

SELF-HELP INTERNATIONAL (USA)
Waverly, Iowa

December 31, 2012 and 2011

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-2
<u>Financial Statements:</u>	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Statements of Functional Expenses – Unrestricted Fund	6
Statements of Functional Expenses – Temporarily Restricted Fund	7
Notes to Financial Statements	8-14
Independent Auditor's Report on Internal Control over Financial Reporting	15

Independent Auditor's Report

To the Board of Directors
Self-Help International (USA)
Waverly, Iowa

Report on the Financial Statements

I have audited the accompanying financial statements of Self-Help International (USA), which comprise the statements of financial position as of December 31, 2012 and 2011, 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

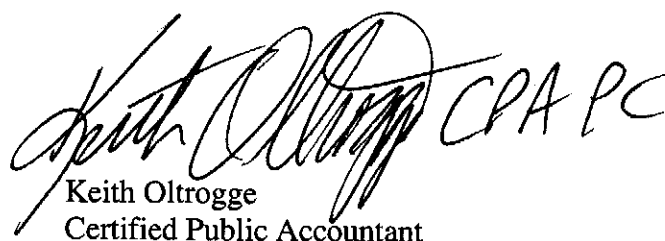
My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audits to obtain reasonable assurance about 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 principles used and the reasonableness of significant 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 Self-Help International (USA) as of December 31, 2012 and 2011, and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Keith Oltrogge
Certified Public Accountant

Denver, Iowa
April 8, 2013

SELF-HELP INTERNATIONAL (USA)
Waverly, Iowa

STATEMENTS OF FINANCIAL POSITION
At December 31, 2012 and 2011

ASSETS

	2012	
	Unrestricted Fund	(Unrestricted) Investment Fund
CURRENT ASSETS:		
Cash	\$ 9,085	\$ 74,068
Investments	-	338,560
Investment in life insurance policy	2,019	-
Inventory	221	-
Prepaid expenses	-	-
Total Current Assets	<u>\$ 11,325</u>	<u>\$ 412,628</u>
PROPERTY AND EQUIPMENT:		
Office Equipment	\$ 26,271	\$ -
Nicaragua assets	100	-
	<u>\$ 26,371</u>	<u>\$ -</u>
Less accumulated depreciation	-19,264	-
Net Property and Equipment	<u>\$ 7,107</u>	<u>\$ -</u>
TOTAL ASSETS	<u>\$ 18,432</u>	<u>\$ 412,628</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ -	\$ -
Net Assets	<u>\$ 18,432</u>	<u>\$ 412,628</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 18,432</u>	<u>\$ 412,628</u>

See the accompanying notes to the financial statements, which are an integral part of this exhibit.

2012			2011	
Temporarily Restricted Fund	Permanently Restricted Endowment	Total (Memorandum Only)	Total (Memorandum Only)	
\$ 8,073	\$ -	\$ 91,226	\$ 234,677	
-	70,000	408,560	300,043	
-	-	2,019	2,019	
-	-	221	251	
-	-	-	506	
\$ 8,073	\$ 70,000	\$ 502,026	\$ 537,496	
\$ -	\$ -	\$ 26,271	26,520	
-	-	100	100	
\$ -	-	26,371	26,620	
-	-	-19,264	-20,265	
\$ -	\$ -	\$ 7,107	\$ 6,355	
	\$			
\$ 8,073	\$ 70,000	\$ 509,133	\$ 543,851	
\$ -	\$ -	\$	-	
\$ 8,073	\$ 70,000	\$ 509,133	\$ 543,851	
\$ 8,073	\$ 70,000	\$ 509,133	\$ 543,851	

