

E D U C A

T I O N

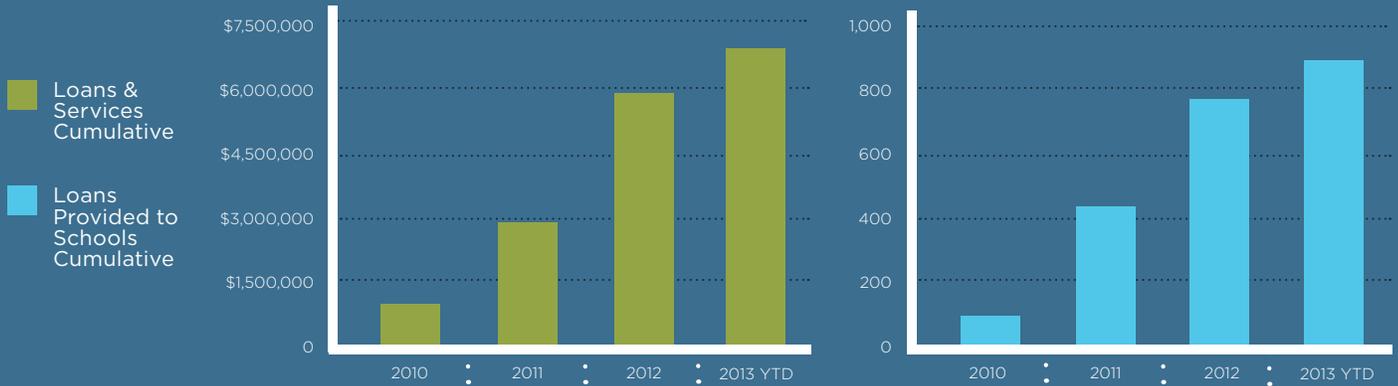
T H A T

W O R K S

edify 2013 mid year report



IMPACT OF EDIFY



CUMULATIVE IMPACT OF EDIFY SINCE INCEPTION (JUNE 1, 2010)*

645	2,968	\$6,854,564	178,702	856	891	660
UNIQUE EDUPRENEURS/ SCHOOL LEADERS TRAINED	UNIQUE TEACHERS TRAINED	TOTAL LOANS & SERVICES	UNIQUE STUDENTS IMPACTED	UNIQUE SCHOOLS RECEIVED LOANS OR SERVICES	LOANS PROVIDED	UNIQUE SCHOOLS RECEIVED LOANS

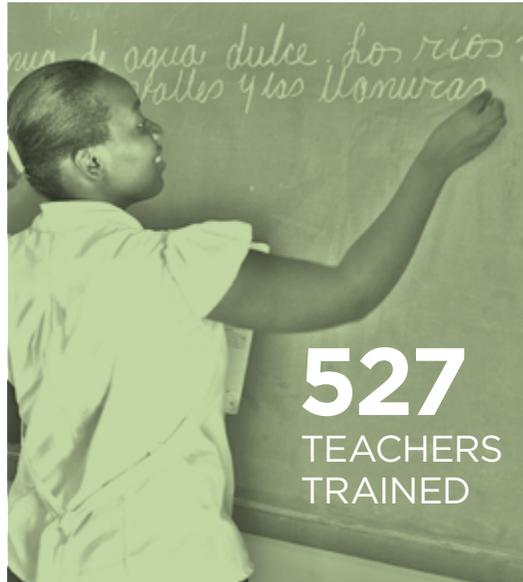
Edify provides financing to Christ-centered schools. However, students of any faith or no faith are welcome to attend these schools.

