### 8. COMMITMENTS

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Village Enterprise leases office space in San Carlos, California under an operating lease agreement that expires on December 31, 2021. Rental expense amounted to \$37,440 and \$27,315 for the years ended June 30, 2019 and 2018, respectively.

Village Enterprise leases its Field Offices in Kitale (Kenya), Nairobi (Kenya), Soroti (Uganda), Gulu (Uganda) and Kampala (Uganda) under lease agreements varying from three months to two years. The leases in Nwoya (Uganda) and Hoima (Uganda) expired during the year ended June 30, 2018 and were not renewed. Total rent expense for the field offices in 2019 and 2018 amounted to \$37,771 and \$20,620, respectively, and is categorized under "Field Operations" in the statements of functional expenses.

Total future minimum lease payments amount to at June 30:

2020	\$	96,119
2021		58,350
2022		22,650
	\$	<u>177,119</u>

**VILLAGE ENTERPRISE FUND, INC. AND AFFILIATES**

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018

**9. NET ASSETS WITH DONOR RESTRICTIONS**

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Contributions that are restricted by a grantor agency or a donor are reported as an increase in net assets with donor restrictions and once the restriction expires, or the conditions are met in the reporting period in which the support is recognized, reclassified to net assets without donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. As of June 30, net assets with donor restrictions consist of:

	<u>2019</u>	<u>2018</u>
Uganda seed capital	\$ 142,610	\$ 196,538
Uganda program expenses	92,935	448,094
Dynamic Uganda youth	-	87,871
Uganda illegal wildlife trade	47,705	83,699
Kenya program expenses	-	181,802
Accelerator	-	122,289
Time restricted	75,000	-
Extend DRC program	30,772	133,201
<b>Total</b>	<b><u>\$ 389,022</u></b>	<b><u>\$ 1,253,494</u></b>

**10. NET ASSETS RELEASED FROM RESTRICTIONS**

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Net assets released from restrictions during the year by incurring expenses satisfying the restricted purposes were as follows:

	<u>2019</u>	<u>2018</u>
Safeguarding	\$ 40,398	\$ -
Consulting	100,000	-
Uganda seed capital	53,928	28,462
Uganda program expenses	505,505	354,917
Dynamic Uganda youth	87,871	138,283
Uganda illegal wildlife trade	35,994	33,183
Uganda refugee feasibility	68,366	23,000
Kenya program expenses	231,802	281,906
Accelerator	122,289	231,382
Time restricted	25,000	-
Extend DRC program	102,429	136,799
<b>Total</b>	<b><u>\$ 1,373,582</u></b>	<b><u>\$ 1,227,932</u></b>

**11. TAX EXEMPT STATUS**

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Village Enterprise and VECC are not-for-profit organizations, exempt from federal income taxes under Section 501(c)(3) of the U.S Internal Revenue Code (the Code), and contributions to them are tax deductible as prescribed by the Code. Village Enterprise and VECC are also exempt from California income taxes under Section 23701d of the California Revenue and Taxation Code. Village Enterprise and VECC are generally no longer subject to tax examinations relating to federal and state tax returns for years prior to 2016.

Village Enterprise and VECC have been classified as organizations that are not private foundations under Section 509(a)(1) and have been designated as “publicly supported” organizations under Section 170(b)(1)(A)(vi) of the Code.

## VILLAGE ENTERPRISE FUND, INC. AND AFFILIATES

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2019 AND 2018

#### 11. TAX EXEMPT STATUS (CONTINUED)

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Village Enterprise and VECC assess their accounting for uncertainty in income taxes recognized in their financial statements and prescribe a threshold of “more likely than not” for recognition and derecognition of tax positions taken or expected to be taken in their tax returns. Management believes that their not-for-profit statuses would be sustained upon examination.

VEIB is treated as a disregarded entity and is included in the tax filings of VECC.

#### 12. RETIREMENT PLAN

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Village Enterprise maintains a Simple IRA retirement plan for employees who have earned more than \$5,000 in the prior or current fiscal year. Village Enterprise will make matching contributions to employee pre-tax deferrals on a dollar-for-dollar basis of up to 1%, increasing to 3% during fiscal year 2019, of the employee’s total annual compensation. Village Enterprise may contribute less than a 3% match (but not less than 1%) in no more than two out of every five years. During the years ended June 30, 2019 and 2018, employer contributions totaled \$21,146 and \$8,717, respectively.

Village Enterprise team members (Class A only), who are located in Kenya and Uganda and are employed under fixed contracts of at least one year, shall be enrolled in an Independent Pension Plan (“IPP”) of their choice. Each quarter, Village Enterprise will match the employee’s contribution up to 5% of their gross salary. The employee contribution, together with the matching Village Enterprise contribution, will be sent to the IPP designated by the employee.

#### 13. CONCENTRATIONS

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Approximately 69% of Village Enterprise’s promises to give were due from four grantors at June 30, 2019. Approximately 55% of Village Enterprise’s promises to give were due from four grantors at June 30, 2018.

