

**Yei Education & Development Agency**

**Years Ended December 31, 2006 and December 31, 2005**

**Financial Statements**

**And**

**Independent Auditor's Report**



# **Yei Education & Development Agency**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Yei Education & Development Agency  
Salt Lake City, UT

We have audited the accompanying statement of financial position of Yei Education & Development Agency (a nonprofit organization) as of December 31, 2006 and December 31, 2005, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Yei Education & Development Agency as of December 31, 2006 and December 31, 2005, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Shaw Mumford & Co., P.C.*

Bountiful, Utah  
October 12, 2007

# Yei Education & Development Agency

## Statements of Financial Position

December 31, 2006 and 2005

	<u>12/31/2006</u>	<u>12/31/2005</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 6,935	\$ 9,617
Total current assets	<u>6,935</u>	<u>9,617</u>
Furniture and equipment, at cost	1,625	1,625
Less accumulated depreciation	<u>(1,625)</u>	<u>(1,325)</u>
Net furniture and equipment	<u>-</u>	<u>300</u>
Total assets	<u>\$ 6,935</u>	<u>\$ 9,917</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ -	\$ -
Accrued liabilities	<u>-</u>	<u>-</u>
Total current liabilities	<u>-</u>	<u>-</u>
Net assets		
Unrestricted	6,935	9,917
Temporarily restricted	-	-
Permanently restricted	<u>-</u>	<u>-</u>
Total net assets	<u>6,935</u>	<u>9,917</u>
Total liabilities and net assets	<u>\$ 6,935</u>	<u>\$ 9,917</u>

See accompanying notes to financial statements.

# Yei Education & Development Agency

## Statement of Activities Year Ended December 31, 2006

	12/31/2006			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUES AND SUPPORT</b>				
Contributions	\$ 2,800	\$ -	\$ -	\$ 2,800
Total revenues and support	2,800	-	-	2,800
<b>EXPENSES</b>				
Program services	5,175	-	-	5,175
Management and general	607	-	-	607
Fundraising	-	-	-	-
Total expenses	5,782	-	-	5,782
Change in net assets	(2,982)	-	-	(2,982)
Net assets, beginning of year	9,917	-	-	9,917
Net assets, end of year	\$ 6,935	\$ -	\$ -	\$ 6,935

See accompanying notes to financial statements.

# Yei Education & Development Agency

## Statement of Activities Year Ended December 31, 2005

	12/31/2005			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUES AND SUPPORT</b>				
Contributions	\$ 9,534	\$ -	\$ -	\$ 9,534
Total revenues and support	9,534	-	-	9,534
<b>EXPENSES</b>				
Program services	8,975	-	-	8,975
Management and general	3,558	-	-	3,558
Fundraising	-	-	-	-
Total expenses	12,533	-	-	12,533
Change in net assets	(2,999)	-	-	(2,999)
Net assets, beginning of year	12,916	-	-	12,916
Net assets, end of year	<u>\$ 9,917</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,917</u>

See accompanying notes to financial statements.

# Yei Education & Development Agency

## Statement of Functional Expenses

Year Ended December 31, 2006

	12/31/2006			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Scholarship expense	\$ 5,060	\$ -	\$ -	\$ 5,060
Licenses and permits	57	125	-	182
Bank fees	10	70	-	80
Office Supplies	-	53	-	53
Postage	48	8	-	56
Web expense	<u>-</u>	<u>51</u>	<u>-</u>	<u>51</u>
 Total expenses before depreciation	 5,175	 307	 -	 5,482
 Depreciation	 <u>-</u>	 <u>300</u>	 <u>-</u>	 <u>300</u>
 Total expenses	 <u>\$ 5,175</u>	 <u>\$ 607</u>	 <u>\$ -</u>	 <u>\$ 5,782</u>

See accompanying notes to financial statements.

