

**GIVE CHILDREN A CHOICE, INC.**

**AUDITED FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006**

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**INDEPENDENT AUDITORS' REPORT**

To The Board of Directors  
Give Children A Choice, Inc.  
Matthews, North Carolina

We have audited the accompanying statement of financial position of Give Children A Choice, Inc. (a nonprofit organization) as of December 31, 2007 and 2006 and the related statements of activities and net assets, 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 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 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 audit provides 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 Give Children A Choice, Inc. as of December 31, 2007 and 2006 and the changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Moyer, Smith & Roller, P.A.*

August 6, 2008

**GIVE CHILDREN A CHOICE, INC.**  
**Statements of Financial Position**  
**For The Year Ended December 31, 2007**  
**With Comparative Totals For The Year Ended 2006**

**ASSETS**

	<u>2007</u>	<u>2006</u>
<b>Current Assets</b>		
Cash	\$ <u>57,573</u>	\$ <u>17,327</u>
<b>Total Current Assets</b>	<u>57,573</u>	<u>17,327</u>
<b>Property and Equipment</b>		
Computer Learning Center	25,000	-
Land	<u>5,000</u>	<u>-</u>
Total Property and Equipment	<u>30,000</u>	<u>-</u>
Less: Accumulated Depreciation	<u>454</u>	<u>-</u>
<b>Net Property and Equipment</b>	<u>29,546</u>	<u>-</u>
<b>Total Assets</b>	\$ <u>87,119</u>	\$ <u>17,327</u>

**LIABILITIES AND NET ASSETS**

Unrestricted Net Assets	\$ <u>87,119</u>	\$ <u>17,327</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 87,119</u>	<u>\$ 17,327</u>

See Accompanying Notes To Financial Statements.

**GIVE CHILDREN A CHOICE, INC.**  
**Statements of Activities and Net Assets**  
**For The Year Ended December 31, 2007**  
**With Comparative Totals For The Year Ended 2006**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2007</u>	<u>Total 2006</u>
<b>Revenues:</b>				
Contributions	\$ 157,883	\$ 2,370	\$ 160,253	\$ 80,480
Net assets released from restrictions (Note 2)				
Satisfaction of purpose restrictions	<u>2,370</u>	<u>(2,370)</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>160,253</u>	<u>-</u>	<u>160,253</u>	<u>80,480</u>
<b>Expenses:</b>				
Program Services	84,269	-	84,269	72,595
Management & General	<u>5,832</u>	<u>-</u>	<u>5,832</u>	<u>4,605</u>
Total Expenses	<u>90,461</u>	<u>-</u>	<u>90,461</u>	<u>77,200</u>
Excess of revenues over expense	69,792	-	69,792	3,556
Net Assets, beginning of year	<u>17,327</u>	<u>-</u>	<u>17,327</u>	<u>13,771</u>
Net Assets, end of year	<u>\$ 87,119</u>	<u>\$ -</u>	<u>\$ 87,119</u>	<u>\$ 17,327</u>

See Accompanying Notes To Financial Statements.

**GIVE CHILDREN A CHOICE, INC.**  
**Statements of Functional Expenses**  
**For The Year Ended December 31, 2007**  
**With Comparative Totals For The Year Ended 2006**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2007</u>	<u>Total 2006</u>
<b>Program Services:</b>				
Preschool Project	\$ 74,648	\$ -	\$ 74,648	\$ 68,695
Project Expenses	4,741	-	4,741	-
Sponsorship Project	<u>5,240</u>	<u>-</u>	<u>5,240</u>	<u>3,900</u>
Total Programs	<u>84,629</u>	<u>-</u>	<u>84,629</u>	<u>72,595</u>
<b>Management &amp; General:</b>				
Depreciation Expense	454	-	454	-
Bank Service Charge	1,356	-	1,356	467
Taxes	-	-	-	25
Office Supplies	5	-	5	302
Postage and Delivery	138	-	138	246
Printing and Reproduction	-	-	-	18
Marketing	254	-	254	329
Professional Fees	3,625	-	3,625	2,889
Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>329</u>
Total Management & General	<u>5,832</u>	<u>-</u>	<u>5,832</u>	<u>4,605</u>
<b>Total Functional Expenses</b>	<u>\$ 90,461</u>	<u>\$ -</u>	<u>\$ 90,461</u>	<u>\$ 77,200</u>

See Accompanying Notes To Financial Statements.