**Cumulative statistics identified as unique reflect categories impacted only once, even if impact occurs in subsequent years and categories.*

**These numbers represent the program activities and impact for this particular year.*

2013 MID-YEAR IMPACT OF EDIFY

244
EDUPRENEURS/
SCHOOL LEADERS
TRAINED



527
TEACHERS
TRAINED

127 LOANS
PROVIDED

321
SCHOOLS RECEIVED
LOANS OR SERVICES

\$1,074,163
IN LOANS AND SERVICES

68,190
STUDENTS IMPACTED

EDUCATION THAT WORKS

Our mission: To improve and to expand sustainable, affordable, Christ-centered education in the developing world

We are excited with how God has used Edify in 2013. So far this year we have worked with 321 schools by providing capital through loans, training and curriculum. Through partnering with these schools, we are impacting the education of 68,190 students. Edify continues to increase the scope of training, both for the school owners (edupreneurs) and teachers. This year 244 edupreneurs received training, along with 527 teachers. Christian transformation continues to be our top priority. While we are acutely aware that transformation comes through the work of the Holy Spirit, we are humbled that God has used Edify as a tool to bring Christian resources and training. The best part of our work is that we are just getting started! The affordable, sustainable, Christ-centered schools market is extremely large and virtually untouched. We are developing a scalable model that can be rolled out in many countries. “Education that Works.” When you hear this phrase, what comes to mind? Perhaps you have in mind a quality education that helps students prepare for productive lives. Or maybe highly engaged teachers and administrators who build into the lives of their students to encourage them to have a healthy sense of who they are. Or perhaps education that not only gives students an opportunity for a good career, but a Christ-centered worldview. If this is what you pictured in your mind’s eyes then you likely will be very pleased with what is going on in the schools that Edify is working with. On the other hand, when you hear, “Education that Works” you might picture expensive, state-of-the-art facilities, or maybe you see a lot of administrative staff overseeing a large campus. Perhaps you picture every child plugging into a cutting-edge laptop to receive instruction via the web. Or maybe the main thing you think about with this kind of private education is a very expensive price tag. If these were your thoughts, then it might surprise you to know the schools Edify works with do not look like this at all. Research by the world’s leading expert in this field highlights that the success of quality education is not contingent on the factors above.

Instead, the humble schools Edify works with, most charging a very small fee of \$5-50 a month, consistently outperform the government schools.

We believe the keys to “Education that Works” are the structure and the passion! How is a structure created in the developing world that engages all parties?

The answer is free enterprise!

By charging a small, affordable tuition, parents are engaged in their child’s education (one of the most important factors for Education that Works is that it is reinforced in the home). In addition, the students are engaged because they realize that it is a privilege to get an education. Also, the school owners are very engaged because if they are unable to produce quality academic results on the government mandated tests, they run the risk of parents withdrawing the students, thus their livelihood, and their school closing.

Which brings us to the second factor, the passion. The men and women who run these schools do it as their calling. They could certainly start other businesses that would be far easier to run and would be more profitable, but they are passionate about seeing children get an education. Their passion is driven by a strong desire to honor God and to impact the lives of these precious children for eternity. We believe that the structure and the passion are the factors to “Education that Works.”

Jesus said, “You shall know the truth and the truth shall set you free.” (John 8:32). This is what we think of ultimately as an “Education that Works,” that children would know His Truth and they would be set free from the bondage of physical and spiritual poverty. That works!!

With Great Gratitude.



Christopher Crane
Founder & CEO

Tiger Dawson
Co-Founder &
Managing Director



TERESA FELIX

DIRECTOR, COLEGIO ESCALERITA, ABC



“When I hope in the Lord, nothing falls by the wayside.”

