

*Financial Statements*

**Aid for Africa**

March 31, 2010

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DAVIS, SITA & COMPANY, P.A.

CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Aid for Africa  
Chevy Chase, MD

We have audited the accompanying statements of financial position of Aid for Africa (a non profit organization) as of March 31, 2010 and 2009 and the related statements of activities, cash flows and expenses by functional areas for the years then ended. These financial statements are the responsibility of the management of Aid for Africa. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Aid for Africa (a non profit organization) as of March 31, 2010 and 2009, the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

*DAVIS, SITA + COMPANY, P.A.*  
Certified Public Accountants

December 7, 2010

AID FOR AFRICASTATEMENTS OF FINANCIAL POSITION  
MARCH 31, 2010 AND 2009ASSETS

<u>Current assets:</u>	2010	2009
Cash	\$ 673,498	\$ 578,099
Accounts receivable	<u>158,404</u>	<u>119,354</u>
Total current assets	\$ <u>831,902</u>	\$ <u>697,453</u>

LIABILITIES AND NET ASSETS

<u>Current liabilities:</u>		
Accounts payable and accrued expenses	\$ <u>11,773</u>	\$ <u>13,885</u>
Total current liabilities	<u>11,773</u>	<u>13,885</u>
<u>Net assets:</u>		
Unrestricted	363,419	313,986
Temporarily restricted	<u>456,710</u>	<u>369,582</u>
Total net assets	<u>820,129</u>	<u>683,568</u>
Total liabilities and net assets	\$ <u>831,902</u>	\$ <u>697,453</u>

AID FOR AFRICA  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED MARCH 31, 2010 AND 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2010 Total</u>	<u>2009 Total</u>
<u>Revenue:</u>				
Contributions	\$ 194,534	\$ 853,478	\$ 1,048,012	\$ 895,000
Management fee	40,068		40,068	41,527
Interest income	4,827		4,827	5,540
Net assets released due to satisfaction of program restrictions	<u>766,350</u>	<u>(766,350)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>1,005,779</u>	<u>87,128</u>	<u>1,092,907</u>	<u>942,067</u>
<u>Expenses:</u>				
Program services	879,691	-	879,691	879,298
Management and general	63,130	-	63,130	46,722
Fund raising	<u>13,525</u>	<u>-</u>	<u>13,525</u>	<u>14,233</u>
Total expenses	<u>956,346</u>	<u>-</u>	<u>956,346</u>	<u>940,253</u>
Change in net assets for the year	49,433	87,128	136,561	1,814
Net assets, beginning of year	<u>313,986</u>	<u>369,582</u>	<u>683,568</u>	<u>681,754</u>
Net assets, end of year	<u>\$ 363,419</u>	<u>\$ 456,710</u>	<u>\$ 820,129</u>	<u>\$ 683,568</u>

AID FOR AFRICA

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED MARCH 31, 2010 AND 2009

<u>Cash flows from operating activities:</u>	<u>2010</u>	<u>2009</u>
Change in net assets per Exhibit "B"	\$ 136,561	\$ 1,814
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) decrease in accounts receivable	(39,050)	19,301
Increase (decrease) in accounts payable and accrued expenses	<u>(2,112)</u>	<u>11,194</u>
Net cash provided by operating activities	<u>95,399</u>	<u>32,309</u>
Net increase in cash	95,399	32,309
Cash balance at beginning of year	<u>578,099</u>	<u>545,790</u>
Cash balance at end of year	<u>\$ 673,498</u>	<u>\$ 578,099</u>