SELF-HELP INTERNATIONAL (USA)
Waverly, Iowa

STATEMENTS OF ACTIVITIES
Years Ended December 31, 2012 and 2011

	2012	
	Unrestricted Fund	(Unrestricted) Investment Fund
REVENUE, GAINS & OTHER SUPPORT		
Churches	\$ 27,478	\$ -
Individuals	30,819	-
Corporations/Organizations	488	-
Trustees	33,604	-
Interest	-	1,439
Dividends	-	4,937
Realized gain (loss)	-	7,296
Unrealized gain (loss) from increase (decrease) in FMV of investments	-	25,992
Grants	9,250	-
Miscellaneous	88	-
In-Kind Contributions	23,930	-
Total Revenue, gains & other support	\$ 125,657	\$ 39,664
EXPENSES:		
Central America project	\$ -	\$ -
Africa project	-	-
Nutrition project	-	-
Management and general	44,287	-
Fund raising and public relations	61,056	-
Total Expenses	\$ 105,343	\$ -
Change in net assets before transfers	\$ 20,314	\$ 39,664
Transfers	-80,210	-9,796
Change in net assets	\$ -59,896	\$ 29,868
Net assets beginning of year	78,328	382,760
Net assets end of year	\$ 18,432	\$ 412,628

See the accompanying notes to the financial statements, which are an integral part of this exhibit.

2012			2011	
Temporarily Restricted Fund	Permanently Restricted Endowment	Total (Memorandum Only)	Total (Memorandum Only)	
\$ 9,914	\$ -	\$ 37,392	\$ 33,106	
67,251	-	98,070	122,487	
24,705	-	25,193	36,025	
20,407	-	54,011	29,845	
6	43	1,488	2,544	
-	148	5,085	8,026	
-	-	7,296	1,296	
-	779	26,771	2,756	
41,028	-	50,278	21,460	
-	-	88	-	
-	-	23,930	28,027	
\$ 163,311	\$ 970	\$ 329,602	\$ 285,572	
\$ 139,454	\$ -	\$ 139,454	\$ 129,391	
113,253	-	113,253	108,817	
6,270	-	6,270	-	
-	-	44,287	44,923	
-	-	61,056	63,455	
\$ 258,977	\$ -	\$ 364,320	\$ 346,586	
\$ -95,666	\$ 970	\$ -34,718	\$ -61,014	
90,976	-970	-	-	
\$ -4,690	\$ -	\$ -34,718	\$ -61,014	
12,763	70,000	543,851	604,865	
\$ 8,073	\$ 70,000	\$ 509,133	\$ 543,851	

SELF-HELP INTERNATIONAL (USA)
Waverly, Iowa

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2012 and 2011

	2012	
	Unrestricted Fund	(Unrestricted) Investment Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 20,314	\$ 39,664
Depreciation	756	-
Increase (Decrease) in accounts payable	-	-
(Increase) Decrease in inventory	30	-
(Increase) Decrease in accounts receivable	-	-
(Increase) Decrease in prepaid expenses	506	-
(Increase) Decrease in life insurance policy	-	-
Unrealized (gain) loss on investments	-	-25,992
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 21,606	\$ 13,672
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	\$ -1,508	\$ -
Loss on disposal of equipment	-	-
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	\$ -1,508	\$ -
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from investments	\$ -	\$ 195,673
Purchase of investments	-	-277,073
Dividends and interest reinvested	-	-346
NET CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES	\$ -	\$ -81,746
NET INCREASE (DECREASE) IN CASH	\$ 20,098	\$ -68,074
Transfers	-80,210	-10,575
CASH AT BEGINNING OF YEAR	69,197	152,717
CASH AT END OF YEAR	\$ 9,085	\$ 74,068

Cash is comprised of:

	2012	2011
Checking, savings and petty cash	\$ 17,158	\$ 75,616
Money market account	74,068	159,061
	\$ 91,226	\$ 234,677

See the accompanying notes to the financial statements, which are an integral part of this exhibit.

