

**SHADHIKA PROJECT, INC.**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

**Taylor, Roth and Company, PLLC**  
Certified Public Accountants  
working exclusively with nonprofit organizations

September 19, 2017

INDEPENDENT AUDITORS' REPORT

Board of Directors  
Shadhika Project, Inc.  
Denver, Colorado

We have audited the accompanying financial statements of **Shadhika Project, Inc.** (a Colorado 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, 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 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.

***Auditors' 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 of 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 auditors' 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 Shadhika Project, Inc. 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.

*Taylor, Roth and Company, PLLC*  
TAYLOR, ROTH AND COMPANY, PLLC  
CERTIFIED PUBLIC ACCOUNTANTS

**SHADHIKA PROJECT, INC**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2016**

	2016
<u>Assets</u>	
Cash and cash equivalents - unrestricted	\$ 265,651
Cash and cash equivalents - temporarily restricted	39,146
Pledges and grants receivable - temporarily restricted (Note 3)	44,105
Pledges receivable - unrestricted (Note 3)	27,000
Prepaid expenses and deposits	8,685
Property and equipment (Note 2)	-
Total assets	\$ 384,587
<u>Liabilities and net assets</u>	
<u>Liabilities</u>	
Accrued liabilities	\$ 2,269
Commitments (Note 4)	-
Total liabilities	2,269
<u>Net assets</u>	
<u>Unrestricted</u>	
Operating	296,855
Board designated endowment (Note 5)	2,212
Temporarily restricted (Note 6)	83,251
Total net assets	382,318
Total liabilities and net assets	\$ 384,587

The accompanying notes are an integral part of these financial statements

**SHADHIKA PROJECT, INC**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	2016		
	Unrestricted	Temporarily Restricted	Total
<u>Revenue and other support</u>			
Contributions	\$ 253,268	96,183	\$ 349,451
Interest income	135	-	135
In-kind contributions (Note 7)	11,316	-	11,316
Other	358	-	358
Net assets released from restrictions (Note 8)	78,265	(78,265)	-
Total revenue and other support	<u>343,342</u>	<u>17,918</u>	<u>361,260</u>
<u>Expense</u>			
Program services	200,519	-	200,519
Supporting services			
Management and general	7,353	-	7,353
Fundraising	40,950	-	40,950
Total expense	<u>248,822</u>	<u>-</u>	<u>248,822</u>
Change in net assets	94,520	17,918	112,438
Net assets, beginning of year	<u>204,547</u>	<u>65,333</u>	<u>269,880</u>
Net assets, end of year	<u>\$ 299,067</u>	<u>\$ 83,251</u>	<u>\$ 382,318</u>

The accompanying notes are an integral part of these financial statements

**SHADHIKA PROJECT, INC**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program</u>	<u>Management and General</u>	<u>Fund- raising</u>	
Salaries	\$ 28,100	\$ -	\$ 16,446	\$ 44,546
Payroll taxes & benefits	2,418	81	896	3,395
Grants	92,398	-	-	92,398
Professional fees	33,117	2,070	6,209	41,396
Travel and meals	15,873	535	5,886	22,294
Conference	9,936	-	-	9,936
Rent	5,266	177	1,952	7,395
Printing	3,330	112	1,235	4,677
Fundraising expense	-	-	4,588	4,588
Telephone	2,884	97	1,069	4,050
Bank fees	-	4,039	-	4,039
Insurance	1,871	63	694	2,628
Supplies	1,566	52	581	2,199
Postage	1,527	51	566	2,144
Accounting services	854	29	317	1,200
Dues & subscriptions	303	11	112	426
Advertising	157	4	58	219
Taxes & license fees	138	6	51	195
All other	781	26	290	1,097
	<u>200,519</u>	<u>7,353</u>	<u>40,950</u>	<u>248,822</u>
Depreciation	-	-	-	-
Total	<u>\$ 200,519</u>	<u>\$ 7,353</u>	<u>\$ 40,950</u>	<u>\$ 248,822</u>

