
AFRICAID, INC.

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

Years Ended December 31, 2011 and 2010

Haskins & Associates, P.C.
Certified Public Accountants

7400 East Orchard Road, Suite 4060N
Greenwood Village, CO 80111-2546
303-779-5034
Fax 303-779-0314

AFRICAID, INC.

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Haskins & Associates, P.C.
Certified Public Accountants

Stephen P. Haskins, CPA
Sandra L. Shaneyfelt, CPA

7400 East Orchard Road, Suite 4060N
Greenwood Village, Colorado 80111-2546
303-779-5034
Fax 303-779-0314

INDEPENDENT AUDITOR'S REPORT

Board of Directors
AfricAid, Inc.
Denver, Colorado

We have audited the accompanying statements of assets, liabilities, and net assets- modified cash basis of AfricAid, Inc. (a non-profit organization) as of December 31, 2011 and 2010, the related statements of support, revenue, expenses and changes in net assets- modified cash basis, and the statements of functional expenses- modified cash basis 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 audits.

We conducted our audits 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 audits provide a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of AfricAid, Inc. as of December 31, 2011 and 2010, and its support, revenue, expenses, and changes in net assets for the years then ended, on the basis of accounting described in Note 1.

Haskins & Associates, PC

Greenwood Village, Colorado
October 25, 2012

AFRICAID, INC.

STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS -
MODIFIED CASH BASIS

December 31,

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash and cash equivalents	\$ 234,019	\$ 184,854
Other advances	2,411	-
Total Assets	<u>\$ 236,430</u>	<u>\$ 184,854</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Credit cards payable	<u>\$ 165</u>	<u>\$ 508</u>
Net Assets		
Unrestricted	185,880	151,259
Temporarily restricted	50,385	33,087
Total Net Assets	<u>236,265</u>	<u>184,346</u>
Total Liabilities and Net Assets	<u>\$ 236,430</u>	<u>\$ 184,854</u>

See accompanying notes and accountant's report

AFRICAID, INC.

STATEMENTS OF SUPPORT, REVENUE, EXPENSES, AND CHANGES IN NET ASSETS -
MODIFIED CASH BASIS

Years Ended December 31,

	2011			2010		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and Revenue:						
Contributions and grants	\$ 249,352	\$ 50,385	\$ 299,737	\$ 178,526	\$ 33,087	\$ 211,613
Special events, net	6,945	-	6,945	6,432	-	6,432
Merchandise sales	8,194	-	8,194	5,844	-	5,844
Interest income	314	-	314	154	-	154
In-kind contributions	54,794	-	54,794	52,186	-	52,186
Net assets released from restrictions	33,087	(33,087)	-	-	-	-
Total Support and Revenue	<u>352,686</u>	<u>17,298</u>	<u>369,984</u>	<u>243,142</u>	<u>33,087</u>	<u>276,229</u>
Expenses:						
Program services	247,721	-	247,721	135,282	-	135,282
General and administrative	59,344	-	59,344	47,026	-	47,026
Fundraising	11,000	-	11,000	13,616	-	13,616
Total Expenses	<u>318,065</u>	<u>-</u>	<u>318,065</u>	<u>195,924</u>	<u>-</u>	<u>195,924</u>
Increase in Net Assets	34,621	17,298	51,919	47,218	33,087	80,305
Net Assets, Beginning of Year	151,259	33,087	184,346	104,041	-	104,041
Net Assets, End of Year	<u>\$ 185,880</u>	<u>\$ 50,385</u>	<u>\$ 236,265</u>	<u>\$ 151,259</u>	<u>\$ 33,087</u>	<u>\$ 184,346</u>

See accompanying notes and accountant's report.

AFRICAID, INC.