# Yei Education & Development Agency

## Statement of Functional Expenses

Year Ended December 31, 2005

	12/31/2005			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Scholarship expense	\$ 8,103	\$ -	\$ -	\$ 8,103
Travel	-	2,800	-	2,800
Legal and professional fees	872	-	-	872
Bank fees	-	140	-	140
Licenses and permits	-	201	-	201
Postage	-	61	-	61
Printing and publications	-	31	-	31
	<u>-</u>	<u>31</u>	<u>-</u>	<u>31</u>
Total expenses before depreciation	8,975	3,233	-	12,208
Depreciation	-	325	-	325
	<u>-</u>	<u>325</u>	<u>-</u>	<u>325</u>
Total expenses	<u>\$ 8,975</u>	<u>\$ 3,558</u>	<u>\$ -</u>	<u>\$ 12,533</u>

See accompanying notes to financial statements.



# Yei Education & Development Agency

## Statements of Cash Flows Years Ended December 31, 2006 and 2005

	<u>12/31/2006</u>	<u>12/31/2005</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (2,982)	\$ (2,999)
Adjustments to reconcile change in net assets to net cash (used in) operating activities:		
Depreciation	<u>300</u>	<u>325</u>
Net cash (used in) operating activities	<u>(2,682)</u>	<u>(2,674)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<u>-</u>	<u>-</u>
Net change in cash	(2,682)	(2,674)
Cash and cash equivalents, beginning of year	<u>9,617</u>	<u>12,291</u>
Cash and cash equivalents, end of year	<u><u>\$ 6,935</u></u>	<u><u>\$ 9,617</u></u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>
Cash paid for taxes	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

# **Yei Education & Development Agency**

## **Notes to Financial Statements December 31, 2006 and 2005**

### **1. ORGANIZATION BASIS OF PRESENTATION**

Yei Education & Development Agency (the “Organization”) was incorporated under the laws of the State of Utah as a nonprofit corporation on March 15, 2001. The objectives of the Organization are as follows:

- To provide educational opportunities for primary, secondary, and post-secondary students in Yei and Morobo Counties.
- To provide material resources for educational institutions, including primary and secondary schools for returnees children around Yei and Morobo counties.
- To promote economic self-reliance and infrastructure development across a broad range of fields, including, but not limited to, agriculture, communications, and transportation
- To promote sound, basic, health practices through education, particularly regarding preventive medicine, HIV/AIDS and women’s reproductive issues
- To provide a forum for discussion of issues related to development, education, and health in Southern Sudan and to bring together, in the spirit of cooperation and collaboration, many people committed to these issues
- To serve as a catalyst for the overall improvement in the standard of living of the people of Southern Sudan and to build a strong foundation for future growth and development.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Organization have been prepared on the accrual basis. The Organization follows the provisions of Statements of Financial Accounting Standards (SFAS) No. 117, “Financial Statements of Not-for-Profit Organizations” and SFAS No. 116, “Accounting for Contributions Received and Contributions Made.”

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

#### Estimates in the Financial Statements

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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.

#### Classes of Net Assets

Revenues and gains are classified based on the presence or absence of donor restrictions and reported in the following net asset categories:

- a. Unrestricted net assets represent the portion of net assets not subject to donor restrictions.
- b. Temporarily restricted net assets arise from contributions that are restricted by the donor for specific purposes or time periods.
- c. Permanently restricted net assets arise from contributions that are restricted by the donor in perpetuity.

All contributions are considered available for unrestricted use, unless specifically restricted by the donors. All expenses are reported as changes in unrestricted net assets.

#### Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

#### Contributions

Unconditional promises to give are recognized as revenue when the underlying promises are received by the Organization. Gifts of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restrictions 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.

#### Furniture and Equipment

Furniture and equipment are recorded at acquisition cost, or if donated, at the fair market value at the date donated. Depreciation expense is provided on a straight-line basis over the following estimated useful lives of the respective assets, which are five years. Depreciation expense for the years ended December 31, 2006 and 2005 was \$300 and \$325, respectively.

#### Income taxes

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for the years ended December 31, 2006 and 2005.

#### Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.