The accompanying notes are an integral part of these financial statements

**SHADHIKA PROJECT, INC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	2016
<u>Cash flows from operating activities</u>	
Change in net assets	\$ 112,438
Adjustments to reconcile change in net assets to net cash provided by operating activities	
<u>Changes in operating assets and liabilities</u>	
(Increase)decrease in prepaid expenses	(8,300)
(Increase)decrease in receivables	(25,875)
Increase(decrease) in accrued liabilities	1,401
Net cash provided(used) by operating activities	79,665
Net increase(decrease) in cash and cash equivalents	79,665
Cash and cash equivalents, beginning of year	225,132
Cash and cash equivalents, end of year	\$ 304,797

The accompanying notes are an integral part of these financial statements

## SHADHIKA PROJECT, INC.

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

#### NOTE 1 - NATURE OF ACTIVITIES

**Shadhika Project, Inc.** (the Organization) (Shadhika) was incorporated as a nonprofit corporation 1998 in Colorado. The Organization addresses gender inequality in India by investing in the education, empowerment and economic self-sufficiency of young women and by teaching young men to respect women and girls. By providing funding and support to women-led, non-profits in India, Shadhika empowers at-risk young women to realize their aspirations for a better future.

The Organization is funded primarily by contributions.

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

1. Basis of Accounting

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

2. Basis of Presentation

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.

3. Cash and Cash Equivalents

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

4. Donations

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor 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.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless the explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent donor stipulations regarding how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Continued)

5. Capitalization and Depreciation

The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$1,000. The fair value of donated assets is similarly capitalized. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. At year-end, the organization had no such assets.

6. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

7. Income Taxes

The Organization has received an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

8. Functional Reporting of Expenses

For the year ended December 31, 2016, 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.

9. Subsequent Events

Management has evaluated subsequent events through September 19, 2017, the date the financial statements were available to be issued.

NOTE 3 - PLEDGES AND GRANTS RECEIVABLE

The Organization has received various pledges for future donations. In addition, the organization received a foundation award totaling \$39,605 to be received over two years.

Management does not believe a present value discount or allowance for uncollectable would be significant to these financial statements. The remaining amounts of the grants and pledges are to be received as follows:

<u>Description</u>	<u>Amount</u>
2017	\$ 47,105
2018	<u>24,000</u>
Total	<u>\$ 71,105</u>



NOTE 4 - LEASE COMMITMENTS

The Organization leases office space in Denver, Colorado. Future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2017	<u>\$ 7,920</u>

NOTE 5 - BOARD DESIGNATED ENDOWMENT

The Organization established a board designated endowment fund for the purposes of sustaining the Organization. At both the beginning and year-end, the balance was \$2,212.

NOTE 6 - TEMPORARILY RESTRICTED

Temporarily restricted net assets are available for the following purposes:

<u>Description</u>	<u>Amount</u>
Scholarships	\$ 43,646
Support for Success	20,000
Dining for Women/Vacha	<u>19,605</u>
Total	<u>\$ 83,251</u>

NOTE 7 - IN-KIND CONTRIBUTIONS

Volunteer services requiring specialized skills are reflected in the accompanying statements at their estimated values at date of receipt. In-kind contributions are reflected as follows:

<u>Description</u>	<u>Amount</u>
Professional services	\$ 5,396
Rent and utilities	4,111
Program equipment and supplies	1,028
Telephone	583
Insurance	<u>198</u>
Total	<u>\$ 11,316</u>

NOTE 8 - NET ASSETS RELEASED FROM RESTRICTIONS

During the year, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes:

<u>Description</u>	<u>Amount</u>
Dining for Women/Vacha	\$ 21,825
Capacity building	20,000
Scholarship	14,065
Stop India	10,000
Support for Success	10,000
Udami	<u>2,375</u>
Total	<u>\$ 78,265</u>

NOTE 9 - CONCENTRATION OF CREDIT RISK

Cash and cash equivalents have been placed in a single financial institution. Amounts in excess of \$250,000 are not insured by the FDIC or related entity.