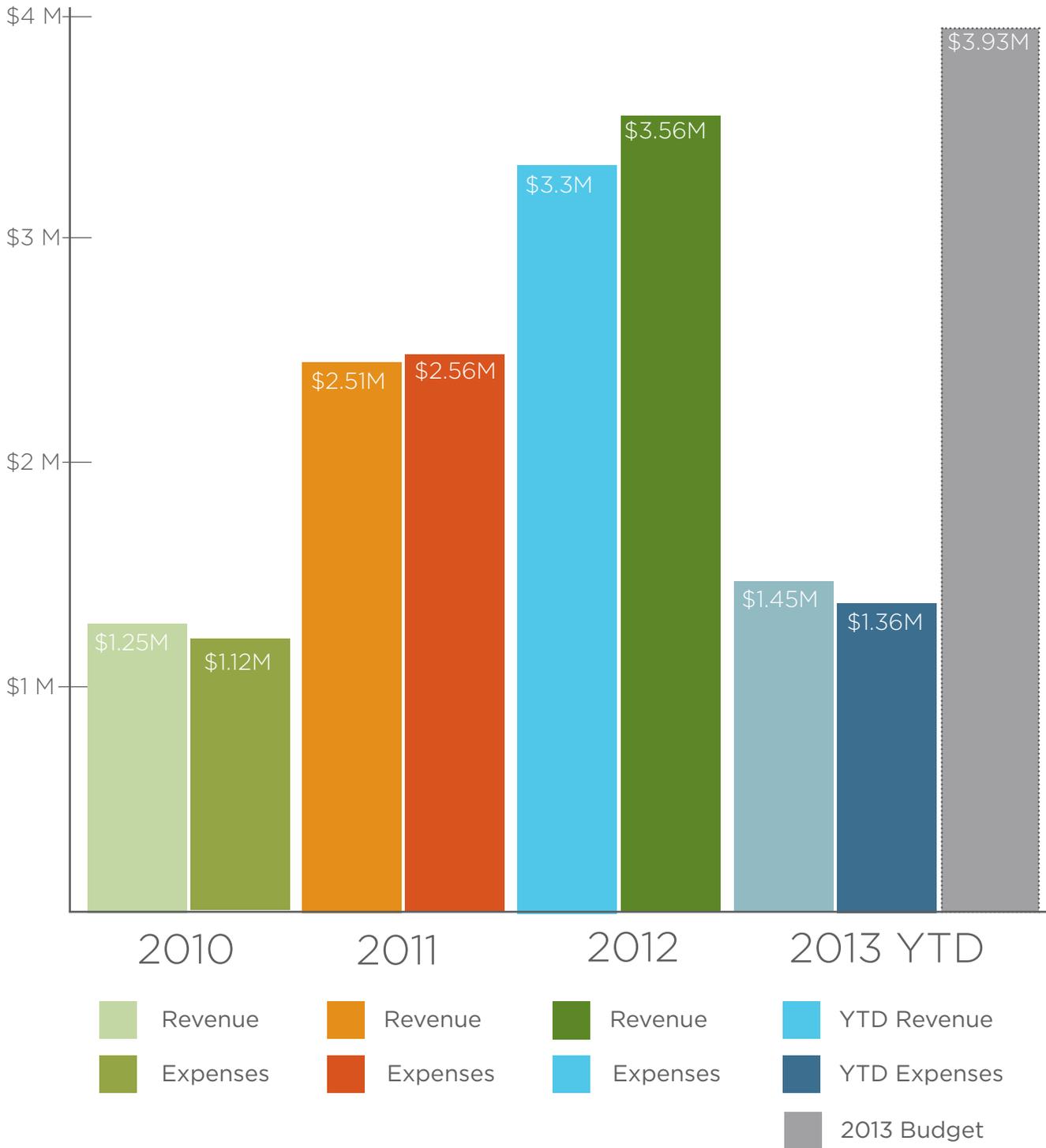
about seven years ago, in a small community in La Romana, neighbors encouraged Teresa Felix to tutor approximately 15 children in an after school program. The program became so popular with the parents that they convinced her to start her own school. It was called “My Hope’ Evangelical Preschool.” As it grew, she had to seat children on small benches because they didn’t have enough desks. Seven years later, with her first loan from Edify, she built three classrooms, and fixed two classrooms to add another 60 students to her school of 200. Teresa renamed the school to “The Little Ladder ABC – Evangelical School” to encourage students to keep ascending and growing in their studies, just like her school

has grown. Her commitment to teach Christ-centered values and build character in her students has remained consistent since the beginning. Every morning the entire school community gathers together in the courtyard to read the Bible and pray before starting school. Additionally, teachers lead their students in prayer to begin and end every class. Her vision in the future is to continue to impact the community with Christ-centered education with another three floors to have a fully operating Christ-centered education center.

