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**AFRICAID, INC.**

**FINANCIAL STATEMENTS**

**AND**

**INDEPENDENT AUDITOR'S REPORT**

**Year Ended December 31, 2013**

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**Haskins & Associates, P.C.**  
*Certified Public Accountants*

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**AFRICAID, INC.**

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# Haskins & Associates, P.C.

*Certified Public Accountants*

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
AfricAid, Inc.  
Denver, Colorado

We have audited the accompanying financial statements of AfricAid, Inc. (a non-profit organization), which comprise the statement of financial position as of December 31, 2013, and the related statement 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 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 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 AfricAid, Inc. as of December 31, 2013, 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.

Centennial, Colorado  
December 8, 2014

*Haskins & Associates, PC*

AFRICAID, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2013

ASSETS

Current Assets		
Cash and cash equivalents	\$	253,820
Promises to give		10,010
Prepaid expenses		2,477
Security deposit		690
Inventory		<u>1,578</u>
Total Assets	\$	<u><u>268,575</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$	16,334
Accrued compensated absences		399
Credit cards payable		<u>1,028</u>
Total Liabilities		<u>17,761</u>
Net Assets		
Unrestricted		192,624
Temporarily restricted		<u>58,190</u>
Total Net Assets		<u>250,814</u>
Total Liabilities and Net Assets	\$	<u><u>268,575</u></u>

See accompanying notes to the financial statements and auditor's report

**AFRICAID, INC.**

**STATEMENT OF ACTIVITIES**

**Year Ended December 31, 2013**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>Support and Revenue:</b>			
Contributions and grants	\$ 278,351	\$ 48,180	\$ 326,531
Special events, net	10,053	-	10,053
Merchandise sales	813	-	813
Interest income	112	-	112
In-kind contributions	11,915	-	11,915
Net assets released from restrictions	80,388	(80,388)	-
Total Support and Revenue	381,632	(32,208)	349,424
<b>Expenses:</b>			
Program services	279,150	-	279,150
General and administrative	78,585	-	78,585
Fundraising	24,162	-	24,162
Total Expenses	381,897	-	381,897
Decrease in Net Assets	(265)	(32,208)	(32,473)
Net Assets, Beginning of Year			
As originally stated	192,889	21,578	214,467
Prior period adjustment	-	68,820	68,820
Net Assets, Beginning of Year			
As restated	192,889	90,398	283,287
Net Assets, End of Year	\$ 192,624	\$ 58,190	\$ 250,814

See accompanying notes to the financial statements and auditor's report.

AFRICAID, INC.

STATEMENT OF CASH FLOWS

Year ended December 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Decrease in Net Assets \$ (32,473)

Adjustments to reconcile changes in net assets to  
net cash provided by operating activities

(Increase) decrease in:

Promises to give 58,810  
Prepaid expenses (2,477)  
Security deposit (690)

Increase (decrease) in:

Accounts payable 16,334  
Accrued compensated absences 399  
Credit cards payable 490

Net Cash Flows Provided by Operating Activities 40,393

NET INCREASE IN CASH 40,393

CASH, Beginning of Year 213,427

CASH, End of Year \$ 253,820

See accompanying notes and accountant's report.

**AFRICAID, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended December 31, 2013**

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 25,108	\$ 26,605	\$ -	\$ 51,713
Payroll taxes and benefits	1,906	2,020	-	3,926
Professional fees-Executive Director	11,025	3,675	-	14,700
Professional fees	25,000	31,669	12,881	69,550
Educational grants	186,048	-	-	186,048
Foreign program oversight	8,090	-	-	8,090
Travel	11,163	-	-	11,163
Credit card and bank fees	-	507	790	1,297
Insurance	1,667	2,159	-	3,826
Information technology	1,312	414	-	1,726
Office expense, postage and dues	124	648	2,263	3,035
Printing and publications	53	-	6,647	6,700
Rent and facility costs	5,570	7,252	-	12,822
Supplies	373	1,328	267	1,968
Meals, catering, and food	1,711	977	388	3,076
Miscellaneous	-	1,331	926	2,257
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenses	<u>\$ 279,150</u>	<u>\$ 78,585</u>	<u>\$ 24,162</u>	<u>\$ 381,897</u>

See accompanying notes to the financial statements and auditor's report

# 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 \$2.5 million, and has impacted the lives of thousands of 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 financial statements of AfricAid are prepared on the accrual basis of accounting.

#### Basis of Presentation

AfricAid 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.

#### 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 2011, 2012, and 2013 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.

## 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 Activities 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.

##### Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decrease of liabilities or expenses depending on the form of benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. As of December 31, 2013, there were promises to give of \$10,010.

##### 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.

#### NOTE 2 – CONTRIBUTED SERVICES

For the year ended December 31, 2013, approximately 8,166 hours were donated by 148 volunteers to the AfricAid program. 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 \$4,000 for the use of facilities, \$6,932 for program activity materials and services and \$983 for functions and meetings for the year ended December 31, 2013.

# 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, 2013:

Gross receipts	\$	60,289
Less contributions		<u>(16,371)</u>
Gross income		43,918
Expenses		<u>33,865</u>
	\$	<u><u>10,053</u></u>

### NOTE 5 - CONCENTRATION OF CREDIT RISK

The Organization maintains bank accounts in several financial institutions. The accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2013, there were no uninsured cash balances.

### NOTE 6 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets in the amounts of \$58,190 have been restricted for a specific purpose for the year ended December 31, 2013.

### NOTE 7 – PRIOR PERIOD ADJUSTMENT

In previous years, the Organization prepared its financial statements using the modified cash basis of accounting as the basis for its financial statements. In 2013, the Organization adopted accounting principles generally accepted in the United States of America. Under the new basis of accounting, the Organization recognizes unconditional promises to give in the period the promise is received rather than when the contribution is received. As a result, Temporarily Restricted Net Assets were increased by \$68,820 at the beginning of 2013.

### NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 8, 2014, the date the financial statements were available to be issued.