

Financial Statements

Aid for Africa

March 31, 2016

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CG DAVIS & ASSOCIATES, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Aid for Africa (a nonprofit organization) which comprise the statements of financial position as of March 31, 2016 and 2015, and the related statements of activities, cash flows and functional expenses for the years 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 audits 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 of 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 the 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 principles 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 Aid for Africa as of March 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CG DAVIS + ASSOCIATES, P.A.
Certified Public Accountants

November 18, 2016

AID FOR AFRICA
 STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2016 AND 2015

	<u>ASSETS</u>	
	<u>2016</u>	<u>2015</u>
<u>Current assets:</u>		
Cash	\$ 444,528	\$ 451,570
Accounts receivable	<u>91,774</u>	<u>124,950</u>
Total current assets	<u>\$ 536,302</u>	<u>\$ 576,520</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Current liabilities:</u>		
Accounts payable and accrued expenses	\$ <u>1,195</u>	\$ <u>15,000</u>
Total current liabilities	<u>1,195</u>	<u>15,000</u>
 <u>Net assets:</u>		
Unrestricted	240,654	228,416
Temporarily restricted	<u>294,453</u>	<u>333,104</u>
Total net assets	<u>535,107</u>	<u>561,520</u>
Total liabilities and net assets	<u>\$ 536,302</u>	<u>\$ 576,520</u>

AID FOR AFRICA

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED MARCH 31, 2016 AND 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2016 Total</u>	<u>2015 Total</u>
<u>Revenue:</u>				
Contributions	\$ 134,089	\$ 542,919	\$ 677,008	\$ 736,367
Management fee	34,794	-	34,794	37,257
Interest income	1,322	-	1,322	1,291
Net assets released due to satisfaction of program restrictions	<u>581,570</u>	<u>(581,570)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>751,775</u>	<u>(38,651)</u>	<u>713,124</u>	<u>774,915</u>
<u>Expenses:</u>				
Program services	666,680	-	666,680	885,215
Management and general	68,052	-	68,052	63,703
Fundraising	<u>4,805</u>	<u>-</u>	<u>4,805</u>	<u>10,148</u>
Total expenses	<u>739,537</u>	<u>-</u>	<u>739,537</u>	<u>959,066</u>
Change in net assets for the year	12,238	(38,651)	(26,413)	(184,151)
Net assets, beginning of year	<u>228,416</u>	<u>333,104</u>	<u>561,520</u>	<u>745,671</u>
Net assets, end of year	<u>\$ 240,654</u>	<u>\$ 294,453</u>	<u>\$ 535,107</u>	<u>\$ 561,520</u>

AID FOR AFRICASTATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2016 AND 2015

<u>Cash flows from operating activities:</u>	<u>2016</u>	<u>2015</u>
Change in net assets per Exhibit "B"	\$ (26,413)	\$ (184,151)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
(Increase) decrease in accounts receivable	33,176	38,775
Increase (decrease) in accounts payable and accrued expenses	<u>(13,805)</u>	<u>15,000</u>
Net cash used in operating activities	<u>(7,042)</u>	<u>(130,376)</u>
Net decrease in cash	(7,042)	(130,376)
Cash balance at beginning of year	<u>451,570</u>	<u>581,946</u>
Cash balance at end of year	\$ <u><u>444,528</u></u>	\$ <u><u>451,570</u></u>

AID FOR AFRICA

STATEMENTS OF EXPENSES BY FUNCTIONAL AREAS
FOR THE YEARS ENDED MARCH 31, 2016 AND 2015

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2016 Total</u>	<u>2015 Total</u>
Program disbursements	\$ 581,570	\$ -	\$ -	\$ 581,570	\$ 751,724
Salaries and related benefits	65,310	3,511	1,405	70,226	82,417
Professional services	-	29,920	-	29,920	27,465
Consulting	15,800	-	-	15,800	23,000
Printing/Publications/Website	-	12,889	2,000	14,889	35,632
Telephone	-	6,500	-	6,500	11,500
Travel	1,500	4,170	-	5,670	584
Other	-	4,596	-	4,596	3,948
Postage/Shipping/Delivery	-	2,250	1,400	3,650	6,650
Supplies	-	2,800	-	2,800	4,850
Special grants	2,000	-	-	2,000	5,000
Insurance	-	1,416	-	1,416	1,237
Conferences & meetings	500	-	-	500	5,059
	<u>666,680</u>	<u>68,052</u>	<u>4,805</u>	<u>739,537</u>	<u>959,066</u>
Total	\$ <u>666,680</u>	\$ <u>68,052</u>	\$ <u>4,805</u>	\$ <u>739,537</u>	\$ <u>959,066</u>

AID FOR AFRICA

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2016 and 2015

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.

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 and non-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. Income tax status - Aid for Africa is a non-profit organization which is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code.

Aid for Africa follows the guidance of the Financial Accounting Standards Board Accounting Standards Codification 740-10, *Accounting for Uncertainty in Income Taxes* which clarifies the accounting for the recognition and measurement of the benefits of individual tax positions in the financial statements, including those of non-profit organizations. Tax positions must meet a recognition threshold of more-likely-than-not in order for the benefit of those tax positions to be recognized in the financial statements.

Aid for Africa analyzes tax positions taken, including those related to the requirements set forth in IRS Sec. 501(c) to qualify as a tax exempt organization, activities performed by volunteers and board members, the reporting of unrelated business income, and its status as a tax-exempt organization under Maryland statute. Aid for Africa does not know of any tax benefits arising from uncertain tax positions and there was no effect on the organization's financial position or changes in net assets as a result of analyzing its tax positions. Tax years ending on or after March 31, 2013 remain subject to examination by federal and state authorities.

f. 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.

g. Subsequent events - In preparing these financial statements, the management of Aid for Africa has evaluated events and transactions for potential recognition or disclosure through November 18, 2016 which is the date the financial statements were available to be issued.

AID FOR AFRICA

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2016 and 2015

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 and it must have an active and responsible governing body. 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.

Aid for Africa also receives contributions from sources not associated with workplace-giving as a result of pursuing partnerships with corporate, foundation and private donors. A separate accounting of each contribution from these sources is maintained and funds are periodically forwarded to the members that are the donations' designated recipients. Contributions in this category that are designated to individual members are also assessed the 6% fee.

During the years ended March 31, 2016 and 2015 the total receipts and disbursements were as follows:

	<u>2016</u>	<u>2015</u>
Temporarily restricted net assets-beginning of year	\$ 333,104	\$ 451,053
Contributions received	542,919	633,775
Program disbursements	(546,776)	(714,467)
Management fees	<u>(34,794)</u>	<u>(37,257)</u>
Temporarily restricted net assets-end of year	<u>\$ 294,453</u>	<u>\$ 333,104</u>

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, 2016 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.