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A Child For All Inc. (ACFA Inc.)

Consolidated Financial Statements

Years Ended December 31, 2017 and 2016

A Child For All Inc. (ACFA Inc.)

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December 31, 2017 and 2016

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Independent Auditors' Report

The Board of Directors
A Child For All, Inc.
PSC 851 Box 1076
FPO AE 09834

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **A Child For All (ACFA)**, which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, and the related consolidated statements of activities, 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.

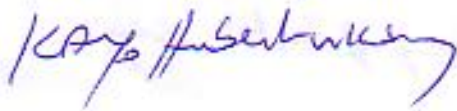
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, 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 on the consolidated Financial Statements

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of **A Child For All Inc.** as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in blue ink, appearing to read "Wilson Kayo".

February 28, 2018

A Child For All Inc. (ACFA Inc.)
Consolidated Statements of Financial Position

	December 31,	2017	2016
Assets			
Cash and Cash Equivalents (Notes 2c and 3a)	\$51,921	\$56,290	
Grants Receivable (Notes 2d and 3b)	\$5,042	\$2,616	
Inventory (Notes 2e and 3c)	\$2,060	\$2,005	
Prepaid Expenses (Notes 2f and 3d)	\$381	\$492	
Property and equipment, net of accumulated depreciation (Notes 2g and 3e)	\$244,601	\$244,521	
Total Assets	\$304,005	\$305,923	
Liabilities and Net Assets			
Liabilities			
Accounts Payable (Notes 2h and 3f)	\$1,963	\$2,812	
Total Liabilities	\$1,963	\$2,812	
Net Assets			
Unrestricted (Notes 2i and 3g)	\$302,041	\$303,111	
Temporarily Restricted	\$0	\$0	
Permanently Restricted	\$0	\$0	
Total Net Assets	\$302,041	\$303,111	
Total Liabilities and Net Assets	\$304,005	\$305,923	

See accompanying notes to the consolidated financial statements.

A Child For All Inc. (ACFA Inc.)
Consolidated Statements of Activities

For the Years Ended December 31,	2017	2016
	Unrestricted	Unrestricted
Revenues, Gains and Other Support (Notes 2j and 3h)		
Contributions		
Corporates	\$19,196	\$20,737
Foundations	\$14,193	\$2,446
Individuals	\$16,812	\$12,677
Total Contributions	\$50,201	\$35,860
Other Revenues		
Revenues from Sales	\$76	\$286
Dividends from bank	\$179	\$327
In-Kind Donations (Notes 2k, and 3i)	\$2,618	\$5,837
Miscellaneous Gain (Notes 3j)	\$(494)	\$(2,277)
Total Other Revenues	\$2,379	\$4,173
Total Revenues, Gains, and Others	\$52,581	\$40,033
Expenses and Losses (Notes 2l and 3k)		
Program Services		
Nutrition	\$6,198	\$7,557
Health Care	\$851	\$680
Education and Sports	\$5,945	\$5,191
Clothing and Personal Hygiene	\$3,333	\$3,510
Transportation and entertainment	\$1,735	\$1,730
Transaction Fees	\$125	\$250
Farming and House Expenses	\$96	\$5,340
Other Program Services	\$2,192	\$0
Salary	\$10,099	\$8,809
Total Program Services	\$30,574	\$33,067
Management and Administration		
Occupancy Expenses	\$6,121	\$0
Registration and Taxes	\$59	\$52
Contract Services (includes Web Maintenance)	\$12,954	\$19,196

Communication, Marketing and Travel	\$1,163	\$1,182
Business Expenses	\$1,612	\$628
Cost of Goods Sold	\$5	\$85
Total Management and Administration	\$21,914	\$21,143
Fundraising		
Online Donation Fees	\$223	\$124
Other Fundraising Fees	\$940	\$0
Special Event Fees	\$0	\$1,250
Total Fundraising Fees	\$1,163	\$1,374
Total Expenses and Losses	\$53,650	\$55,584
Change in Net Assets	\$(1,070)	\$(15,551)
Other Change in Net Asset (Notes 2m and 3l)	\$0	\$0
Net Assets, Beginning of Year	\$303,110	\$318,662
Net Assets, End of Year	\$302,040	\$303,110

See accompanying notes to the consolidated financial statements.

