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REPORT OF INDEPENDENT PUBLIC ACCOUNTING FIRM

To the Board of Directors, African Solutions to African Problems:

Leonard W. Vona, CPA, CFE have audited the accompanying balance sheets of African Solutions to African Problems as of February 28, 2010 and February 29, 2009, and the related statements of operations and cash flows for the year ending February 28, 2010. These financial statements are the responsibility of the Company'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 Accounting Standards (United States). 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 reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of February 28, 2010 and February 29, 2009, and the results of its operations and its cash flows for the period ending February 28, 2010, in conformity with Generally Accepted Accounting Principles (United States).



Leonard W. Vona, CPA

July 15, 2010

AFRICAN SOLUTIONS TO AFRICAN PROBLEMS

Statements of Financial Position

As of February 28, 2010 and February 29, 2009

	<u>ASSETS</u>	<u>2010</u>	<u>2009</u>
CURRENT ASSETS:			
Cash		\$ 51,354	\$ 27,798
Undeposited Funds		-	954
TOTAL CURRENT ASSETS		<u>51,354</u>	<u>28,752</u>
INVESTMENTS:			
Long-Term Investment		11,298	6,434
TOTAL INVESTMENTS		<u>11,298</u>	<u>6,434</u>
TOTAL UNRESTRICTED ASSETS		<u>\$ 62,653</u>	<u>\$ 35,186</u>
 <u>LIABILITIES AND NET ASSETS</u>			
LIABILITIES:			
Liabilities		-	-
TOTAL LIABILITIES		-	-
NET ASSETS:			
Unrestricted Net Assets		62,653	35,186
TOTAL NET ASSETS		<u>62,653</u>	<u>35,186</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 62,653</u>	<u>\$ 35,186</u>

See Accompanying Notes & Accountants' Review Report

AFRICAN SOLUTIONS TO AFRICAN PROBLEMS
Statements of Activities
For the Years Ended February 28, 2010 and February 29, 2009

	<u>2010</u>	<u>2009</u>
UNRESTRICTED REVENUES AND GAINS		
Contributions	\$ 65,568	\$ 62,374
Investment Return (Loss)	4,864	6,434
TOTAL UNRESTRICTED REVENUES AND GAINS	<u>70,432</u>	<u>68,808</u>
ALLOCATIONS AND OTHER FUNCTIONAL EXPENSES		
Funds Allocated to Affiliated Entity	20,000	15,000
Program	10,623	8,477
Management and General	3,528	1,944
Fundraising	8,815	9,954
TOTAL ALLOCATIONS AND OTHER FUNCTIONAL EXPENSES	<u>42,966</u>	<u>35,375</u>
CHANGE IN NET ASSETS	27,466	33,433
NET ASSETS AT THE BEGINNING OF THE YEAR	<u>62,653</u>	<u>35,186</u>
NET ASSETS AT THE END OF THE YEAR	<u>\$ 90,119</u>	<u>\$ 68,619</u>

See Accompanying Notes & Accountants' Review Report

AFRICAN SOLUTIONS TO AFRICAN PROBLEMS
Statements of Cash Flows
For the Years Ended February 28, 2010 and February 29, 2009

	<u>2010</u>	<u>2009</u>
<u>CASH FLOW FROM OPERATING ACTIVITIES:</u>		
Cash Received from Contributors	\$ 65,568	\$ 62,374
Cash Paid to Affiliated Entity, Employees, and Supplies	(42,966)	(35,375)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>22,602</u>	<u>26,999</u>
<u>CASH FLOW FROM INVESTING ACTIVITIES:</u>		
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	22,602	26,999
CASH AND CASH EQUIVALENTS AT BEFINNING OF YEAR	<u>28,752</u>	<u>1,753</u>
CASH BALANCE AT END OF YEAR	<u>\$ 51,354</u>	<u>\$ 28,752</u>

See Accompanying Notes & Accountants' Review Report

AFRICAN SOLUTIONS TO AFRICAN PROBLEMS

Notes to the Financial Statements

For Year Ended February 28, 2010

NOTE A: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFIGANT ACCOUNTING POLICIES

Nature of Activities:

African Solutions for African Problems is a nonprofit organization exempt from federal income taxes. The primary purpose of the Organization is to promote charitable, community-based antipoverty initiatives that contribute to the alleviation of poverty both domestically and throughout the continent of Africa. The Organization's major source of revenues is derived from donations and contributions from supporting organizations and individuals.

Basis of Accounting:

The financial statements of African Solutions to African Problems have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation:

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statement of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization 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. In this case, the Organization only possess' unrestricted net assets. In addition, the Organization is required to present a statement of cash flows.

Estimates:

In conformity with Generally Accepted Accounting Principles, the financial statements include estimates and assumptions made by management that affect certain reported amounts and disclosures. Actual results may differ from those estimates.

Promises to Give:

Unconditional promises to give are recognized as contribution revenue in the periods received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contributed Services:

During the years ended February 28, 2010 and February 29, 2009, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization in its activities.

Contributions:

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*. Contributions received are recorded as unrestricted net assets due to the lack of donor restrictions.

Cash & Cash Equivalents:

For purposes of the statement of cash flows, the organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments:

Investments in marketable equity securities with readily determinable fair values are stated at fair market value. The fair market value of investments in marketable equity securities as of February 28, 2010 was \$4,864 and as of February 29, 2009 was \$6,434 according to the year-end investment statements. All investment assets and corresponding investment income are restricted.

Unrestricted Net Assets:

There are no donor restrictions on the Organization's net assets. All net assets of the Organization at this time are considered unrestricted net assets.

Income Taxes:

The Organization is a nonprofit organization incorporated in New York State that is exempt from federal income taxes under Section 510 (c)(3) of the *Internal Revenue Code*.

Concentration of Credit Risk:

There are no financial instruments that potentially subject the Organization to concentrations of credit risk. No cash and cash equivalents including checking, savings, and money market accounts, as well as, certificates of deposit (CD) exceed federally insured limits of \$100,000 at February 28, 2010.

NOTE B: RELATED ENTITIES

Nature of Relationship:

The Organization provides funding to an affiliated entity, African Solutions to African Problems located in South Africa. The Organization has no ownership or voting interests in African Solutions to African Problems South Africa; it is a separately incorporated entity with its own board of directors. The affiliated entity carries out community-based antipoverty initiatives that contribute to the alleviation of poverty both domestically and throughout the continent of Africa. The amounts allocated to the affiliated entity for the fiscal year ended February 28, 2010 and February 29, 2009 were \$20,000 and \$15,000 respectively.

AFRICAN SOLUTIONS TO AFRICAN PROBLEMS

Expense Allocations

For the Years Ended February 28, 2010 and February 29, 2009

	<u>2010</u>	<u>2009</u>
<u>MANAGEMENT AND GENERAL</u>		
Equipment	\$ -	\$ -
Professional Fees	-	1,706
Bank Charges	-	88
Office Supplies	-	-
Dues and Membership Fees	-	150
TOTAL MANAGEMENT AND GENERAL EXPENSES	-	1,944
<u>FUNDRAISING</u>		
Travel	-	1,277
Telephone and Internet Services	-	184
Printing and Shipping	-	229
Computer and Website	-	-
Fundraising Publicity	-	765
Payroll	-	7,500
Other	-	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	-	9,954
<u>PROGRAM</u>		
Payroll	-	7,500
Travel	-	977
Other	-	-
TOTAL PROGRAM EXPENSES	-	8,477
TOTAL EXPENSES	\$ -	\$ 20,375