

AFRICA BRIDGE

Financial Statements

Year Ended December 31, 2009

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Table of Contents

	Page
Independent Auditors' Report	1
Financial Statements:	
Statement of Financial Position	2
Statement of Activities and Changes in Net Assets	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6
Supplemental Information:	
Schedule of Activities – Budget and Actual	9



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Africa Bridge
Marylhurst, Oregon

We have audited the statement of financial position of Africa Bridge (a nonprofit organization) as of December 31, 2009, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 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 a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Africa Bridge as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of activities – budget and actual on page 9 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

AKT LLP

Salem, Oregon
June 15, 2011

AFRICA BRIDGE

Statement of Financial Position

As of December 31, 2009

ASSETS

Current Assets:

Cash and cash equivalents \$ 76,020

Furniture and Equipment, net of accumulated depreciation of \$7,835 687

Total Assets \$ 76,707

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable \$ 1,370

Net Assets:

Unrestricted (2,713)

Temporarily restricted 78,050

Total Net Assets 75,337

\$ 76,707

AFRICA BRIDGE

Statement of Activities and Changes in Net Assets

Year Ended December 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenue:			
Contributions	\$ 83,393	\$ 41,370	\$ 124,763
Special events, net of expenses of \$3,594	24,844	-	24,844
Investment income	48	-	48
Other revenue	8,271	-	8,271
Grants	44,973	59,765	104,738
Satisfaction of donor restrictions	<u>60,785</u>	<u>(60,785)</u>	<u>-</u>
Total Support and Revenue	<u>222,314</u>	<u>40,350</u>	<u>262,664</u>
Expenses:			
United States	89,000	-	89,000
Tanzania	45,400	-	45,400
Program	<u>125,616</u>	<u>-</u>	<u>125,616</u>
Total Expenses	<u>260,016</u>	<u>-</u>	<u>260,016</u>
Changes in Net Assets	<u>(37,702)</u>	<u>40,350</u>	<u>2,648</u>
Net Assets, beginning	<u>34,989</u>	<u>37,700</u>	<u>72,689</u>
Net Assets, ending	<u>\$ (2,713)</u>	<u>\$ 78,050</u>	<u>\$ 75,337</u>

AFRICA BRIDGE

Statement of Functional Expenses

Year Ended December 31, 2009

	United States	Tanzania	Program	
	<u>Expenses</u>	<u>Expenses</u>	<u>Expenses</u>	<u>Total</u>
Salaries	\$ 37,880	\$ 21,239	\$ -	\$ 59,119
Payroll taxes	5,666	-	-	5,666
Employee benefits	-	1,488	-	1,488
Occupancy	4,000	789	-	4,789
Telephone	3,367	514	-	3,881
Repairs and maintenance	669	-	-	669
Insurance	2,647	-	-	2,647
Postage and shipping	2,256	-	-	2,256
Printing	4,477	-	-	4,477
Supplies	2,339	7,293	-	9,632
Travel and meetings	975	13,078	-	14,053
Banking fees	1,223	383	-	1,606
Professional services	18,926	257	-	19,183
Fundraising expense	3,694	-	-	3,694
Miscellaneous expense	232	359	913	1,504
Depreciation	649	-	-	649
Environment	-	-	1,688	1,688
Cooperatives	-	-	47,807	47,807
Health	-	-	5,618	5,618
Education expenses	-	-	37,507	37,507
MVC committees	-	-	14,303	14,303
Maasaid	-	-	11,200	11,200
Ilboro school	-	-	2,722	2,722
Community engagement	-	-	3,766	3,766
Monitoring and evaluation	-	-	92	92
	<u>\$ 89,000</u>	<u>\$ 45,400</u>	<u>\$ 125,616</u>	<u>\$ 260,016</u>

See accompanying notes to financial statements.

AFRICA BRIDGE

Statement of Cash Flows

Year Ended December 31, 2009

Cash Flows from Operating Activities:

Change in net assets	\$ 2,648
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	649
Change in assets and liabilities:	
Accounts payable	<u>1,161</u>
Net Cash Provided by Operating Activities	4,458
Cash and cash equivalents, beginning	<u>71,562</u>
Cash and cash equivalents, ending	<u><u>\$ 76,020</u></u>

AFRICA BRIDGE

Notes to Financial Statements

Year Ended December 31, 2009

Note 1 - Summary of Significant Accounting Principles

Organization

Africa Bridge (the Organization) is a nonprofit organization incorporated under the provisions of Oregon Revised Statutes, Chapter 26. The purpose of the Organization is to help children and empower communities to protect, support and care for orphaned and vulnerable children through integrated sustainable development.

The Organization operates in 16 villages in the Masoko and Isongole wards of Rungwe District in the Mbeya region of southwestern Tanzania. Foreign operations are subject to risks inherent in operating under different legal systems and various political and economic environments. Net assets of foreign operations are less than 10% of the Organization's total net assets. Account balances relating to foreign operations are reflected in the financial statements in United States dollars.

The Organization uses multiple programs to achieve their goals. Such programs include: establishing income generating cooperatives, forming villager committees to identify, protect, and support vulnerable children, purchasing school supplies, building classrooms, developing local health clinics and providing them with the necessary equipment to fulfill their duties, and educating villagers on the importance of environment sustainability.

The Organization's programs and services enhance the development of youth by providing housing, clothing, food, social and legal support, and at least a primary school education. Programs also bring resources, training, and technology to create sustainable incomes for caregivers of orphaned or vulnerable children.

The Organization operates with a 14 member Board which includes a representative from a local high school.