A Child For All Inc. (ACFA Inc.)
Consolidated Statement of Cash Flow

	2017	2016
Operating Activities		
Change in Net Assets	\$(1,070)	\$(15,551)
Changes in Assets:(increase) decrease in:		
Contributions Receivable	\$(2,426)	\$17,634
Inventory and Prepaid Expenses	\$200	\$1,227
Accounts Payable	\$(849)	\$1,712
Net Cash provided by operating activities	<u>\$(4,145)</u>	<u>\$5,022</u>
Investing Activities		
Property and Equipment	\$(516)	\$(37,906)
Other type of investing activities	\$292	\$0
Net Cash used in investing	<u>\$(224)</u>	<u>\$(37,906)</u>
Financing Activities		
Payment of long-term debts	\$0	\$0
Net Cash used in financing activities	\$0	\$0
Increase in Cash and Cash equivalent	\$(4,369)	\$(32,884)
Cash and Cash equivalent beginning of the year	<u>\$56,290</u>	<u>\$89,174</u>
Cash and Cash equivalent end of the year	<u>\$51,921</u>	<u>\$56,290</u>

See accompanying notes to the consolidated financial statements.

A Child For All Inc. (ACFA Inc.)

Notes to the Consolidated Financial Statements

1. Organization and Program

A Child for All Inc. (ACFA) is a U.S. based non-profit-organization with operations in the Republic of Mali, West Africa. The organization provides shelter, health care, food and education both traditional school and extra curricular activities such as tutoring classes and sport, to Mali's vulnerable children. ACFA was founded on March 25, 2008 in Stafford, Virginia, U.S. Though it receives minor income from business ventures such as sales of T-shirts and Mali's artifacts, the primary sources of ACFA's revenues are contributions from foundations, corporations and individuals.



Children enjoying Christmas at Zorokoro-Dec 2017

ACFA's 2013 expansion, the Zorokoro Children Complex, to allow the organization to increase its impact by supporting more children has been on hold for the past couple of years due to lack of funding. When completed, the complex will support up to 100 vulnerable children, and over 1,000 community members through medical and education services. The dorm will lodge up to 100 children, who will all be fed at the dining facility, the school, the medical clinic, the in-door and an out-door sport complexes, the library, and computer lab will support not only ACFA's children but also other children and adults in Zorokoro and its surrounding villages. The total cost of the project is \$1.5 million dollars. To date ACFA has invested over \$250K in Zorokoro. Due to financial set backs, ACFA's new adjusted estimated completion date of Zorokoro is 2023.

In 2017, ACFA hired three more consultants: two fundraising/development consultants and one social media/advertising consultant. The goal was to set up structures that will allow ACFA to leverage the many foundations' donations, and also improve our efforts of spreading awareness about ACFA through social medias such as Facebook, Twitter, Instagram, etc.

ACFA-Mali is the Mali operations of ACFA and is financially and administratively supported by ACFA-USA. ACFA-USA, consisting of the Executive Director and the Board of Directors, all located in the Washington D.C. area, exercises administrative

oversight and sets policy direction for ACFA-Mali. ACFA's vision is a Mali where all children are afforded the tools necessary for a successful future. ACFA's mission is to provide Mali's vulnerable children a safe and loving environment, which fosters their health, learning, happiness, and success.

ACFA accomplishes its mission through the delivery of four programs: shelter, nutrition, health care, and education. Through these programs ACFA gives the children a loving environment conducive to their physical, mental, psychological, and intellectual development.



Zorokoro Children Complex Dorm-Jan 2017

Shelter: Located in Bamako, the capital city of Mali, ACFA-Mali is home to Mali's vulnerable children. ACFA's live-in staff and volunteers care for the children on a daily basis. Once completed, the Zorokoro Children Complex will be the children's new home.

