

ALL OUR KIN, INC.
Financial Statements
For the Year Ended
December 31, 2017

ALL OUR KIN, INC.
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KIRCALDIE, RANDALL & MCNAB LLC

CERTIFIED PUBLIC ACCOUNTANTS

NORTH HAVEN, CONNECTICUT 06473

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
All Our Kin, Inc.
New Haven, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of All Our Kin, Inc., (a nonprofit organization) which comprise the statement of financial position as of December 31, 2017 and the related statements of activities and changes in net assets, 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 judgement, 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 All Our Kin, Inc., as of December 31, 2017 and the results of its operations and changes in fund balances for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Kircaldie Randall & McNab LLC

North Haven, Connecticut
June 19, 2018

ALL OUR KIN, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017

ASSETS:

Current assets:

Cash	\$ 1,712,162
Accounts receivable	872,376
Advances receivable	5,980
Loans receivable	30,634
Prepaid expenses	5,631
Total current assets	\$ 2,626,783

Furniture & fixtures	\$ 33,622
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Other assets:

Deposits	\$ 15,125
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Total assets	\$ 2,675,530
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LIABILITIES:

Current liabilities:

Accounts payable	\$ 40,321
Accrued payroll taxes	6,980
Total current liabilities	\$ 47,301

Long-term liabilities:

Loan funds	\$ 40,000
Total liabilities	\$ 87,301

NET ASSETS:

Net assets - Unrestricted	\$ 1,113,046
Net assets - Temporarily restricted	1,475,183
Total net assets	\$ 2,588,229

Total liabilities & net assets	\$ 2,675,530
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KIRCALDIE, RANDALL & MCNAB LLC

ALL OUR KIN, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenue			
Grants	\$ 950,499	\$	\$ 950,499
Contributions	2,727,877	969,913	3,697,790
Interest income	2,004		2,004
Program services	1,449		1,449
Miscellaneous	7,654		7,654
Total support and revenue	<u>\$ 3,689,483</u>	<u>\$ 969,913</u>	<u>\$ 4,659,396</u>
Expenses			
Program services	\$ 2,910,317	\$ 0	\$ 2,910,317
Fundraising	81,889	0	81,889
Management and general	617,407	0	617,407
Total expenses	<u>\$ 3,609,613</u>	<u>\$ 0</u>	<u>\$ 3,609,613</u>
Excess support and revenue over expenses	\$ 79,870	\$ 969,913	\$ 1,049,783
Net assets beginning - January 1,	1,033,176	505,270	1,538,446
Net assets ending - December 31,	<u>\$ 1,113,046</u>	<u>\$ 1,475,183</u>	<u>\$ 2,588,229</u>

KIRCALDIE, RANDALL & MCNAB LLC

ALL OUR KIN, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Program Services	Fund Raising	Management & General	Total
Advertising	\$ 8,302	\$ 265	\$ 1,999	\$ 10,566
Dues & subscriptions	7,110	0	1,290	8,400
Child care EHS	499,736	0	0	499,736
Insurance	30,970	0	9,341	40,311
Meetings & conferences	79,993	3,764	10,352	94,109
Education materials	55,116	0	0	55,116
Payroll	1,530,189	47,639	369,659	1,947,487
Payroll taxes	128,905	6,562	28,597	164,064
Benefits	84,449	7,507	95,709	187,665
Hiring costs	2,898	90	700	3,688
Rent	100,729	3,136	24,334	128,199
Professional fees	9,318	1,994	1,827	13,139
Outside services	134,281	4,181	32,439	170,901
Office expenses	36,353	1,132	8,782	46,267
Supplies	4,417	137	1,067	5,621
Tool kit	29,031	0	0	29,031
Training	16,678	0	0	16,678
Travel	49,282	1,524	11,916	62,722
Utilities	17,612	548	4,255	22,415
Telephone	14,562	686	1,884	17,132
Maintenance and repairs	19,616	923	2,539	23,078
Security	880	42	113	1,035
Copier	10,537	328	2,545	13,410
Technology expenses	20,367	634	4,920	25,921
Bank fees	6,065	189	1,465	7,719
Depreciation	12,922	608	1,673	15,203
Total	\$ 2,910,317	\$ 81,889	\$ 617,407	\$ 3,609,613

KIRCALDIE, RANDALL & MCNAB LLC

ALL OUR KIN, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

Cash Flows from Operating Activities:

Excess support and revenue over expenses	\$ 1,049,783
Depreciation expenses	15,203
Adjustments to reconcile to net cash from operations	
Increase (decrease) in accounts receivable	(727,939)
Increase (decrease) in advances receivable	1,215
Increase (decrease) in prepaid expenses	1,697
(Increase) decrease in accounts payable	20,308
(Increase) decrease in accrued payroll taxes	(5,368)
Net cash flows provided (used) by operating activities	\$ 354,899