Approximately 80% of Village Enterprise’s contributions from foundation were from four foundations for the year ended June 30, 2019. Approximately 56% of Village Enterprise’s contributions from foundation were from four foundations for the year ended June 30, 2018.

## **SUPPLEMENTARY INFORMATION**

VILLAGE ENTERPRISE FUND, INC. AND AFFILIATES

CONSOLIDATING STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2019 AND 2018

	VEF	VEIB	VECC	Eliminations	2019		2018		
					Total	Total	Total	Total	
<b>ASSETS</b>									
Cash and cash equivalents	\$ 1,537,478	\$ 1,308,596	\$ 1,381	\$ -	\$ 2,847,455	\$ 2,914,357			
Accounts receivable	195,674	15,000	-	(15,000)	195,674	151,368			
Promises to give	1,515,370	-	-	(900,000)	615,370	1,113,616			
Prepaid expenses	24,535	-	-	-	24,535	15,178			
Property and equipment, net	29,518	-	-	-	29,518	42,398			
<b>TOTAL ASSETS</b>	<b>\$ 3,302,575</b>	<b>\$ 1,323,596</b>	<b>\$ 1,381</b>	<b>\$ (915,000)</b>	<b>\$ 3,712,552</b>	<b>\$ 4,236,917</b>			
<b>LIABILITIES AND NET ASSETS</b>									
<b>LIABILITIES</b>									
Accounts payable and accrued expenses	\$ 61,934	900,000	\$ 15,000	\$ (915,000)	\$ 61,934	\$ 163,360			
<b>TOTAL LIABILITIES</b>	<b>61,934</b>	<b>900,000</b>	<b>15,000</b>	<b>(915,000)</b>	<b>61,934</b>	<b>163,360</b>			
<b>NET ASSETS</b>									
Without donor restrictions	2,851,619	423,596	(13,619)	-	3,261,596	2,820,063			
With donor restrictions	389,022	-	-	-	389,022	1,253,494			
<b>TOTAL NET ASSETS</b>	<b>3,240,641</b>	<b>423,596</b>	<b>(13,619)</b>	<b>-</b>	<b>3,650,618</b>	<b>4,073,557</b>			
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,302,575</b>	<b>\$ 1,323,596</b>	<b>\$ 1,381</b>	<b>\$ (915,000)</b>	<b>\$ 3,712,552</b>	<b>\$ 4,236,917</b>			

See independent auditor's report.

**VILLAGE ENTERPRISE FUND, INC. AND AFFILIATES**  
**CONSOLIDATING STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	VEF		Total	VEIB		VECC		Eliminations	2019 Total	2018 Total
	Without donor restrictions	With donor restrictions		Without donor restrictions	Without donor restrictions					
<b>SUPPORT AND REVENUE:</b>										
Contributions from individuals	\$ 2,187,757	\$ -	\$ 2,187,757	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,187,757	\$ 1,400,383
Contributions from foundations	404,400	509,110	913,510	-	-	-	-	-	913,510	1,901,448
Recoverable grants	-	-	-	-	-	-	-	-	-	2,325,500
Development impact bond revenue	1,398,323	-	1,398,323	-	-	-	(900,000)	-	498,323	127,281
In-kind contributions	-	-	-	-	-	-	-	-	-	126,046
Net assets released from restrictions	1,373,582	(1,373,582)	-	-	-	-	-	-	-	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>5,364,062</b>	<b>(864,472)</b>	<b>4,499,590</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(900,000)</b>	<b>(900,000)</b>	<b>3,599,590</b>	<b>5,880,658</b>
<b>EXPENSES:</b>										
Program services:	3,267,609	-	3,267,609	900,000	-	-	(900,000)	(900,000)	3,267,609	2,585,928
Supporting services:	251,305	-	251,305	1,809	14,059	-	-	-	267,173	291,217
Management and general	487,747	-	487,747	-	-	-	-	-	487,747	423,603
Fundraising	4,006,661	-	4,006,661	901,809	14,059	-	(900,000)	(900,000)	4,022,529	3,300,748
<b>TOTAL EXPENSES</b>	<b>8,003,122</b>	<b>(864,472)</b>	<b>7,138,650</b>	<b>1,801,608</b>	<b>28,118</b>	<b>-</b>	<b>(900,000)</b>	<b>(900,000)</b>	<b>7,047,160</b>	<b>6,600,536</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,494,218</b>	<b>1,253,494</b>	<b>2,747,712</b>	<b>1,325,405</b>	<b>440</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,073,557</b>	<b>1,493,647</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>1,494,218</b>	<b>1,253,494</b>	<b>2,747,712</b>	<b>1,325,405</b>	<b>440</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,073,557</b>	<b>1,493,647</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 2,851,619</b>	<b>\$ 389,022</b>	<b>\$ 3,240,641</b>	<b>\$ 423,596</b>	<b>\$ (13,619)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,650,618</b>	<b>\$ 4,073,557</b>

See independent auditor's report.