2012			2011	
Temporarily Restricted Fund	Permanently Restricted Endowment	Total (Memorandum Only)	Total (Memorandum Only)	
\$ -95,666	\$ 970	\$ -34,718	\$ -61,014	
-	-	756	901	
-	-	-	-310	
-	-	30	239	
-	-	-	500	
-	-	506	1,486	
-	-	-	-44	
-	-779	-26,771	-2,756	
\$ -95,666	\$ 191	\$ -60,197	\$ -60,998	
\$ -	\$ -	\$	-	
-	-		-	
\$ -	\$ -	\$ -1,508	\$ -	
\$ -	\$ -	\$ 195,673	\$ 79,594	
-	-	-277,073	-95,643	
-	-	-346	-	
\$ -	\$ -	\$ -81,746	\$ -16,049	
\$ -95,666	\$ 191	\$ -143,451	\$ -77,047	
90,976	-191	-	-	
12,763	-	234,677	311,724	
\$ 8,073	\$ -	\$ 91,226	\$ 234,677	

SELF-HELP INTERNATIONAL (USA)
Waverly, Iowa

STATEMENTS OF FUNCTIONAL EXPENSES – UNRESTRICTED FUND
Years Ended December 31, 2012 and 2011

	2012			
	Program Services			
	Nutrition Project	Central America	Africa	Total
Payroll	\$ -	\$ -	\$ -	\$ -
Payroll Taxes	-	-	-	-
Legal and accounting	-	-	-	-
Insurance	-	-	-	-
Supplies	-	-	-	-
Telephone/Infonet	-	-	-	-
Postage/Shipping	-	-	-	-
Dues and subscriptions	-	-	-	-
Office expense	-	-	-	-
Promotion	-	-	-	-
Bank charges/Investment fees	-	-	-	-
Retirement	-	-	-	-
Depreciation	-	-	-	-
Travel	-	-	-	-
	\$ -	\$ -	\$ -	\$ -

See the accompanying notes to the financial statements, which are an integral part of this exhibit.

2012				2011	
Supporting Services					
Management & General	Fund- Raising	Total	Total (Memorandum Only)	Total (Memorandum Only)	
\$ 14,757	\$ 24,354	\$ 39,111	\$ 39,111	\$ 40,131	
1,129	1,863	2,992	2,992	3,062	
2,275	-	2,275	2,275	2,000	
489	-	489	489	477	
-	-	-	-	-	
862	384	1,246	1,246	1,238	
481	744	1,225	1,225	1,163	
190	-	190	190	159	
13,423	846	14,269	14,269	16,525	
-	32,760	32,760	32,760	36,713	
6,925	50	6,975	6,975	3,003	
3,000	-	3,000		3,000	
756	-	756	756	901	
-	55	55	55	6	
\$ 44,287	\$ 61,056	\$ 105,343	\$ 105,343	\$ 108,378	

SELF-HELP INTERNATIONAL (USA)
Waverly, Iowa

STATEMENTS OF FUNCTIONAL EXPENSES – TEMPORARILY RESTRICTED FUND
Years Ended December 31, 2012 and 2011

	2012			
	Program Services			
	Nutrition Project	Central America	Africa	Total
Payroll	\$ -	\$ 21,212	\$ 19,959	\$ 41,171
Payroll Taxes	-	1,623	1,527	3,150
Legal and accounting	-	-	-	-
Insurance	-	-	-	-
Supplies	6,270	108,844	90,181	205,295
Telephone/Infonet	-	16	-	16
Postage/Shipping	-	4	-	4
Dues and subscriptions	-	-	-	-
Office expense	-	-	-	-
Promotion	-	-	-	-
Bank Charges	-	16	15	31
Retirement	-	-	-	-
Depreciation	-	-	-	-
Travel	-	7,739	1,571	9,310
	<u>\$ 6,270</u>	<u>\$ 139,454</u>	<u>\$ 113,253</u>	<u>\$ 258,977</u>

See the accompanying notes to the financial statements, which are an integral part of this exhibit.