Nutrition: On a daily basis, ACFA's staff prepares and distributes to the children, a nutritionist approved healthy and balanced menu. Snacks

are also provided for school. Such a diet is essential to the children's physical and mental development. Additionally, the children receive daily vitamin supplements. They have a special diet that is required for their sport activities.

Health Care: In coordination with on the ground Health Care Centers and clinics, ACFA-Mali provides the highest health care services to ACFA's children. In addition, volunteer local doctors and pharmacists assist ACFA in the delivery of its health care program through free consultations and medications.

Education: ACFA children attend private schools. Additionally, ACFA provides extracurricular activities in the form of additional instructions in Math and French. During summer the children also take classes to give them a head start on the academic year. This year we implemented a new curriculum for our two children who started middle school. Further, ACFA provides the children with vocational training in tailoring, barbershop and hair braiding, moto bike mechanics, carpentry, etc.



Diakassan Practicing Fencing-Dec 2017

These programs coupled with physical activities such as basketball, fencing, and taekwondo classes all contribute to the children's mental and intellectual development.

Revenue sources: ACFA conducts silent auctions and sales of donated and purchased arts and craft material from Mali. Additionally, ACFA sales ACFA T-shirt on hand in inventory. ACFA paused its farming program in 2017 and is assessing the program to see if it should move forward with it or incorporate other programs such as cattle or poultry farming etc.

2. Summary of Significant Accounting Policies

a. Basis of Accounting

The accompanying financial statements of ACFA are presented in conformity with accounting principles generally accepted in the United States of America and have been prepared on the accrual basis of accounting.

Classification of Net Assets: ACFA does not have any restricted assets. All assets are available to support ACFA's operations and capital investment as designated by the donors and by the board of directors.

Revenue Recognition: Upon receipt, unless otherwise directed by the donors, pledges, cash, grants and contributions are considered unrestricted and available for general operations.

b. Income Taxes

ACFA is exempt from the payment of income taxes on its exempt activities under Section 501 (c) (3) of the Internal Revenue Code, and has been classified by the Internal revenue Service as other than a private foundation within the meaning of Section 509 (a)(1) of the Internal Revenue Code.

c. Cash and Cash Equivalents

For purposes of the consolidated statements of financial position and the statement of cash flows, ACFA considers all deposits into checking, savings, money market, PayPal

and square accounts, pledges and investment with a purchased maturity of three month or less to be cash equivalents.

d. Grant Receivable

The donations receivable consist of pledges made in 2017 that will be received throughout 2018. These pledges are from foundations and individuals.

e. Inventory

Inventory includes T-shirts for sale on hand, farming crop harvested and held in inventory prior to consumption by the children, and arts material on hand to be sold at future fundraising or other events. It also includes food, clothing, toys, and shoes, donated by constituents, for the children consumption and wear but not yet issued to the children at the end of the 2017 fiscal year.

f. Prepaid Expenses

Prepaid expenses consist of fees that were paid by ACFA for services that have not yet been rendered.

g. Property and equipment

Property and equipment consist of investment made at ACFA-Mali in Zorokoro and Badalabougou, where the children currently reside. They include buildings; containers used for storage, bunk beds for the dorm, etc. ACFA considers Zorokoro as a property in progress since construction is still ongoing and therefore will not depreciate Zorokoro building this year. But equipment such as beds, chairs, tables, desks, etc... have been depreciated this year.

h. Account Payable

Accounts payable consist of services incurred in 2017 that ACFA will pay for in 2018.

i. Unrestricted Asset

ACFA considers all assets to be unrestricted, as no donor has earmarked its donation for any specific purposes.

j. Revenues

ACFA recognizes as donations all pledges, cash, checks, and credit card donations as well as those In-Kind donations that can be evaluated. Additionally, total revenue

included sales of inventory items such as crops, t-shirts, arts material, etc. as well as interest earned at the bank.

k. In-Kind Revenues

Recorded Amounts

In-kind contributions of goods, services, and facilities used for operations or special events are recognized as in-kind contributions in accordance with generally accepted accounting principles. Donated goods used for meals, clothing, personal hygiene, and toys of the children are included in the costs of direct benefit to the children and donated services are included in management and administrative for Human Resources, accounting, and legal services provided. Donated items are recorded at their estimated fair value. Donated services are recognized at fair value if the services (a) create or enhance non-financial assets or (b) required specialized skills, are performed by people with those skills, and would otherwise have been purchased by ACFA.

