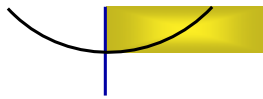




A SELF-HELP ASSISTANCE PROGRAM

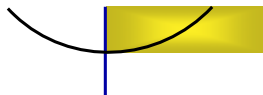
**A Self-help  
Assistance Program, Inc.  
Audited Financial Statements  
September 30, 2008**

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## INDEPENDENT AUDITOR'S REPORT

To The Board of Directors:  
A Self-help Assistance Program, Inc.

We have audited the accompanying statement of financial position of A Self-help Assistance Program, Inc. (the Organization) as of September 30, 2008 and the related statements of activity and cash flows for the year 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 sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. 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 A Self-help Assistance Program, Inc. as of September 30, 2008 and the changes in its net assets and the related statement of activity and statement of cash flows for the year then ended in conformity with generally accepted accounting principles.

*Bambo Sonaike CPA, LLC.*

November 20, 2008

A Self-help Assistance Program, Inc.  
Statement of Financial Position  
As of September 30, 2008

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**Assets**

Cash and cash equivalents <sup>(note 2)</sup>	\$	171,300
Property and equipment <sup>(net) (note 2)</sup>		66,888
Other asset		18,091
<b>Total assets</b>		<u>256,279</u>

**Liabilities**

Accounts payable and accrued expenses		27,612
Other liabilities		13,686
Notes Payable <sup>(note 5)</sup>		34,157
<b>Total liabilities</b>		<u>75,455</u>

**Net assets**

Unrestricted		85,808
Temporarily restricted		95,016
Permanently restricted		-
<b>Total net assets</b>		<u>180,824</u>

<b>Total liabilities and net assets</b>	\$	<u>256,279</u>
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The accompanying notes are an integral part of these financial statements.

A Self-help Assistance Program, Inc.  
Statement of Activities  
For twelve months ended September 30, 2008

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<b>Revenue</b>		
Contribution	\$	218,043
Grants and awards		363,776
Program revenue		83,384
Interest received		3,176
Investment loss		(11,417)
<b>Total revenues</b>		<u>656,962</u>
<b>Expenses</b>		
Program services		791,211
Support services		49,527
Fundraising services		17,757
<b>Total expenses</b>		<u>858,495</u>
Prior period adjustments <sup>(note 6)</sup>		(437,462)
Foreign currency translation <sup>(note 2)</sup>		36,828
Decrease in net assets		<u>(602,167)</u>
Net assets at beginning of year		782,991
<b>Net asset at end of the year</b>	\$	<u><u>180,824</u></u>

The accompanying notes are an integral part of these financial statements.

A Self-help Assistance Program, Inc.  
Statement of Functional Expenses  
For twelve months ended September 30, 2008

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	<u>Program services</u>	<u>Support services</u>	<u>Fundraising</u>	<u>Total</u>
Overseas projects	\$ 649,341	\$ -	\$ -	\$ 649,341
Salary & wages	41,048	37,107	13,177	91,332
Professional fees	-	-	1,000	1,000
Accounting fees	-	5,420	-	5,420
Legal fees	-	107	-	107
Supplies	-	1,140	-	1,140
Telephone	4,860	1,511	-	6,371
Postage and shipping	104	261	316	681
Occupancy	9,786	3,434	495	13,715
Equipment rental & maintenance	6,713	-	-	6,713
Travel	36,823	28	1,153	38,003
Conferences, conventions & meetings	-	-	1,240	1,240
Client training	5,716	-	-	5,716
Other expenses	-	519	377	896
Depreciation	36,820	-	-	36,820
Total expenses	<u>\$ 791,211</u>	<u>\$ 49,527</u>	<u>\$ 17,757</u>	<u>\$ 858,495</u>

The accompanying notes are an integral part of these financial statements.

A Self-help Assistance Program, Inc.  
Statement of Cash Flows  
For twelve months ended September 30, 2008

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**Cash flow from operating activities:**

Decrease in net assets	\$ (602,167)
Reconciliation of net loss to net cash provided by operating activities:	
Depreciation <sup>(note 2)</sup>	36,820
Decrease in accounts receivable and other assets	547,734
Increase in accounts payable and accrued expenses	21,211
Increase in other liabilities	4,428
	<hr/>
Net cash provided by operating activities	8,026

**Cash flow from investing activities:**

Purchase of furniture and furnishings	(36,663)
	<hr/>
Net cash required by investing activities	(36,663)

**Cash flow from financing activities:**

Paydown of notes payable	(23,646)
	<hr/>
Net cash required by financing activities	(23,646)

Net decrease in cash (52,283)

Beginning balance of cash 223,583

**Ending balance of cash** **\$ 171,300**

The accompanying notes are an integral part of these financial statements.

# A Self-help Assistance Program, Inc.

## Notes to Financial Statements

### September 30, 2008

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#### 1. Organization

A Self Help Assistance Program, Inc. (ASAP) is a charitable based, 501(C) (3) organization, established in January 1992 for the purpose of cultivating self reliance. ASAP operates field offices in the countries of Zimbabwe and Malawi and maintains an administrative office in United States.

ASAP operates several programs such as Village Saving & Lending rural micro-finance, Bridge the Gap rural math teacher training, and projects to improve health, nutrition and agriculture techniques in rural Africa.

In the United States, ASAP operates a gourmet coffee roasting center called "On Safari Coffee Initiative" (OSCI) to assist in its fundraising activities.

