

GLOBAL COMMUNITY SERVICE FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
WITH
INDEPENDENT ACCOUNTANT'S REPORT

Turner, Leins & Gold, LLC
Certified Public Accountants

GLOBAL COMMUNITY SERVICE FOUNDATION

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Turner, Leins & Gold, LLC
Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors
Global Community Services Foundation

We have reviewed the accompanying financial statements of Global Community Service Foundation (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2016 and the related statements of activities, functional expenses, and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Turner, Leins & Gold, LLC

Vienna, VA
February 27, 2017

Global Community Service Foundation
Statement of Financial Position
As of December 31, 2016

ASSETS

Current Assets:	
Cash and equivalents	\$ 238,121
Contributions receivable	27,500
Prepaid expenses	<u>806</u>
Total Current Assets	<u>266,427</u>
Fixed Assets	
Equipment	3,487
Less: Accumulated depreciation	<u>(1,929)</u>
Net Fixed Assets	1,558
Website, net of accumulated ammortization of \$1,273	<u>2,159</u>
Total Assets	<u><u>\$ 270,144</u></u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable	\$ 9,744
Accrued payroll expenses	<u>3,276</u>
Total Liabilities	<u>13,020</u>
Net Assets:	
Temporarily restricted funds	198,611
Unrestricted funds	<u>58,513</u>
Total Net Assets	<u>257,124</u>
Total Liabilities and Net Assets	<u><u>\$ 270,144</u></u>

See Accompanying Notes

Global Community Service Foundation
Statement of Activities
For the Year Ended December 31, 2016

	Unrestricted	Temporarily Restricted	Total
Revenues and Support:			
Contributions	\$ 45,843	\$ 139,337	\$ 185,180
Investment income	22	-	22
Contributed services and other in-kind	88,421	-	88,421
Released from restrictions	167,837	(167,837)	-
Total Revenues and Support:	302,123	(28,500)	273,623
Expenses:			
Program services	269,733	-	269,733
Administrative expenses	46,471	-	46,471
Fundraising expenses	18,412	-	18,412
Total Expenses	334,616	-	334,616
Change in Net Assets	(32,493)	(28,500)	(60,993)
Net Assets, Beginning of Year	91,006	227,111	318,117
Net Assets, End of Year	\$ 58,513	\$ 198,611	\$ 257,124

See Accompanying Notes

Global Community Service Foundation
Statement of Cash Flows
For the Year Ended December 31, 2016

Cash Flows From Operating Activities:	
Change in Net Assets	\$ (60,993)
Adjustments to reconcile change in net assets to cash provided by operating activities	
Depreciation and amortization	1,220
Change in assets and liabilities	
Contributions receivable	52,415
Prepaid expenses	3,517
Accounts payable	(3,359)
Accrued payroll expenses	<u>3,276</u>
Net Cash (Used) by Operating Activities	<u>(3,924)</u>
Net (Decrease) in Cash & Equivalents	(3,924)
Cash & Equivalents, Beginning of Year	<u>\$ 242,045</u>
Cash & Equivalents, End of Year	<u><u>\$ 238,121</u></u>

Global Community Service Foundation
Statement of Functional Expenses
For the Year Ended December 31, 2016

	Program Services	Mangement and General	Fundraising	Total
Salaries and related expenses	\$ 41,504	\$ 12,174	\$ 1,661	\$ 55,339
Grant assistance - Vietnam	48,497	-	-	48,497
Grant assistance - Mynamar	77,143	-	-	77,143
Professional fees	5,154	9,178	2,370	16,702
Information technology	1,320	2,073	2,040	5,433
Insurance	-	1,931	-	1,931
License and fees	-	390	-	390
Marketing and advertising	1,560	1,045	2,645	5,250
Meals and entertainment	-	-	4,324	4,324
Membership and subscriptions	-	2,588	249	2,837
Postage and delivery	1,284	161	256	1,701
Printing	1,465	810	752	3,027
Office expenses and miscellaneous	6,917	1,096	-	8,013
Telephone	13	1,140	-	1,153
Travel	10,339	184	53	10,576
Conference/education	80	-	-	80
Gifts and donations	125	81	-	206
Bank fees	62	2,311	-	2,373
Depreciation and amortization	1,220	-	-	1,220
In-Kind contributions	73,050	11,309	4,062	88,421
	<u>\$ 269,733</u>	<u>\$ 46,471</u>	<u>\$ 18,412</u>	<u>\$ 334,616</u>

See Accompanying Notes

Global Community Service Foundation
Notes to the Financial Statements
December 31, 2016

Note 1: Organization and Nature of Activities

Global Community Service Foundation (GCSF) (Organization) is a nonstock, tax-exempt charitable organization formed in Virginia on August 12, 1994. The Organization works to reduce poverty in Southeast Asia by implementing sustainable community based projects, focusing on health, education and income generating activities. Balancing the desire to yield the greatest possible impact with the great need in the region, GCSF has developed an “Adopt-a-Village” approach to its programs, focusing its work in Vietnam, Myanmar (formerly Burma) and other Southeast Asian countries. GCSF works toward reducing poverty and creating an environment of self-reliance.