Unrecorded Amounts

ACFA relies on contributions of both time and expertise from its pool of volunteers. In particular, volunteers work on ACFA's programs such as social media and fundraising activities. ACFA's board of directors is also all volunteers based, and the board members devote numerous hours to setting the organization policy for its operations in Mali. ACFA's volunteers donate hundreds of hours of service, the total value of which cannot be easily calculated or estimated, yet these volunteers contribute significantly to the work, impact, and success of ACFA. These volunteer services have not been reflected in the accompanying financial statements because the volunteer services provided do not meet the criteria necessary for recognition.

l. Expenses

ACFA recognizes expenses as they occur. Contracted fees include security contract fees at Zorokoro and at the children's home in Bamako, as well as regulatory, and accounting, fees in the United States.

m. Other Change in Net Asset

ACFA records any other changes in Net Assets that occur due to a change in accounting methods.

3. Reasons for variation

a. Cash and Cash Equivalents

Cash and cash equivalents were \$51,921 and \$56,290 at December 31, 2017 and 2016 respectively. This slight decrease in cash is compensated with an increase in receivables as some donations have been made through Facebook during a campaign and ACFA has not yet received those funds. ACFA has not yet the ground breaking of new major donors it was targeting but continues its efforts through hiring of consultants to increase awareness and boost foundation interest.

b. Grants Receivables

At the end of 2017 and 2016, ACFA had a total of \$5,042 and \$2,616 respectively in donations receivables. This difference is the offset of the cash and cash equivalent balances as mentioned above. The receivables this year represent funds received through campaigns on Facebook, Globalgiving and Network for Good/Newman Foundation Challenge, which will be received in 2018.

c. Inventory

The value of the inventory on hand at the end of 2017 was \$2,060 while that at the end of 2016 was \$2,005. While there were in-kind donations of food, clothes and toys throughout the year in 2017 just as in 2016, the consumed items were expensed out and we have similar on hand quantity in 2017 and 2016.

d. Prepaid Expenses

During 2017, both ACFA employees, Aicha Coulibaly and Zoumana Bagayoko finished paying off their respective board approved loans of 2015 and 2016 respectively. The prepaid expenses at the end of 2017 was \$381 consisting of \$270 prepaid expenses for Quickbooks and \$111 for Little Green Light. Quickbooks is the accounting software and Little Green Light is the database management software both used by ACFA.

e. Property and Equipment

At the end of 2017, Zorokoro capital investment remained at \$242,663, same as 2016 as there was no construction conducted in 2017. Since Zorokoro is construction in progress, there has been no depreciation. Equipment valued at \$1,938 was depreciated. These two items make up the total property and equipment at the end of 2017 valued at \$244,601 compared to \$244,521 in 2016.

f. Accounts Payable

The 2017 accounts payable of \$1,963 consist of Certified Public Accountant (CPA) fees of \$1,500, two consultants' December 2017 fees of \$110 and \$334.36 and Quickbooks filing fees of \$18.98. All these fees will be paid in 2018. In 2017, ACFA realized that it had overstated the account payable of Paypal accounts in 2016 by an insignificant

amount of \$6.70. Rounding this value to \$7.00, therefore the accounts payable for 2016 was erroneously overstated to \$2,819, whereas the actual value of the accounts payable were \$2,812. This is reflected in the discrepancy between 2016 annual report and 2017 annual report. The accounts were corrected and now reflect the correct amount of funds owed to Paypal at the end of 2016.

g. Unrestricted Assets

At the end of 2017, ACFA did not have any funds earmarked for specific purposes by the donors hence; total unrestricted assets were \$302,040 and \$303,110 (previously stated as \$303,104: this understatement of the net asset is due to the overstated 2016 account payable) at December 31, 2017 and 2016 respectively. There isn't much difference between net asset in 2016 and 2017, because there was no capital investment in 2017.

