

**AFRICAN SOLUTIONS TO AFRICAN
PROBLEMS**

FINANCIAL STATEMENTS

**FISCAL YEAR
MARCH 1, 2015 - FEBRUARY 28, 2016**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

I have audited the accompanying statements of financial position of African Solutions to African Problems as of February 28, 2016 and 2015, and the related statements of activities and cash flows 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility


My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 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 statement in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as, evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of African Solutions to African Problems as of February 28, 2016 and 2015, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.



Leonard W. Vona, CPA

May 30, 2016

AFRICAN SOLUTIONS TO AFRICAN PROBLEMS
Statements of Financial Position
February 28, 2016 and 2015

| ASSETS | 2016 | 2015 |
|--|------------------|-----------------|
| CURRENT ASSETS: | | |
| Cash | \$ 25,740 | \$ 3,203 |
| Undeposited Funds | - | - |
| TOTAL CURRENT ASSETS | <u>25,740</u> | <u>3,203</u> |
| INVESTMENTS: | | |
| Long-Term Investment | 100 | 100 |
| TOTAL INVESTMENTS | <u>100</u> | <u>100</u> |
| TOTAL UNRESTRICTED ASSETS | <u>\$ 25,840</u> | <u>\$ 3,303</u> |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| LIABILITIES: | | |
| Liabilities | 16,802 | 290 |
| TOTAL LIABILITIES | <u>16,802</u> | <u>290</u> |
| NET ASSETS: | | |
| Unrestricted Net Assets | 9,038 | 3,013 |
| TOTAL NET ASSETS | <u>9,038</u> | <u>3,013</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 25,840</u> | <u>\$ 3,303</u> |

See accompanying notes and auditor's opinion

AFRICAN SOLUTIONS TO AFRICAN PROBLEMS
Statements of Activities
Years Ended February 28, 2016 and 2015

| | 2016 | | | 2015 |
|--|-------------------|---------------------|--------------|-------------|
| | RESTRICTED | UNRESTRICTED | TOTAL | |
| REVENUES AND GAINS | | | | |
| Contributions | \$ - | \$ 31,211 | \$ 31,211 | \$ 49,487 |
| Investment Return (Loss) | | - | - | - |
| TOTAL UNRESTRICTED REVENUES AND GAINS | - | 31,211 | 31,211 | 49,487 |
| ALLOCATIONS AND OTHER FUNCTIONAL EXPENSES | | | | |
| Funds Allocated to Affiliated Entity | \$ - | - | - | 37,000 |
| Program | \$ - | \$ 15,212 | 15,212 | 9,061 |
| Management and General | \$ - | \$ 4,124 | 4,124 | 4,836 |
| Fundraising | \$ - | \$ 5,850 | 5,850 | 9,100 |
| TOTAL ALLOCATIONS AND OTHER FUNCTIONAL EXPENSES | - | 25,186 | 25,186 | 59,997 |
| CHANGE IN NET ASSETS | - | 6,025 | 6,025 | (10,510) |
| NET ASSETS AT THE BEGINNING OF THE YEAR | \$ - | \$ 3,013 | 3,013 | 13,523 |
| NET ASSETS AT THE END OF THE YEAR | \$ - | \$ 9,038 | \$ 9,038 | \$ 3,013 |

See accompanying notes and auditor's opinion

AFRICAN SOLUTIONS TO AFRICAN PROBLEMS
Statements of Cash Flows
Years Ended February 28, 2016 and 2015

| | <u>2016</u> | <u>2015</u> |
|---|------------------|-----------------|
| <u>CASH FLOW FROM OPERATING ACTIVITIES:</u> | | |
| Cash Received from Contributors | \$ 31,350 | \$ 49,487 |
| Cash Paid to Affiliated Entity, Employees, and Supplies | (8,674) | (61,054) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>22,676</u> | <u>(11,567)</u> |
| <u>CASH FLOW FROM INVESTING ACTIVITIES:</u> | | |
| NET CASH PROVIDED BY INVESTING ACTIVITIES | <u>-</u> | <u>-</u> |
| NET INCREASE (DECREASE) IN CASH | 22,676 | (11,567) |
| CASH BALANCE AT BEGINNING OF YEAR | <u>3,203</u> | <u>14,770</u> |
| CASH BALANCE AT END OF YEAR | <u>\$ 25,879</u> | <u>\$ 3,203</u> |

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| See accompanying notes and auditor's opinion |
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AFRICAN SOLUTIONS TO AFRICAN PROBLEMS
Notes to the Financial Statements

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 and state 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 Financial Accounting Standards Board's FASB ASC topic 958 formally Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statement of Not-for-Profit Organizations*. Under FASB ASC 958 (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 fiscal years ended February 28, 2015 and 2014, 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 Financial Accounting Standards Board's FASB ASC topic 958 formally 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, except for contributions where the donor has specified the funds be used for a specific purpose or a specific time period.

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. All investment assets and corresponding investment income are not 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 \$250,000 at February 28, 2014.

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 years ended February 28, 2016 and 2015 were **\$37,000 and \$40,000** respectively.