**VILLAGE ENTERPRISE FUND, INC. AND AFFILIATES**  
**CONSOLIDATING STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	VEF				VEIB				VECC				Total	
	Kenya	Uganda	United States	Total Program Services	Supporting Services and Management General	Fundraising	Total	Development Impact Bond	Supporting Services and Management General	Total	Supporting Services and Management General	Eliminations	2019 Total	2018 Total
Grants to small businesses	\$ 556,379	\$ 373,063	\$ -	\$ 929,442	\$ -	\$ -	\$ 929,442	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 929,442	\$ 637,554
Grants to Village Enterprise	-	-	-	-	154,080	330,541	1,986,823	900,000	-	-	-	(900,000)	1,986,823	1,782,359
Personnel	652,416	498,172	351,614	1,502,202	2,079	-	36,171	-	-	-	-	-	36,171	32,386
Currency exchange loss	13,427	20,665	13,005	34,092	367	1,470	14,842	-	-	-	-	-	14,842	11,804
Depreciation	-	-	5,894	13,005	-	-	336,264	-	-	-	-	-	336,264	250,419
Field Operations	129,527	200,843	5,354	335,264	4,770	1,030	11,154	-	-	-	-	-	12,419	9,527
Insurance	-	-	-	175	-	-	175	-	-	-	-	-	175	11,424
Fellowships and internships	-	175	3,977	175	2,170	-	6,147	-	-	-	-	-	6,147	8,741
Meetings, conferences and training	-	-	3,977	3,977	-	-	17,082	-	-	-	-	-	17,082	47,935
Occupancy	16,621	21,150	11,934	49,705	8,424	17,082	75,211	-	-	-	-	-	75,211	8,741
Office	526	200	6,727	7,453	4,822	9,665	21,740	-	-	-	-	-	22,195	2,483
Other	-	-	-	-	67	-	67	-	-	-	-	-	67	2,890
Postage and shipping	-	-	-	-	1,000	-	1,000	-	-	-	-	-	1,020	50,330
Professional fees - In-kind	-	-	-	-	67,245	-	139,691	-	-	-	-	-	152,149	126,046
Professional fees	-	4,704	67,245	72,446	-	-	1,000	-	-	-	-	-	1,020	999
Marketing and communications	-	-	-	-	-	-	118,801	-	-	-	-	-	122,828	100,383
Taxes and fees	661	3,366	-	4,027	-	-	122,828	-	-	-	-	-	122,828	100,383
Travel	44,744	116,580	48,633	209,957	-	-	217,865	-	-	-	-	-	217,865	142,005
Training	32,697	41,308	1,468	76,089	3,954	3,954	76,089	-	-	-	-	-	76,089	25,418
Utilities	7,572	11,533	2,733	21,938	1,024	3,200	26,162	-	-	-	-	-	26,162	24,466
Website	-	-	1,503	1,503	1,503	2,004	5,010	-	-	-	-	-	5,010	11,579
Total expenses	\$ 1,455,067	\$ 1,292,457	\$ 520,085	\$ 3,267,609	\$ 281,305	\$ 487,747	\$ 4,006,661	\$ 900,000	\$ 1,809	\$ 901,809	\$ 14,059	\$ (900,000)	\$ 4,022,629	\$ 3,300,748

**VILLAGE ENTERPRISE FUND, INC. AND AFFILIATES**  
**CONSOLIDATING STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	Village		VEIB	VECC	Eliminations	2019		2018	
	Enterprise	Total				Total	Total		
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>									
Change in net assets	\$ 492,929	\$ (901,809)	\$ (14,059)	\$ -	\$ -	\$ (422,939)	\$ 2,579,910		
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:									
Depreciation and amortization	14,842	-	-	-	-	14,842	11,804		
Loss on disposal of property and equipment	699	-	-	-	-	699	557		
Changes in operating assets and liabilities:									
Accounts receivable	(94,306)	35,000	15,000	-	-	(44,306)	(145,501)		
Promises to give	(401,754)	-	-	-	900,000	498,246	(133,485)		
Prepaid expenses	(9,357)	-	-	-	-	(9,357)	10,396		
Accounts payable and accrued expenses	(101,426)	900,000	-	-	(900,000)	(101,426)	135,519		
<b>NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES</b>	<b>(98,373)</b>	<b>33,191</b>	<b>941</b>	<b>-</b>	<b>-</b>	<b>(64,241)</b>	<b>2,459,200</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>									
Purchase of property and equipment	(2,661)	-	-	-	-	(2,661)	(20,580)		
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(2,661)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,661)</b>	<b>(20,580)</b>		
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(101,034)</b>	<b>33,191</b>	<b>941</b>	<b>-</b>	<b>-</b>	<b>(66,902)</b>	<b>2,438,620</b>		
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>1,638,512</b>	<b>1,275,405</b>	<b>440</b>	<b>-</b>	<b>-</b>	<b>2,914,357</b>	<b>475,737</b>		
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 1,537,478</b>	<b>\$ 1,308,596</b>	<b>\$ 1,381</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,847,455</b>	<b>\$ 2,914,357</b>		

See independent auditor's report.