#### 2. Significant accounting policies

##### **Basis of accounting and financial statements presentation**

The financial statements are reported using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period earned and expenses are recognized when the liability is incurred.

ASAP's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

The financial statements follow the recommendations of the Financial Accounting Standards Board in its Statement of Financial Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117 ASAP is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

##### Unrestricted net assets

These are assets that are not subject to donor imposed or grantor-imposed restrictions. As of September 30, 2008, ASAP had a total of \$85,808 unrestricted net assets.

##### Temporarily restricted assets

These are assets that are subject to donor imposed or grantor-imposed stipulations that may or will be met, either by actions of ASAP and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from

# A Self-help Assistance Program, Inc.

## Notes to Financial Statements

### September 30, 2008

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restrictions. During the period ended September 30, 2008, ASAP had a total of \$95,016 temporarily restricted net assets.

#### Permanently restricted net assets

These are assets subject to donor imposed or grantor imposed stipulations permanently by ASAP. Generally, the donors and grantors of these assets permit an organization to use all or part of the income earned on any related investments for general or specific purposes. During the period ended September 30, 2008, ASAP had no permanently restricted net assets.

#### **Cash and cash equivalent**

Cash consists of cash and investments accounts held at the financial institution. ASAP considers investments with less than 90 days to maturity as cash equivalents. Below is a detail listing of cash and cash equivalents as of September 30, 2008.

<u>Cash at banks</u>	
US Banks - Dollar Denominated Funds	\$ 20,404
Foreign Banks - Dollar Denominated Funds	35,440
Foreign Banks - Foreign Denominated Funds	4,521
 <u>Cash equivalents</u>	
Investment at brokerage firm	92,916
Commodity futures	18,019
Total cash and cash equivalents	<u><u>\$ 171,300</u></u>

#### **Property and equipment**

These are ASAP's assets with an estimated useful life of three or more years. Such assets are recorded at historical cost. For the period ended September 30, 2008, ASAP reported \$66,888 in property and equipment net of accumulated depreciation.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized but are expensed in the statements of activities. For the period ended September 30, 2008, depreciation expenses in the amount of \$36,820 were recorded in the statements of activities.

A Self-help Assistance Program, Inc.  
Notes to Financial Statements  
September 30, 2008

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Below is a listing of assets owned by ASAP as of September 30, 2008:

	<u>USA</u>	<u>Zimbabwe</u>	<u>Malawi</u>	<u>Total</u>	<u>Depreciable</u> <u>Years</u>	<u>Depreciation</u> <u>Method</u>
Furniture & equipment	\$ 29,244	\$ 5,304	\$ 306	\$ 34,854	8	SL
Computer & office equipment	15,246	25,524	2,081	42,851	4	SL
Vehicles	-	45,919	19,702	65,621	4	SL
Motorbikes	-	40,972	-	40,972	3	SL
Work in progress	-	-	-	-		
Total assets	<u>44,490</u>	<u>117,719</u>	<u>22,089</u>	<u>184,298</u>		
Accumulated depreciation						
Furniture & equipment	(8,415)	(3,059)	(38)	(11,512)		
Computers & office equipment	(8,026)	(22,884)	(611)	(31,521)		
Vehicles	-	(23,112)	(19,702)	(42,814)		
Motorbikes	-	(31,564)	-	(31,564)		
Accumulated depreciation	<u>(16,441)</u>	<u>(80,619)</u>	<u>(20,351)</u>	<u>(117,411)</u>		
Property and equipment net	<u>\$ 28,049</u>	<u>\$ 37,100</u>	<u>\$ 1,739</u>	<u>\$ 66,888</u>		

**Contributions**

Contributions of assets other than cash are recorded at estimated fair market value.

**Use of estimates**

The process of preparing financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transaction and events as of the date of the financial statement. Accordingly, upon settlement, actual results may differ from estimated amounts.

**Foreign currencies**

ASAP maintains field offices in the countries of Zimbabwe and Malawi and as such revenue and expenses transactions generated within these countries are reflected at the local currency. These transactions are translated at the revenue relevant rate on the date on which the transaction occurred.

A Self-help Assistance Program, Inc.  
Notes to Financial Statements  
September 30, 2008

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**Inventories**

Inventory of ASAP to operate the OSCI is reflected at historical cost basis.

**Income tax**

ASAP is a not-for-profit entity under section 501(C) (3) of the Internal Revenue Code and is not subject to federal or state income taxes

**3. Concentration of risk**

As states above, ASAP is exposed to foreign currency fluctuations in the countries of Zimbabwe and Malawi and as such, wide swings in the value of these currencies could materially affect ASAP's finances.

**4. Accounts payable and accrued expenses**

These are expenses incurred by ASAP in the normal course of its day to day activities.

**5. Notes payable and related party transactions**

On July 1, 2007 ASAP issued a promissory note for the purchase of the equipment and inventory for the OSCI program. The initial balance of the promissory note was \$53,341 with a 5% interest and 36 quarterly payments of \$1,598. The first payment on the promissory note was made on September 30, 2007. As of September 30, 2008 the outstanding balance of the promissory note was \$34,157.

The holder of the above promissory note is an officer of ASAP and a member of the Board of Directors of ASAP.

**6. Prior period adjustment**

Prior period adjustments in the amount of \$437,462 were recorded in the statements of activities to reflect adjustments made to ASAP's prior year's grants revenue and receivable accounts. Previously ASAP recorded foreign grant commitments as grant receivables and grant revenue upon the receipt of the grant commitment. These revocable grant agreements have been adjusted to record the grants as receivable and revenue as they are earned by ASAP.