Note 2 – Summary of Significant Accounting Policies

The financial statements of GCSF have been prepared in accordance with policies followed by non-profit organizations. The significant accounting policies that follow are described below to enhance the usefulness of the financial statement to the reader.

Basis of Accounting: The financial statements of GCSF have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Cash and Cash Equivalents: The Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Promises to Give: Unconditional promises to give are recognized as revenues and related asset, on the date of the promise. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Property and Equipment: Purchases of property and equipment are capitalized at costs. Donations of property and equipment are recorded as contributions at their estimated fair value. Property and equipment are depreciated over the estimated useful service lives ranging from three to five years for furniture and equipment.

The Organization capitalizes property and equipment acquired with a value in excess of \$500. When the assets are sold or disposed, the cost and corresponding accumulated depreciation are removed from the accounts with any gain or loss reported in the statements of activities. Maintenance and repairs that do not improve or extend the lives of property and equipment are expensed as incurred.

Public Support and Revenue: The Organization receives contributions from the general public. Unless specifically restricted by the donor, all contributions are considered to be available for unrestricted use.

Global Community Service Foundation
Notes to the Financial Statements
December 31, 2016

Note 2: Summary of Significant Accounting Policies (Continued)

Advertising: Advertising costs are expensed as incurred. Total advertising costs for 2016 were \$5,250.

Income Tax Status: GCSF is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and therefore has made not provision for Federal income taxes. In addition, the Organization has no unrelated business taxable income. The Organization has adopted guidance under ASC Topic 740, *Income Taxes* and management has evaluated the Organization's tax positions and concluded that the Organization has taken no uncertain tax positions that would require adjustment to, or disclosure in, the financial statements to comply with the provisions of this guidance. Income tax years open for IRS inspections include years ended 2013, 2014, and 2015.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Basis of Presentation: Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) as defined in the FASB Accounting Standard Codification (ASC) Topic 958, *Not for Profit Entities*. Under ASC Topic 958, the Organization is required to report information regarding its financial position and activities according to the three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Functional Allocation of Expenses: The costs of providing program services and other activities have been summarized on a functional basis in the statement of functional expenses. Direct expenses are charged to each program based on the expenditures incurred and other indirect costs have been allocated to program and supporting services benefited based upon the time devoted to each type of services.

In-Kind Support: GCSF records various types of in-kind support, including contributed equipment, and professional services. Contributions of tangible assets are recorded at fair value when received. Donated services are reported as contributions at their fair value if such services would have been purchased if not provided by donation, require specialized skills, and are provide by individuals possessing such specialized skills. The amounts reflected in the accompanying financial statements as in-kind support are off-set by like amounts included in expenses or assets.

The estimated value of donated, nonprofessional services is not reflected in the financial statements as these services do not meet the criteria for recognition as contributed services.

Global Community Service Foundation
Notes to the Financial Statements
December 31, 2016

Note 3: Temporarily Restricted Assets

Temporarily Restricted Assets are available at December 31, 2016 for the following purposes:

Purpose/Project

Burma Program Assistance	\$ 80,904
Vietnam Program Assistance	<u>117,707</u>
Total temporarily restricted assets	<u>\$ 198,611</u>

Note 5: Concentration of Economic Support

Pledges receivable were concentrated with one contributor whose pledge totaled \$25,000 or 91% of the total receivable balance as of December 31, 2016 and donations from the three largest contributors totaled \$95,016 or 51% of total monetary support during the year then ended.

Note 6: Contributed Services and other In-Kind Contributions

Total contributed services, merchandise, and other in-kind contributions for the year ended December 31, 2016 are as follows:

Executive salaries	\$ 60,000
Office space and equipment	15,000
Professional services	13,400
Program supplies	<u>21</u>
Total contributed services and other in-kind contributions at fair value	<u>\$ 88,421</u>

Note 7: Transactions with Related Parties

The Foundation received contributions both cash, contributed services, other in-kind donations, and pledges from employees and board members totaling \$100,000 during 2016. Amounts due from board members totaled \$25,000 and are included in contributions receivable.

Global Community Service Foundation
Notes to the Financial Statements
December 31, 2016

Note 8: Concentrations of Credit Risk

Individual bank combined cash account deposits up to \$250,000 are insured by the Federal Insurance Corporation (FDIC). At December 31, 2016, all individual bank balances were covered by the FDIC.

Note 9: Fair Value of Instruments

GCSF financial instruments are cash deposits, contributions receivable, accounts payable, and accrued expenses, the recorded values of which approximate their fair values based on their short-term nature.

Note 10: Subsequent Events

The Organization has evaluated events and transactions subsequent to December 31, 2016 through February 27, 2017, the date these financial statements were available to be issued. Based on definitions and requirements of the U.S. generally accepted accounting principles, management has not identified any events that have occurred subsequent to December 31, 2016.