## AID FOR AFRICA

STATEMENTS OF EXPENSES BY FUNCTIONAL AREAS  
FOR THE YEARS ENDED MARCH 31, 2010 AND 2009

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>2010 Total</u>	<u>2009 Total</u>
Program disbursements	\$ 766,350	\$ -	\$ -	\$ 766,350	\$ 775,424
Salaries and related benefits	62,071	3,337	1,335	66,743	55,442
Printing/Publications/Website	22,908	15,350	11,485	49,743	50,137
Professional services	-	19,948	-	19,948	14,025
Consulting	15,881	1,887	105	17,873	7,500
Supplies	-	8,145	-	8,145	12,475
Conferences & meetings	6,704	146	-	6,850	7,500
Postage/Shipping/Delivery	3,000	3,300	500	6,800	17,400
Equipment rental & maintenance	-	5,700	-	5,700	150
Telephone	-	5,200	-	5,200	-
Contributions	2,600	-	100	2,700	-
Travel	177	117	-	294	-
Other	-	-	-	-	200
Total	<u>\$ 879,691</u>	<u>\$ 63,130</u>	<u>\$ 13,525</u>	<u>\$ 956,346</u>	<u>\$ 940,253</u>

## AID FOR AFRICA

### NOTES TO FINANCIAL STATEMENTS MARCH 31, 2010 and 2009

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Organization - Aid for Africa is a non-profit organization, incorporated in Maryland in 2003. Previously the organization was known as Aid to Africa Federation, Inc. however its name was changed in January 2007. Aid for Africa acts as a consortium of non-profit organizations that provide assistance to people who live in Africa. This assistance to Africa is encompassed in the organization's programs which include providing informal education programs to members of the public about the problems of Africa, providing a forum for the members to collaborate and exchange information and the soliciting of funds in support of its members' programs. Aid for Africa is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code.

b. Basis of accounting - The accompanying financial statements are presented on the accrual basis of accounting. Aid for Africa reports its financial position and activities according to the three classes of net assets for unrestricted, temporarily restricted and permanently restricted, based on the existence or absence of donor imposed restrictions. There are no permanently restricted net assets.

c. Revenue recognition - Contributions are recognized as revenue when received unless the donor designates the gift for a specific period. Monies collected for the benefit of members are reflected on the accompanying financial statements as temporarily restricted revenue.

d. Cash and cash equivalents - Aid for Africa considers instruments with maturities of three months or less to be cash equivalents.

e. Management estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### NOTE 2 - TEMPORARILY RESTRICTED NET ASSETS

Aid for Africa is the focal point of a consortium of other non-profit organizations which have been organized with similar goals in support of the people of Africa. An organization can become a member of the consortium upon meeting certain membership criteria. In general, each member of the consortium must have been previously designated by the IRS as a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code, it must have provided or conducted real services, benefits, assistance or program activities in Africa, it must have prepared IRS Form 990, it must have had an accrual basis audit, it must have an active and responsible governing body and it must have prepared an annual report. Aid for Africa collects contributions on behalf of its members. These donations are generally from campaign type organizations, such as the Combined Federal Campaign. A separate accounting of each member's contributions is maintained and funds are periodically forwarded to the members. Aid for Africa assesses a fee equal to 6% of the amount received to help defray the cost of administering the program. During the years ended March 31, 2010 and 2009 the total receipts and disbursements were as follows:

	<u>2010</u>	<u>2009</u>
Temporarily restricted net assets-beginning of year	\$ 369,582	\$ 396,558
Contributions received	853,478	748,448
Program disbursements to members	( 726,282)	(733,897)
Management fees	<u>( 40,068)</u>	<u>( 41,527)</u>
Temporarily restricted net assets-end of year	<u>\$ 456,710</u>	<u>\$ 369,582</u>

AID FOR AFRICA

NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2010 and 2009

NOTE 3 – SPECIFIC DONOR DESIGNATIONS

The audited financial statements verify that Aid for Africa is honoring designations made to each member organization by distributing a proportionate share of receipts based on donor designations to members.

NOTE 4 – CONCENTRATION OF RISK

As of March 31, 2010 and at certain times during the year the organization has maintained a balance in a single cash account in excess of the Federal insured maximum of \$250,000.