Cash Flows from Investing Activities:

Purchase of furniture and fixtures	\$ (17,161)
Deposits	4,225
Loan receivable, net	(2,881)
Net cash flows provided (used) by investing activities	\$ (15,817)

Cash Flows from Financing Activities:

Loan fund, net	\$ 0
Net cash flows provided (used) by financing activities	\$ 0

Net increase (decrease) in cash	\$ 339,082
Cash - beginning of the year	1,373,080
Cash - end of year	\$ 1,712,162

Supplemental Disclosure of Cash Flows Information

Interest paid	\$ 1,436
Income taxes paid	\$ 0

KIRCALDIE, RANDALL & MGNAB LLC

ALL OUR KIN, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

Organization

All Our Kin, Inc., is a non-stock, not-for-profit corporation organized in Connecticut to provide high-quality early care and education for all children, in the New Haven and Bridgeport, Connecticut area, and is expanding its programs as needed to other communities in Connecticut and New York. The organization runs its operations out of leased space in New Haven, Bridgeport and Stamford, Connecticut.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. Actual results could differ from those estimates.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis. Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded as incurred.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. There were \$1,475,183 temporarily restricted net assets at December 31, 2017. There were no permanently restricted net assets on December 31, 2017.

Contributions

The Organization accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in SFAS No. 116, Accounting for Contributions Received and Contributions Made. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

ALL OUR KIN, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies (Continued)

Contributions

All donor–restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

For purposes of financial statement presentation, the Organization considers all highly liquid investments with a maturity of six months or less to be cash equivalents.

Income Taxes

The Organization is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and therefore, no provision for income taxes has been made. The Organization is a public charity, not a private foundation.

Property and Equipment and Depreciation

Property and equipment are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts, less accumulated depreciation. Minor additions and renewals are expenses in the year incurred. Major additions and renewals are capitalized. There was \$15,203 of depreciation for the year ended December 31, 2017.

Note 2 – Cash

The following is a breakdown of cash at December 31, 2017

Cash-checking	\$ 221,729
Cash-savings	<u>1,490,433</u>
	<u>\$ 1,712,162</u>

Note 3 – Loans Receivable

The Organization, as part of its assistance to child care providers, loans out funds. The balance of these loans receivable at December 31, 2017 is \$30,634.

ALL OUR KIN, INC.
NOTES TO FINANCIAL STATEMENTS

Note 4 – Temporarily Restricted Net Assets

Temporarily restricted net assets amounted to \$1,475,183 as of December 30, 2017. This represents donations and grants, advances to be available to spend in the upcoming year(s).

Note 5 – Furniture and Fixtures

Furniture and fixtures, are recorded at cost or if donated at estimated fair market value upon receipt. The details of furniture and fixtures as of December 31, 2017 is as follows;

Equipment and fixtures	\$84,585
Less, accumulated depreciation	<u>50,963</u>
Book value	<u>\$33,622</u>

Depreciation expense for the year ended December 31, 2017 amounted to \$15,203.

There was \$17,161 in new computer and office equipment purchased during the 2017 year.

Note 6 – Loan Funds

The Organization has received restricted grants fund to help provide in the Organization's assistance to child care providers. At December 31, 2017, the balance of these restricted grants is \$40,000.

Note 7 – Economic Dependency

All Our Kin, Inc., derives a substantial portion of its revenue from donations and grants from public and private individuals. If the economic conditions change and the Organization can't sustain its current level of contributions, the Organization will have difficulty in continuing in its current form and function.

ALL OUR KIN, INC.
NOTES TO FINANCIAL STATEMENTS

Note 8 – Office Space

All Our Kin, Inc., occupies its operations out of its leased facilities located in New Haven, Bridgeport and Stamford, Connecticut. The lease in New Haven runs for (5) five years starting in January 2017 and runs through December 2022 with an option for another five years. The lease in Bridgeport runs for three years starting February 2017 through January 2020. The Stamford lease is for one year through September 30, 2018. The following is a breakdown of the lease payments over the next five years.

<u>Year</u>	<u>Total Rent</u>
2018	\$ 128,422
2019	108,622
2020	85,540
2021	76,872
2022	76,872

Note 9 – Loans Payable

All Our Kin, Inc., entered into a line of credit agreement at a bank. The line was open at \$100,000, with an interest rate of 5.5% per annum. At December 31, 2017, the balance of the line of credit was zero. The credit line is renewable annually.

Note 10 – Uninsured Cash Balances

All Our Kin, Inc., maintains their cash in bank deposits at (3) three high credit quality financial institutions. The balance at times exceeds the federally insured limits. At December 31, 2017, the cash balance did exceed the insured limit of \$250,000, by \$1,212,162.

Note 11 - Subsequent Events

There were no subsequent events as evaluated through June 19, 2017, the date the financial statements were available to be issued.