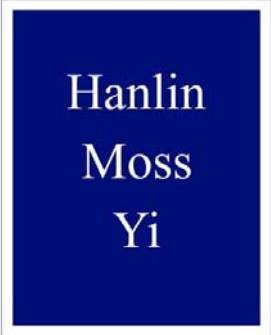


# **Literacy Bridge**

*(a not-for-profit entity)*

## **Financial Statements And Independent Auditors Report**

**December 31, 2016**



Hanlin  
Moss  
Yi

Hanlin Moss Yi, PS  
*Certified Public Accountants*  
Seattle, Washington

# Literacy Bridge

Financial Statements

December 31, 2016

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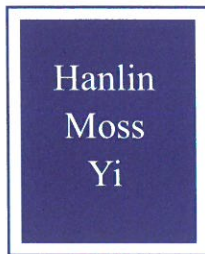
Independent Auditors Report - December 31, 2016

Statement of Financial Position

Statement of Activities

Statement of Cash Flows

Notes to Financial Statements



*Certified Public Accountants ♦ Valuation Analysts*  
*(a professional service corporation)*

## **INDEPENDENT AUDITOR'S REPORT**

May 22, 2017

To the Board  
Literacy Bridge  
Seattle, Washington

We have audited the accompanying financial statements of Literacy Bridge (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities 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 judgment, 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 Literacy Bridge as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in blue ink that reads "Hanlin Moss Yi".

# Literacy Bridge

## STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2016

	2016
<b>Assets</b>	
<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 358,312
Inventory	<u>1,225</u>
<b>Total Current Assets</b>	<b>359,537</b>
Fixed Assets, Net of Depreciation	-
Long Term Receivable from Affiliate	143,418
Security Deposit	<u>1,281</u>
	<u><b>\$ 504,236</b></u>
<b>Liabilities and Net Assets</b>	
<b>Current Liabilities</b>	
Accounts Payable	15,498
Accrued Liabilities	<u>9,050</u>
<b>Total Current Liabilities</b>	<u><b>24,548</b></u>
<b>Net Assets</b>	
Unrestricted - Undesignated, Available for Operations	469,688
Temporarily Restricted	<u>10,000</u>
	<u><b>479,688</b></u>
	<u><b>\$ 504,236</b></u>

See Notes to Financial Statements

# Literacy Bridge

## STATEMENT OF ACTIVITIES

DECEMBER 31, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Support and Revenue</b>				
Events	\$ 6,620			\$ 6,620
Contributions and Grants	1,001,530			1,001,530
<b>Total Support and Revenue</b>	<b>1,008,150</b>			<b>1,008,150</b>
<b>Program and Operating Expenses</b>				
Program Research and Development	500,643			500,643
Affiliate Program Support	385,583			385,583
Business Development	92,200			92,200
Fundraising	45,342			45,342
Administrative	50,874			50,874
	<b>1,074,642</b>			<b>1,074,642</b>
Changes in Net Assets from Operating Activities	(66,492)			(66,492)
<b>Total Change in Net Assets</b>	<b>(66,492)</b>			<b>(66,492)</b>
<b>Net Assets, Beginning of the Year</b>	<b>536,181</b>	<b>10,000</b>		<b>546,181</b>
<b>Net Assets, End of the Year</b>	<b>\$ 469,688</b>	<b>\$ 10,000</b>		<b>\$ 479,688</b>

Note: Some total may not equal due to rounding

See Notes to Financial Statements

# Literacy Bridge

## STATEMENT OF CASH FLOWS

DECEMBER 31, 2016

	<u>2016</u>
<b>Cash Flows from Operating Activities</b>	
Change in Net Assets	(66,493)
Adjustment to Reconcile Changes in Net Assets to Net Cash Provided by Operations:	
Depreciation	\$ -
Accounts Receivable	1,817
Inventory	10,424
Long-term Receivable from Affiliates	(110,371)
Accounts Payable	1,412
Accrued Liabilities	<u>2,312</u>
Net Cash Provided by (Used for) Operating Activities	<u>(160,899)</u>
<b>Cash Flows from Financing Activities</b>	
Proceeds from Contributions	-
Net Cash Provided by (Used for) Financing Activities	-
Net Increase (Decrease) in Cash	(160,899)
Cash - Beginning of the Year	519,211
	<u>                    </u>
<b>Cash - End of the Year</b>	<b>\$ <u><u>358,312</u></u></b>

*See Notes to Financial Statements*

# Literacy Bridge

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

### NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of operations** - Literacy Bridge (the Organization) was formed March 1, 2007 as a Washington not-for-profit organized and recognized as a public charity under the 501(c)3 rules.

**Accounts receivable** - Accounts receivable are amounts due from customers and donors. Accounts receivable are due in 30, 60, or 90 days.

**Inventories** - Inventories are carried at the lower of cost or market, using the average cost method. Inventory consists of finished goods. A manufacturer provides a fixed cost and produces Talking books by the unit.

**Property and equipment** - Property and equipment are recorded at cost. Depreciation is calculated using a straight-line method to depreciate the cost of the assets over their useful lives which range from three to seven years.

**Earned Income** - Earned income is recognized when donations are received and or grants or other awards are granted and received.

**Taxes on income** - The Company is treated as a 501(c)3 for Federal income tax purposes. Consequently, federal income taxes are not provided for in the financial statements.

**Date of management's review** - In connection with the preparation of these financial statements, we have evaluated all events occurring subsequent to the balance sheet date through May 22, 2017, the date the financial statements were available to be issued.

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

### NOTE B: INVENTORIES

Inventories consist of finished goods at December 31, 2016.

### NOTE C: RECEIVABLE FROM AFFILIATE

The Company has a receivable due from an affiliate which is Literacy Bridge Ghana. There is no interest on this receivable and is receivable on demand. Literacy Bridge Ghana is a separate entity created under the laws of Ghana.