

ALL OUR KIN, INC.
Financial Statements
For the Year Ended
December 31, 2016

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, 2016 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, 2016 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
September 19, 2017

ALL OUR KIN, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016

ASSETS:

Current assets:

Cash	\$ 1,373,080
Accounts receivable	144,437
Advances receivable	7,195
Loans receivable	27,753
Prepaid expenses	7,328
Total current assets	\$ 1,559,793

Furniture & fixtures	\$ 31,664
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Other assets:

Deposits	\$ 19,350
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Total assets	\$ 1,610,807
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LIABILITIES:

Current liabilities:

Accounts payable	\$ 20,013
Accrued payroll taxes	12,348
Total current liabilities	\$ 32,361

Long-term liabilities:

Loan funds	\$ 40,000
Total liabilities	\$ 72,361

NET ASSETS:

Net assets - Unrestricted	\$ 1,033,176
Net assets - Temporarily restricted	505,270
Total net assets	\$ 1,538,446

Total liabilities & net assets	\$ 1,610,807
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KIRCALDIE, RANDALL & MGNAB LLC

ALL OUR KIN, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
Support and Revenue			
Grants	\$ 668,794	\$ 505,270	\$ 1,174,064
Contributions	2,236,339		2,236,339
Interest income	988		988
Program services	6,880		6,880
Miscellaneous	9,292		9,292
Total support and revenue	<u>\$ 2,922,293</u>	<u>\$ 505,270</u>	<u>\$ 3,427,563</u>
Expenses			
Program services	\$ 2,309,259	\$ 0	\$ 2,309,259
Fundraising	80,139	0	80,139
Management and general	305,065	0	305,065
Total expenses	<u>\$ 2,694,463</u>	<u>\$ 0</u>	<u>\$ 2,694,463</u>
Excess support and revenue over expenses	\$ 227,830	\$ 505,270	\$ 733,100
Net assets beginning - January 1,	805,346	0	805,346
Net assets ending - December 31,	<u>\$ 1,033,176</u>	<u>\$ 505,270</u>	<u>\$ 1,538,446</u>

KIRCALDIE, RANDALL & MGNAB LLC

ALL OUR KIN, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Program Services	Fund Raising	Management & General	Total
Advertising	\$ 5,344	\$ 251	\$ 691	\$ 6,286
Dues & subscriptions	5,354	0	965	6,319
Child care EHS	461,907	0	0	461,907
Insurance	21,070	0	6,355	27,425
Meetings & conferences	78,022	3,672	10,096	91,790
Education materials	30,601	0	0	30,601
Payroll	1,235,461	58,139	159,883	1,453,483
Payroll taxes	102,767	4,836	13,299	120,902
Benefits	44,086	0	81,875	125,961
Hiring costs	2,838	0	501	3,339
Rent	84,430	3,973	10,926	99,329
Professional fees	8,720	1,725	920	11,365
Outside services	28,167	1,326	3,645	33,138
Office expenses	19,663	925	2,545	23,133
Supplies	2,206	104	285	2,595
Tool kit	31,274	0	0	31,274
Training	21,353	0	0	21,353
Travel	35,718	940	1,396	38,054
Utilities	15,536	731	2,011	18,278
Telephone	11,765	554	1,522	13,841
Maintenance and repairs	11,975	563	1,550	14,088
Security	1,171	55	151	1,377
Copier	11,824	556	1,530	13,910
Technology expenses	17,617	829	2,280	20,726
Bank fees	10,226	481	1,323	12,030
Depreciation	10,165	478	1,316	11,959
Total	<u>\$ 2,309,259</u>	<u>\$ 80,139</u>	<u>\$ 305,065</u>	<u>\$ 2,694,463</u>

KIRCALDIE, RANDALL & MGNAB LLC

ALL OUR KIN, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

Cash Flows from Operating Activities:

Excess support and revenue over expenses	\$ 733,100
Depreciation expenses	11,959
Adjustments to reconcile to net cash from operations	
Increase (decrease) in accounts receivable	(37,272)
Increase (decrease) in advances receivable	(2,765)
Increase (decrease) in prepaid expenses	(4,215)
(Increase) decrease in accounts payable	2,102
(Increase) decrease in accrued payroll taxes	8,374
Net cash flows provided (used) by operating activities	<u>\$ 711,283</u>

Cash Flows from Investing Activities:

Purchase of furniture and fixtures	\$ (15,277)
Deposits	(2,187)
Loan receivable, net	(5,817)
Net cash flows provided (used) by investing activities	<u>\$ (23,281)</u>

Cash Flows from Financing Activities:

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

Net increase (decrease) in cash	\$ 688,002
Cash - beginning of the year	685,078
Cash - end of year	<u>\$ 1,373,080</u>

Supplemental Disclosure of Cash Flows Information

Interest paid	<u>\$ 0</u>
Income taxes paid	<u>\$ 0</u>

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 \$11,959 of depreciation for the year ended December 31, 2016.

Note 2 – Cash

The following is a breakdown of cash at December 31, 2016

Cash-checking	\$ 176,612
Cash-savings	<u>1,196,468</u>
	<u>\$ 1,373,080</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, 2016 is \$27,753.

ALL OUR KIN, INC.
NOTES TO FINANCIAL STATEMENTS

Note 4 – Temporarily Restricted Net Assets

Temporarily restricted net assets amounted to \$505,270 as of December 30, 2016. 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, 2016 is as follows;

Equipment and fixtures	\$ 67,424
Less, accumulated depreciation	<u>35,760</u>
Book value	<u>\$31,664</u>

Depreciation expense for the year ended December 31, 2015 amounted to \$11,959.

There was \$15,277 in new computer equipment purchased during the 2016 year.

Note 6 – Loan Funds

The Organization has received restricted grants fund to help provide in the organizations assistance to child care providers. At December 31, 2016 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.

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 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 through September 30, 2017. The following is a breakdown of the lease payments over the next five years.

<u>Year</u>	<u>Total Rent</u>
2017	\$ 99,329
2018	44,928

ALL OUR KIN, INC.
NOTES TO FINANCIAL STATEMENTS

Note 9 – 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, 2016, the cash balance did exceed the insured limit of \$250,000, by \$825,711.

Note 10 - Subsequent Events

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