Cash and Cash Equivalents

The Organization considers all bank certificates of deposit, regardless of maturity date, and all money market mutual funds to be cash equivalents. The Organization maintains cash in bank deposit accounts that, at times, may exceed federally insured limits, which is generally \$250,000 per account holder, per bank. The Organization's bank accounts are held in banks that participate in the FDIC program under which any non-interest bearing transaction accounts have unlimited FDIC insurance coverage. At December 31, 2009 the Organization had no uninsured cash.

Furniture and Equipment

All acquisitions of furniture and equipment in excess of \$1,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Furniture and equipment is carried at cost, or if donated, at the approximate fair value at the date of donation, with depreciation provided over the estimated useful lives of the respective assets, generally 5 to 7 years, using the straight-line method. Depreciation expense for the year ended December 31, 2009 was \$649.

Donated Goods and Services

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets, or (b) require specialized skills which are performed by people with those skills and would otherwise be purchased by the Organization. There were no donated goods or services during 2009.

Net Assets

The Organization's net assets are classified as temporarily restricted or unrestricted. Temporarily restricted net assets are those whose use is limited by donor-imposed stipulations that either expire by the passage of time, or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. Unrestricted net assets are not temporarily restricted by donor-imposed stipulations. Donations whose restrictions are met within the reporting period are recorded as unrestricted net assets. At the end of 2009, temporarily restricted net assets were comprised of program-restricted funds.

AFRICA BRIDGE

Notes to Financial Statements

Year Ended December 31, 2009

Note 1 - Summary of Significant Accounting Principles, continued

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Organization's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities and changes in net assets and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Organization is exempt from income taxes, except with respect to any unrelated business income, under Section 501(c)(3) of the Internal Revenue Code, and files Federal Form 990 annually. It is exempt from Oregon income tax in the same manner. The Organization is not a private foundation.

The Organization is operated in a manner that continues to qualify them for tax exempt status. In any year in which the Organization has gross receipts from unrelated business activities of \$1,000 or more, it must file Form 990-T with the Internal Revenue Service (IRS) and pay tax on such income less any related deductions. The Organization had no unrelated business income for the year ended December 31, 2009. Accordingly, no income taxes have been provided for in the accompanying statement of activities and changes in net assets.

The Organization adopted new accounting for uncertainly in income taxes guidance on January 1, 2009. There was no impact on the financial statements as a result of adopting the new guidance. The Organization recognizes interest and penalties associated with uncertain tax positions as part of the income tax provision, as applicable. There are no amounts in the statement of activities and changes in net assets related to uncertain tax positions.

The Organization files informational returns in the United States and various state and local jurisdictions. The Organization's Federal informational returns for the years ended December 31, 2008, 2007, and 2006 are subject to examination by the Internal Revenue Service, generally for 3 years after the returns were filed. State and local jurisdictions have statutes of limitations that generally range from 3 to 5 years.

Fair Value of Financial Instruments

The Organization's significant financial instruments are cash and cash equivalents and accounts payable. The Organization estimates that the fair value of these non-derivative financial instruments at December 31, 2009 does not differ materially from the aggregate carrying value of its financial instruments recorded in the accompanying financial statements.

Subsequent Events

The Organization has evaluated subsequent events through June 15, 2011, which is the date the financial statements were available to be issued.

AFRICA BRIDGE

Notes to Financial Statements

Year Ended December 31, 2009

Note 2 - Lease of Office Space

The Organization has a lease agreement with Marylhurst University for office space, which was renewed in July 2009. Monthly lease payments are \$333. The lease agreement ends in July 2014. Total lease expense for the year ended December 31, 2009 was \$4,000.

Future annual minimum lease payments under non-cancelable operating leases are as follows:

2010	\$	4,000
2011		4,000
2012		4,000
2013		4,000
2014		2,000
	\$	<u>18,000</u>

Note 3 - Fund-raising Expense

Total fund-raising expense for the year ended December 31, 2009 was \$7,288. Fund-raising expenses related to individual donations totaled 4.75% of the total annual individual contributions. The ratio of expenses to amounts raised is computed using actual expenses and contributions on an accrual basis.

Note 4 - Concentration of Income Sources

During 2009, the Organization received approximately 47% of its total revenue from contributions. The Harvest Gala fund-raising event provided approximately 9% of total revenue. Grant revenues received during 2009 comprised 40% of total revenues. The grants received from Newman's Own and Rotary provided 8% and 30%, respectively, of total revenues.

SUPPLEMENTAL INFORMATION

AFRICA BRIDGE

Schedule of Activities - Budget and Actual

Year Ended December 31, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Support and Revenue:			
Contributions	\$ 139,529	\$ 124,763	\$ (14,766)
Special events, net of expenses	-	24,844	24,844
Investment income	3,450	48	(3,402)
Other revenue	9,600	8,271	(1,329)
Grants	<u>108,300</u>	<u>104,738</u>	<u>(3,562)</u>
Total Support and Revenue	<u>260,879</u>	<u>262,664</u>	<u>1,785</u>
Expenses:			
United States	58,694	89,000	30,306
Tanzania	60,618	45,400	(15,218)
Program	<u>142,108</u>	<u>125,616</u>	<u>(16,492)</u>
Total Expenses	<u>261,420</u>	<u>260,016</u>	<u>(1,404)</u>
Change in Net Assets	<u>(541)</u>	<u>2,648</u>	<u>3,189</u>
Net Assets, beginning	<u>72,689</u>	<u>72,689</u>	<u>-</u>
Net Assets, ending	<u>\$ 72,148</u>	<u>\$ 75,337</u>	<u>\$ 3,189</u>