**GIVE CHILDREN A CHOICE, INC.**  
**Statements of Cash Flows**  
**For The Year Ended December 31, 2007**  
**With Comparative Totals For The Year Ended 2006**

	<u>2007</u>	<u>2006</u>
<b>RESOURCES PROVIDED (USED) BY:</b>		
<b>Operating Activities</b>		
Depreciation	\$ 454	\$ -
Change in net assets	<u>3,556</u>	<u>3,556</u>
Net cash provided (used) by operating activities	<u>70,246</u>	<u>3,556</u>
<b>Investing Activities</b>		
Purchase of Land	(5,000)	
Purchase of Building	<u>(25,000)</u>	<u>-</u>
Net cash used by investing activities	<u>(30,000)</u>	<u>-</u>
<b>Net increase (decrease) in cash</b>	<u>40,246</u>	<u>3,556</u>
<b>Cash - Beginning of year</b>	<u>17,327</u>	<u>13,771</u>
<b>Cash - End of year</b>	<u>\$ 57,573</u>	<u>\$ 17,327</u>

See Accompanying Notes To Financial Statements.

**GIVE CHILDREN A CHOICE, INC.**  
**Notes to Financial Statements**  
**December 31, 2007 and 2006**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Give Children A Choice, Inc. ("the Organization") is a non-profit organization whose purpose is to improve the circumstances of children's daily environment by enabling them to reach, prepare and support their adulthood. Programs focus on understanding the children's needs, designing empowerment programs, incrementally delivering and monitoring the programs that create independence, self-sufficiency and choice.

**Cash and Cash Equivalents**

The Organization considers all highly liquid unrestricted investments with maturities of three months or less to be cash equivalents for purposes of the statement of cash flows.

The Company maintains its cash account primarily with First Charter Bank and an investment account with Fidelity Investments. The total cash balances are insured by the FDIC up to \$100,000. The Company also has cash balances on deposit with Luang Prabang in Cambodia of \$4,074 US dollars as of December 31, 2007. The Organization maintains this account and transfers money from the United States to this account on an as-needed basis to cover purchases and expenses for programs being operated in Laos. These deposits are not insured by the FDIC.

**Fixed Assets**

The Company purchased a Building and the land on which it sits in Mano Village, Luang Prabang on April 23<sup>rd</sup>, 2007. The basis of the building is \$25,000 and is being depreciated over 39 years using the straight line method. The basis of the land is \$5,000. The Company plans on using the building as a computer learning center.

**Use of 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 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.

**Contributions**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted for specific purposes, as prescribed by the donor, are recognized as revenue in the year received in the restricted fund as permitted by Statement of Financial Accounting Standards (SFAS) No. 116.

GIVE CHILDREN A CHOICE, INC.  
Notes to Financial Statements (continued)  
December 31, 2007 and 2006

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services

No amounts have been reflected in the financial statements for donated services inasmuch as there is no objective basis available to measure the value of such services; however, a number of volunteers have donated substantial amounts of their time to the Organization's program services.

Income Tax Status

The Organization qualifies as a tax-exempt entity under section 501(c)(3) of the Internal Revenue Code.

**GIVE CHILDREN A CHOICE, INC.**  
**Notes to Financial Statements (continued)**  
**December 31, 2007 and 2006**

**NOTE 2 – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

	<u>2007</u>	<u>2006</u>
<b>Beginning Balance</b>	\$ <u>      -</u>	\$ <u>      -</u>
<i>Additions</i>		
Sponsorship	2,370	4,401
Medical	-	-
Preschool	<u>      -</u>	<u>      -</u>
Total additions to temporarily restricted net assets	<u>2,370</u>	<u>4,401</u>
<b>Total Available</b>	<u>2,370</u>	<u>4,401</u>
Restricted Assets released from donor Restrictions		
Sponsorship	2,370	4,401
Medical	-	-
Preschool	-	-
Land Lease Project	<u>      -</u>	<u>      -</u>
<b>Total restrictions released</b>	<u>2,370</u>	<u>4,401</u>
<b>Net Restricted Assets</b>	\$ <u>      -</u>	\$ <u>      -</u>

The organization operates a sponsorship program to provide educational and living expenses to children of elementary school age. Contributions received for this program have been released from their respective donor restriction through incurring expenses in 2007 and 2006 satisfying the purpose specified by the donors.