Click on Teresa’s picture above to hear Teresa’s vision for “The Little Ladder” that continues to grow taller.

edify

REVENUES AND EXPENDITURES



STATEMENT OF REVENUES AND EXPENDITURES (non-GAAP)

As of March 31, 2013

	<u>2013 YTD</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
SUPPORT AND REVENUE:				
Individual donors and their foundations	\$1,445,702	\$ 3,261,331	\$ 2,489,921	\$ 1,249,358
Corporate and large public foundations	0	0	0	0
Governments	0	0	0	0
Interest income	0	25,381	13,509	901
Miscellaneous income	0	12,768	7,975	0
Total support and revenue	<u>1,445,702</u>	<u>3,299,480</u>	<u>2,511,405</u>	<u>1,250,259</u>
EXPENDITURES:				
Program services:				
Funds for loans to schools	458,544	1,573,943	1,385,285	682,115
Other program services	615,619	1,269,010	652,038	218,010
Supporting activities:				
General and administrative	146,984	280,912	310,172	145,272
Fundraising	138,470	436,908	209,849	70,726
Total Expenditures	<u>\$ 1,359,617</u>	<u>\$ 3,560,773</u>	<u>\$ 2,557,344</u>	<u>\$ 1,116,123</u>
NET REVENUE/EXPENDITURES	\$ 86,085	\$ (261,293)	\$ (45,939)	\$ 134,136
Program services as a percent of total expenses	79%	80%	80%	81%
G&A as a percent of total expenses	11%	8%	12%	13%
Fundraising as a percent of total expenses	10%	12%	8%	6%
Total	<u>100%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

80% 2012 Funds for loans to schools and other services as a percent of total expenses

BALANCE SHEET

As of March 31, 2013

	<u>2013 YTD</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
ASSETS				
Current Assets:				
Cash and cash equivalents	\$200,496	\$ 216,500	\$ 57,288	\$ 16,903
Restricted cash from donations	303,231	233,099	25,685	20,000
Investments, donated privately-held stock	0	0	0	91,442
Notes receivable from schools, current portion	8,355	15,375	97,306	78,424
Prepays and other assets	34,202	38,956	21,480	4,067
	<u>546,284</u>	<u>503,930</u>	<u>201,759</u>	<u>210,836</u>
Long-Term Assets:				
Notes receivable from schools, net of current portion	114,030	15,427	481,224	44,239
Deposit reserves, collateral for partner loans	49,062	49,062	50,000	0
Property and equipment - at cost, net	23,377	25,344	20,999	10,606
	<u>186,469</u>	<u>89,833</u>	<u>552,223</u>	<u>54,845</u>
Total Assets	<u><u>732,753</u></u>	<u><u>\$ 593,763</u></u>	<u><u>\$ 753,982</u></u>	<u><u>\$ 265,681</u></u>
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts Payable	39,076	84,775	6,842	8,882
Net Assets:				
Unrestricted	367,069	250,545	700,456	226,193
Temporarily restricted	303,231	233,099	25,685	20,000
Net investment in property and equipment	23,377	25,344	20,999	10,606
	<u>693,677</u>	<u>508,988</u>	<u>747,140</u>	<u>256,799</u>
Total liabilities and net assets	<u><u>732,753</u></u>	<u><u>\$ 593,763</u></u>	<u><u>\$ 753,982</u></u>	<u><u>\$ 265,681</u></u>

100% of your donations go directly to the field. Donations from our board members pay for all administrative and fundraising expenses.