

**ALL OUR KIN, INC.**  
*Financial Statements*  
*For the Year Ended*  
December 31, 2015

**ALL OUR KIN, INC.**  
**TABLE OF CONTENTS**

	Page Number
Independent Auditor's Report	1
Financial Statements:	
Statement of Financial Position	3
Statement of Activity and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-10

**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, 2015, 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, 2015, 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 15, 2016

**ALL OUR KIN, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2015**

**ASSETS:**

Current assets:

Cash	\$ 685,078
Accounts receivable	107,165
Advances receivable	4,430
Loans receivable	21,936
Prepaid expenses	3,113
Total current assets	<u>\$ 821,722</u>

Furniture & fixtures	<u>\$ 28,346</u>
----------------------	------------------

Other assets:

Deposits	<u>\$ 17,163</u>
----------	------------------

Total assets	<u>\$ 867,231</u>
--------------	-------------------

**LIABILITIES:**

Current liabilities:

Accounts payable	\$ 17,911
Accrued payroll taxes	3,974
Total current liabilities	<u>\$ 21,885</u>

Long-term liabilities:

Loan funds	\$ 40,000
Total liabilities	<u>\$ 61,885</u>

**NET ASSETS:**

Net assets - unrestricted	<u>\$ 805,346</u>
---------------------------	-------------------

Total liabilities & net assets	<u>\$ 867,231</u>
--------------------------------	-------------------

**ALL OUR KIN, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**Support and Revenue**

Grants	\$ 371,017
Contributions	1,779,454
Conferences	2,500
Interest income	1,092
Program services	5,116
Miscellaneous	0
Total support and revenue	\$ 2,159,179

**Expenses**

Program services	\$ 1,775,044
Fundraising	65,333
Management and general	287,835
Total expenses	\$ 2,128,212

<b>Excess support and revenue over expenses</b>	\$ 30,967
<b>Net assets beginning - January 1,</b>	774,379
<b>Net assets ending - December 31,</b>	\$ 805,346

KIRCALDIE, RANDALL & MGNAB LLC

**ALL OUR KIN, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Program Services	Fund Raising	Management & General	Total
Advertising	\$ 0	\$ 0	\$ 0	\$ 0
Dues & subscriptions	4,697	0	836	5,533
Child care EHS	196,229	0	0	196,229
Insurance	27,083	0	6,355	33,438
Meetings & conferences	71,065	3,304	9,353	83,722
Education materials	31,030	0	0	31,030
Payroll	988,443	45,958	130,089	1,164,490
Payroll taxes	82,523	3,837	10,861	97,221
Benefits	35,016	0	63,807	98,823
Hiring costs	3,640	0	5,500	9,140
Rent	81,606	3,794	10,740	96,141
Professional fees	30,588	1,725	3,723	36,036
Outside services	58,450	1,256	32,409	92,115
Office expenses	19,902	925	2,619	23,447
Supplies	5,076	236	668	5,980
Tool kit	11,678	0	0	11,678
Training	11,370	0	0	11,370
Travel	40,428	948	1,395	42,771
Utilities	16,732	778	2,202	19,712
Telephone	9,915	461	1,305	11,681
Maintenance and repairs	9,114	424	1,199	10,737
Copier	7,287	339	959	8,585
Technology expenses	16,482	766	2,169	19,418
Stipends	4,190	0	0	4,190
Bank fees	4,219	196	555	4,971
Depreciation	8,279	385	1,090	9,754
Total	<u>\$ 1,775,044</u>	<u>\$ 65,333</u>	<u>\$ 287,835</u>	<u>\$ 2,128,212</u>

KIRCALDIE, RANDALL & MGNAB LLC

**ALL OUR KIN, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**Cash Flows from Operating Activities:**

Excess support and revenue over expenses	\$ 30,967
Depreciation expenses	9,754
Adjustments to reconcile to net cash from operations	
Increase (decrease) in accounts receivable	(82,841)
Increase (decrease) in advances receivable	(2,380)
Increase (decrease) in prepaid expenses	5,913
(Increase) decrease in accounts payable	(4,481)
(Increase) decrease in accrued payroll taxes	2,271
<b>Net cash flows provided (used) by operating activities</b>	<b>\$ (40,797)</b>

**Cash Flows from Investing Activities:**

Purchase of furniture and fixtures	\$ (6,766)
Deposits	(3,300)
Loan receivable, net	8,907
<b>Net cash flows provided (used) by investing activities</b>	<b>\$ (1,159)</b>

**Cash Flows from Financing Activities:**

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

Net increase (decrease) in cash	\$ (41,956)
Cash - beginning of the year	727,034
<b>Cash - end of year</b>	<b>\$ 685,078</b>

**Supplemental Disclosure of Cash Flows Information**

Interest paid	\$ 0
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. 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 no temporarily restricted net assets at December 31, 2015. There were no permanently restricted net assets on December 31, 2015.

**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 \$9,754 of depreciation for the year ended December 31, 2015.

**Note 2 – Cash**

The following is a breakdown of cash at December 31, 2015

Cash-checking	\$ 258,867
Cash-paypal	10,512
Cash-savings	<u>415,699</u>
	<u>\$ 685,078</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, 2015 is \$21,936.

**ALL OUR KIN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 4 – 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, 2015 is as follows;

Equipment and fixtures	\$ 52,147
Less, accumulated depreciation	<u>23,801</u>
Book value	<u>\$28,346</u>

Depreciation expense for the year ended December 31, 2015 amounted to \$9,754.

There was \$1,999 in office equipment and \$4,767 in new computer equipment purchased during the 2015 year.

**Note 5 – Loan Funds**

The Organization has received restricted grants fund to help provide in the organizations assistance to child care providers. At December 31, 2015 the balance of these restricted grants is \$40,000.

**Note 6 – 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.

**Note 7 – 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 2013 and runs through December 2018 with an option for another five years. The lease in Bridgeport runs for three years starting February 2014 through January 2017. The Stamford lease is for one year starting October 15, 2015 through September 30, 2016. The following is a breakdown of the lease payments over the next five years.

<b><u>Year</u></b>	<b><u>Total Rent</u></b>
2016	\$ 93,528
2017	50,552
2018	44,928

**ALL OUR KIN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 8 – 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, 2015, the cash balance did exceed the insured limit of \$250,000, by \$157,445.

**Note 9: Subsequent Events:**

There were no subsequent events as evaluated through June 15, 2016, the date the financial statements were available to be issued.