

Joy Galicinao, CPA
26 ½ S Third St Carbondale, CO 81623
(970)963-0238 fax 963-3575 e-mail: joygali@sopris.net

Independent Auditor's Report

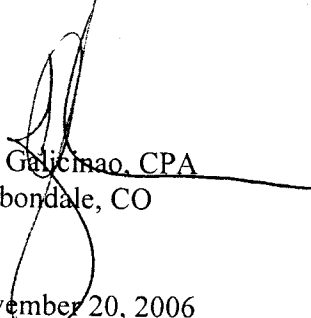
To Board of Trustees

Friends of Africa – International
Snowmass Village, CO

We have audited the accompanying statement of financial position of Friends of Africa – International as of December 31, 2005, and the related statements of activities, statement of fund balances and cash flows for the year then ended. These financial statements are the responsibility of Friends of Africa – International 's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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 Friends of Africa – International as of December 31, 2005, and the changes in its fund balances and its cash flows for the year then ended in conformity with generally accepted accounting principles.



Joy Galicinao, CPA
Carbondale, CO

November 20, 2006

FRIENDS OF AFRICA - INTERNATIONAL
Statement of Financial Position
As of December 31, 2005

ASSETS		
Current Assets		
Checking/Savings		
Vectra Bank-African Conservation Foundation		151.34
Vectra Bank-Friends of Africa		3,355.27
Vectra Bank-Mount Kenya Trust		14,680.40
Vectra Bank-Save the Elephants		7,215.40
Total Checking/Savings	Note 1	<u>25,402.41</u>
Fixed Assets		
Computers & Digital Equipment		700.00
Accumulated Depreciation		(35.00)
Total Fixed Assets	Note 2	<u>665.00</u>
TOTAL ASSETS		<u><u>26,067.41</u></u>
LIABILITIES & FUND BALANCES		
Restricted Funds		
African Conservation Foundation		251.34
Save the Elepahants		6,235.26
Mount Kenya Trust		14,062.01
Total Restricted Funds		<u>20,548.61</u>
Unrestricted Fund Balances		<u>5,518.80</u>
TOTAL LIABILITIES & FUND BALANCES	Note 3	<u><u>26,067.41</u></u>

See Accompanying Notes to Financial Statements

FRIENDS OF AFRICA - INTERNATIONAL
Statement of Activities
January 1 through December 31, 2005

Revenues		
Contributions-African Conservation Foundation		297.00
Contributions-Save the Elephant		26,565.90
Contributions - Friends of Africa		2,561.00
Contributions - Mt Kenya Trust		10,500.00
Event Revenue		40.00
Management Fee		793.38
Membership Dues		1,050.00
Interest earned		562.22
Total Revenues	Note 4	42,369.50
Expenditures		
Accounting		3,265.47
Conference		200.00
Credit Card Fees		56.00
Depreciation		35.00
Donations-Friends of Africa		3,000.00
Donations-Mount Kenya Trust		15,800.00
Donations-Save the Elephant		175,000.00
Dues & Subscriptions		226.00
Event Expense		640.47
Management Fee		793.38
Internet Expense		297.68
Office Expense		156.35
Postage		2.67
Service fees		332.75
Shipping & Freight		32.04
Telephone		286.20
Total Expenditures	Note 4	200,124.01
Net Loss		(157,754.51)

See Accompanying Notes to Financial Statements

FRIENDS OF AFRICA - INTERNATIONAL
Statement of Changes in Fund Balances
As of December 31, 2005

Restricted Funds

African Conservation Fund

Fund Balance 12/31/04	-
change in balance	251.34
Fund Balance 12/31/05	<u>251.34</u>

Save the Elephants

Fund Balance 12/31/04	155,470.79
change in balance	<u>(149,235.53)</u>
Fund Balance 12/31/05	<u>6,235.26</u>

Mount Kenya Trust

Fund Balance 12/31/04	20,770.73
change in balance	<u>(6,708.72)</u>
Fund Balance 12/31/05	<u>14,062.01</u>

Total Restricted Funds

20,548.61

Unrestricted Funds

Fund Balance 12/31/04	7,571.40
change in balance	<u>(2,052.60)</u>
Fund Balance 12/31/05	<u>5,518.80</u>

Total Fund Balance

Note 3

26,067.41

FRIENDS OF AFRICA - INTERNATIONAL
Statement of Cash Flows
As of December 31, 2005

OPERATING ACTIVITIES

Net Loss	(157,745.51)
Decrease in Accounts Receivable	4,500.00
Net cash provided by Operating Activities	<u>(153,245.51)</u>

INVESTING ACTIVITIES

Computer & Digital Equipment	(700.00)
Accumulated Depreciation	35.00
Net cash used in investing activities	<u>(665.00)</u>
Net cash decrease for period	(153,910.51)
Cash Balance 12/31/04	<u>179,312.92</u>
Cash Balance 12/31/05	<u><u>25,402.41</u></u>

See Accompanying Notes to Financial Statements

Organization and Summary of Significant Accounting Policies

Organization

Friends of Africa – International (FOAI) is a not for profit organization exempt from income tax under Section 501(c) (3) of the US Internal Revenue Code. FOAI was formed in 2001. The purpose of FOAI is to support and assist effective and established charitable institutions, research centers and projects, both in Africa and in the USA, whose mandate is the conservation and protection of African wildlife, environment and culture from the threat of devastation by outside forces. Through education, financial aid, volunteer coordination and hard work, it is the goal of FOAI to generate awareness of those threats as well as the solutions available to help mitigate those threats.

Note 1

Checking/Savings Accounts

FOAI maintains four accounts that handle the funds for Save the Elephants, the Mount Kenya Trust, African Conservation Foundation and FOAI's account for administrative purposes and the organization's charitable purposes.

Note 2

Fixed Assets

FOAI has allocated funds towards the purchase of a computer. The allocated amount accounts for approximately one fourth of the retail value of the asset. The value of which is being depreciated over a five year period.

Note 3

Fund Balances

Funds collected for African Conservation Foundation, Save the Elephants and The Mount Kenya Trust are restricted for the activities of the individual funds. The remaining funds are for the discretionary use of FOAI.

Revenues and Expenses

Note 4

The vast majority of the funding of FOAI comes from donations and grants from private sources. Most of these funds are to be disbursed to specific organizations for both specific and discretionary activities. Additionally, revenue is derived from Special Events, a 2% fee from the Save the Elephants, 3% fee from Mount Kenya Trust & African Conservation Foundation and Interest Earned from the funds held by FOAI. The money held by FOAI is distributed as donations to the specific organization and used for the administrative operations of FOAI.