

STATEMENTS OF FINANCIAL POSITION AND  
ACTIVITIES

Aid Africa  
Year Ended December 31, 2016  
With Report of Independent Auditor

Aid Africa

Statements of Financial Position and Activities

Year Ended December 31, 2016

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## Report of Independent Auditor

To the Board of Directors of  
Aid Africa  
La Crescenta, California

I have audited the accompanying statements of Aid Africa, which comprise the statement of financial position as of December 31, 2016 and the related statement of activities for the year then ended, and the related notes to the financial statements. I did not audit the financial statements of Aid Africa Uganda Branch, which statement reflect total assets of \$8,951 and no liabilities as of December 31, 2016 and total program expenses of \$102,536 for the year then ended. These financial statements were audited by other auditors whose report has been furnished to us, and my opinion, insofar as it relates to the amounts included for Aid Africa Uganda Branch, is based solely on the report of the other auditors.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of this financial statement in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express an opinion on this financial statement based on my audit. I conducted audit in accordance with auditing standards generally accepted in the United States. 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 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, 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 our audit opinion.



Belle Jin, CPA  
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## **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Aid Africa as of December 31, 2016, and related statement of activities for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Belle Jin, CPA

*Belle Jin*

Los Angeles, California

December 11, 2017

## Aid Africa

### Statement of Financial Position

December 31, 2016

#### **Assets**

##### Current assets:

Cash	\$ 36,396
Total current assets	<u>36,396</u>

Property, equipment, software, and leasehold improvements, net	2,931
Total assets	<u>\$ 39,327</u>

#### **Liabilities**

Total liabilities	\$ -
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#### **Net Assets**

Unrestricted	39,327
Total net assets	<u>39,327</u>
Total liabilities and net assets	<u>\$ 39,327</u>

*See accompanying notes.*

## Aid Africa

### Statement of Activities

For the year ended December 31, 2016

<b>Support</b>	
Donations	\$ 174,319
<b>Expenses</b>	
Program services	145,816
Supporting services	16,381
<b>Total expenses</b>	<hr/> 162,197
Increase (decrease) in net assets before translation gain or loss	12,122
<b>Net assets:</b>	
Beginning of year	<hr/> 27,205
End of year	<hr/> <hr/> \$ 39,327

*See accompanying notes.*

# Aid Africa

## Notes to Statements of Financial Position and Activities

December 31, 2016

### **NOTE 1 - ORGANIZATION**

Aid Africa (Organization) is a 501(c)(3) not-for-profit organization in the United States and a registered NGO (non-governmental organization) in Uganda. The Organization is funded through contributions of its board members and other individuals and organizations.

The objectives of the Organization are:

- Save lives, rebuild sustainable communities, and create a hopeful future for the poorest of the poor in Africa.
- Plant 1,000,000 trees to help reforest the region and provide sustenance to families.
- Dig, repair, and maintain 3,000 water sources, providing 3 sources of clean water to each village.
- Provide life-saving healthcare for each child under 5 year of age.
- Provide efficient cooking stoves for every home.
- Commit 20% of revenues and donations to educate children and provide technical training for working adults.

### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of the Organization is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

#### **Basis of Accounting**

The financial statements of the Organization have been prepared using the accrual basis of accounting.

#### **Basis of Presentation**

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.

## Aid Africa

### Notes to Statements of Financial Position and Activities (continued)

Unrestricted General Net Assets - Include contributions, fundraising, fees and other forms of unrestricted revenue and expenditures related to the general operations and fundraising efforts of the Organization.

Temporarily Restricted Net Assets - Include gifts and grants received that are temporarily restricted with respect to time or use by the donor or grantor. When the restrictions expire, the net assets of this fund are reclassified to unrestricted net assets. Restricted gifts and grants received are reported as unrestricted revenue if the restriction is met in the same reporting period. The Organization has no temporarily restricted net assets as of December 31, 2016.

Permanently Restricted Net Assets - Include assets that have been restricted by the donor in perpetuity and cannot be expended by the Center. The Organization has no permanently restricted net assets.

#### **Tax Status**

Aid Africa is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is exempt from California franchise tax under Section 23701(d) of the State Revenue and Taxation Code, and corresponding state provisions.

The Organization files its forms 990 in the US. Federal jurisdiction and the office of the state's attorney general for the State of California. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2011.

#### **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.

#### **Expense Allocation**

The costs of providing the program and supporting services have been summarized on a functional basis in the Statement of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated between program and supporting services based on specific activities determined by management.

#### **Cash**

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. The commercial banks have FDIC coverage up to \$250,000 per depositor per bank. Aid Africa has not experienced any losses from its accounts. As of December 31, 2016, the total deposits were within the federally insured limits.

## Aid Africa

### Notes to Statements of Financial Position and Activities (continued)

#### NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost when purchased, if donated, at estimated fair market value. Depreciation is computed on the straight-line method over the economic useful life of each asset. Repair and maintenance costs are expensed as they are incurred while renewals and improvements of the significant nature are capitalized. Property and equipment comprised the following at December 31:

	<b>Method</b>	<b>Estimated Useful Lives (Years)</b>	
Furniture and Equipment	Straight-line	4	\$ 935
Computer Equipment	Straight-line	5	906
Vehicles	Straight-line	7	<u>13,442</u>
			15,282
Less: Accumulated Depreciation			<u>(12,351)</u>
			\$ 2,931

#### NOTE 4- — FOREIGN CURRENCIES

Assets and liabilities expressed in Uganda Shillings are translated into US. Dollars at current rate, which is the exchange rate at the balance sheet date. Expenses expressed in foreign currencies, are translated into U.S. dollars from Uganda shillings at the rate of exchange. Translation gains and losses are reported in statement of activities.

#### NOTE 5 - SUBSEQUENT EVENTS

Events subsequent to December 31, 2016 have been evaluated through December 11, 2017, the date at which the Organization's audited financial statements were available to be issued. No events requiring disclosures have occurred through this date.