STATEMENTS OF FUNCTIONAL EXPENSES -
MODIFIED CASH BASIS

Years Ended December 31,

	2011				2010			
	Program Services	General and Administrative	Fundraising	Total	Program Services	General and Administrative	Fundraising	Total
Salaries	\$ 23,203	\$ 14,754	\$ -	\$ 37,957	\$ -	\$ -	\$ -	\$ -
Payroll taxes and benefits	1,775	1,158	-	2,933	-	-	-	-
Professional fees	70,199	18,450	-	88,649	38,100	21,000	-	59,100
Educational grants	93,618	-	-	93,618	47,917	-	-	47,917
Computers for Africa	-	-	-	-	10,785	-	-	10,785
Foreign program oversight	7,981	-	-	7,981	6,967	-	-	6,967
Travel	28,490	855	1,430	30,775	12,573	-	-	12,573
Donor functions and meetings	-	-	1,026	1,026	-	-	6,483	6,483
Credit card and bank fees	721	3,058	-	3,779	915	1,620	-	2,535
Insurance	2,500	1,949	-	4,449	-	1,650	-	1,650
Information technology	1,650	1,023	-	2,673	449	134	-	583
Books	297	-	-	297	2,265	-	-	2,265
Office expense, postage and dues	18	913	545	1,476	-	5,343	-	5,343
Printing and publications	-	-	7,352	7,352	-	-	5,130	5,130
Rent and facility costs	14,400	13,613	95	28,108	12,000	14,315	295	26,610
Supplies	2,763	1,070	-	3,833	2,067	34	-	2,101
Meals, catering, and food	106	1,081	-	1,187	-	-	1,182	1,182
Miscellaneous	-	1,420	552	1,972	1,244	2,930	526	4,700
Total expenses	\$ 247,721	\$ 59,344	\$ 11,000	\$ 318,065	\$ 135,282	\$ 47,026	\$ 13,616	\$ 195,924

AFRICAID, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Organization

AfricAid, Inc, (AfricAid) was formed as a not-for-profit corporation on June 22, 2000 to support girls' education in Africa in order to provide young women with the opportunity to transform their lives and the futures of their communities.

Since its founding, AfricAid has raised over \$1,500,000, and has impacted the lives of over 40,000 young Tanzanians through various programs, including conducting teacher training workshops, establishing leadership training programs, funding vocational initiatives, providing scholarships, supplying school materials, building school classrooms, installing computer labs, installing solar power and supporting a school lunch program.

The vision of the organization is a future in which all African girls have access to high-quality educational opportunities that empower them to identify needs in their own communities and take action to address their need.

Basis of Accounting

The Organization's policy is to prepare its financial statements on the modified cash basis of accounting; consequently, revenues are recognized when received rather than when earned, and expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred. The modifications include recording credit card charges and the value of donated facilities and materials.

Income Taxes

The Organization is a tax-exempt organization as defined by the Internal Revenue Code, Section 501(c)(3). Accordingly, no provision has been made for income taxes in the accompanying financial statements. The Organization is not a private foundation under the Internal Revenue Code.

The Organization's federal Exempt Organization Income Tax Returns (Form 990) for 2009, 2010, and 2011 are subject to examination by the IRS, generally for three years after they were filed.

Cash and Cash Equivalents

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

See auditor's report

AFRICAID, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Restricted and Unrestricted Revenue and Support

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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 Support, Revenue, Expenses, and Changes in Net Assets – Cash Basis as net assets released from restriction.

Contributed Equipment

Contributed equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulation, contributions of equipment are recorded as unrestricted support.

Use of Estimates in the Preparation of Financial Statements

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

NOTE 2 – CONTRIBUTED SERVICES

For the year ended December 31, 2011, approximately 5,730 hours were donated by 125 volunteers to the AfricAid program. For the year ended December 31, 2010, approximately 6,000 hours were donated by 129 volunteers. These services were not recorded in the financial statements because they did not meet the criteria for recognition under FASB ASC 958-605.

NOTE 3 – IN-KIND CONTRIBUTIONS

The Organization recognized contributed revenue recorded at fair market value in the amount of \$24,000 for the use of facilities, \$29,094 for program activity materials and services and \$1,700 for functions and meetings for the year ended December 31, 2011.

The Organization recognized contributed revenue recorded at fair market value in the amount of \$24,000 for the use of facilities, \$25,786 for program activity materials and \$2,400 for functions and meetings for the year ended December 31, 2010.

See auditor's report

AFRICAID, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – SPECIAL EVENTS

The following schedule summarizes income and expense from special events for the year ended December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Income	\$ 34,045	\$ 26,809
Expenses	<u>27,100</u>	<u>20,377</u>
	<u>\$ 6,945</u>	<u>\$ 6,432</u>

NOTE 5 - CONCENTRATION OF CREDIT RISK

The Organization maintains bank accounts in a financial institution located in Denver, Colorado. The accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2011, there were no uninsured cash balances.

NOTE 6 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets in the amounts of \$50,385 and \$33,087 have been restricted for a specific purpose for the years ended December 31, 2011 and 2010, respectively.

NOTE 7 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 25, 2012 the date the financial statements were available to be issued.

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Haskins & Associates, P.C.