h. Revenues

Total contributions in 2017 and 2016 were \$50,202 and \$35,860 respectively. Total Revenues were \$52,581 and \$40,033 at December 2017 and 2016 respectively. The major change in revenues was from an increase of \$4,135 in individual donation, and a major increase of \$11,747 in foundation donation. Further the increase in foundation donation is explained by the dual factor of two new foundation donations received: Foundation Orange in Mali and Network for Good in the U.S. Foundation Orange, which uses to make only in-kind donation to ACFA, made a monetary donation in 2017 for \$7,998. Additionally, ACFA participated in the Newman's Challenge this year generating \$3,126.70 from Network for Good.

i. In-Kind Revenue

In 2017, ACFA received \$2,618 in In-Kind donation, much lower than the 2016's \$5,837. The 2017 In-Kind donation consisted of food, clothes, school supplies, toys and professional accounting support. ACFA did not receive any legal in-kind donation this year which explains the difference in between the past two years.

j. Miscellaneous Loss

Due to the nature of its activities, ACFA has cash accounts with Bank Atlantique in Mali, West Africa in a different currency than dollar, therefore the foreign currency translation gains and losses were recorded. ACFA's miscellaneous losses in 2017 amounted to \$494 and consist of losses accumulated during the year due to the U. S. Treasury change in currency exchange rate between U.S. Dollars and XOF. These change in exchange rates impacts all transactions in Mali: periodic funds sent to Mali for operations, loans issued to employees, balance of ACFA's cash account in Mali, etc...

k. Expenses

In 2017, ACFA spent relatively less funds in Program Services: \$33,067 in 2016 and \$30,574 in 2017. In 2017, ACFA restructured some of its expenses accounts. In the

program services we added an account called “Other Program Services” to account for utilities paid to water and electricity companies in Mali for the house where the children live. ACFA deems this to be an appropriate program service as the need for water and electricity at the house is for the children well being. In 2017, ACFA spent \$2,191 in this service, and \$0 in 2016 as the expenses were not captured under this newly created account. Additionally, in 2017, ACFA started to account for Occupancy Expenses, and spent \$6,121. This expense captures the security at Zorokoro and Badalabougou, repair to both, and other administrative fees associated with Zorokoro. Other Total Management and administrative expenses for ACFA for 2017 were similar to those of 2016: \$21,914 and \$21,143 respectively. Finally, the fundraising expenses were also similar in 2017 and 2016 and amounted to \$1,163 and \$1,374 (previously reported \$1,381 due to overstated PayPal payable by \$7 reflected in online donation fees of \$131, vice \$124). In 2017, ACFA added another category of fundraising fees to capture fees paid to Combined Federal Campaign (CFC) for participating in the campaign. For the first time, in 2017, CFC started charging participating organizations fees to benefit from the CFC campaign. In 2017 ACFA paid \$940 to CFC, and the amount paid in 2016 was \$0. These above mentioned similarities led to a similar ACFA total expenses in 2017 and 2016 for \$53,650 and \$55,584 (previously reported as \$55,591 due to overstated PayPal payables by \$7). Change in net assets in 2017 was \$1,070. Finally the overstated 2016 PayPal payables led to an overstated change in net assets in 2016 of \$15,558, while the actual change in net asset was \$15,551. This same error led to an understatement of the net asset at the end of 2016 for \$303,104 vice the actual amount of \$303,110.

l. Other change in Net Assets

There was no other significant change in net asset in 2017. Some rounding adjustments occurred in the Statement of activities that led to Net Asset at the end of the year being \$302,040 vice \$302,041 in the statement of financial position: this is not a discrepancy but rather just a rounding adjustment for the purpose of this financial report.

m. Subsequent Events

ACFA evaluated subsequent events through Feb 28, 2018, which is the date the consolidated financial statements were available to be issued. No subsequent events were noted that required adjustment to the financial statements.