2012					2011	
Supporting Services						
Management & General		Fund- Raising		Total	Total (Memorandum Only)	Total (Memorandum Only)
\$	-	\$	-	\$	41,171	\$ 37,813
	-		-	-	3,150	2,893
	-		-	-	-	-
	-		-	-	-	-
	-		-	-	205,295	185,342
	-		-	-	16	-
	-		-	-	4	77
	-		-	-	-	-
	-		-	-	-	69
	-		-	-	-	-
	-		-	-	31	120
	-		-	-	-	-
	-		-	-	-	-
	-		-	-	9,310	11,894
\$	-	\$	-	\$	258,977	\$ 238,208

SELF-HELP INTERNATIONAL (USA)
Waverly, Iowa

NOTES TO FINANCIAL STATEMENTS
At December 31, 2012

NOTE 1 – NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The Organization began its operations in 1959. It is incorporated under the Iowa Non-Profit Corporation Act. It impacts world hunger by teaching the skills necessary to operate and maintain small farm equipment, which helps provide the food needs of whole communities in developing countries. Micro-credit loans give women the ability to start small scale businesses. The nutrition program improves children's diets, alleviates malnutrition, thwarts sickness and helps keep the children in school. Countries in Africa and Central America are where the Organization is currently working.

The financial statements do not include the bank accounts or activities of Self-Help International (USA)/IMT-Ghana or Self-Help International (USA)/Nicaragua. The accounts have been funded primarily by grants from the government and interest earned on micro-credit loans. Accounting records for all in-country receipts and disbursements are maintained in those countries.

Significant Accounting Policies

Accounting Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and 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.

Basis of Presentation – The Organization has adopted accounting standards for accounting for contributions received and made and financial statements of not-for-profit organizations. The accounting standards establish standards for external reporting by not-for-profit organizations and require that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. Accounting standards also require that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the Organization to distinguish between contributions received for each net asset category in accordance with the donor imposed restrictions. A description of the three net asset categories is as follows:

Unrestricted Net Assets – This category of net assets includes unrestricted contributions and expenses associated with the principal activity of the Organization.

SELF-HELP INTERNATIONAL (USA)
Waverly, Iowa

NOTES TO FINANCIAL STATEMENTS
At December 31, 2012

NOTE 1 – NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued):

Temporarily Restricted Net Assets – This category of net assets includes gifts and income for which donor imposed restrictions have not been met and pledges for which the ultimate purpose of the proceeds is not permanently restricted.

Permanently Restricted Net Assets – This category of net assets includes gifts, trusts and pledges which require, by donor restriction, that the corpus of the gift be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

In-Kind Contributions – In-kind contributions are recorded as revenue in the statement of activity. An equal amount is recorded as property and equipment in the Statement of Financial Position or as an expense in the Statement of Activities. In-kind contributions consist of donated equipment, professional services, printing costs, and supplies. These contributions are recorded at estimated fair value at the time of contribution.

Revenue Recognition – Revenue from grants is recognized in the period the Organization has fulfilled the requirements of the grants.

Cash and Cash Equivalents – For purposes of reporting cash flows, cash and cash equivalents include cash and savings with six month liquidity.

Property and Equipment and Depreciation – Property and equipment are stated at historical cost except for donated property which is recorded at estimated fair value at date of receipt. Depreciation is calculated using the straight line method over the asset's estimated useful life.

Fair Value of Financial Instruments – The carrying amount of cash, receivables and accounts payable approximates fair value because of the short maturity of these instruments.

Income Taxes – Self-Help International (USA) is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. The tax exempt status is also recognized by the State of Iowa. Accordingly, no provision for income taxes has been made.

Investments – The Organization elected to adopt accounting standards for accounting for certain investments held by not-for-profit organizations. The accounting standards require that investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets.

SELF-HELP INTERNATIONAL (USA)
Waverly, Iowa

NOTES TO FINANCIAL STATEMENTS
At December 31, 2012

NOTE 1 – NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates – The preparation of financial statements in conformity with U. S. 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.

Total (Memorandum Only) – The total column on the comparative statements is captioned “Memorandum Only” to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with U. S. generally accepted accounting principles. Neither is such data comparable to a consolidation. Inter-fund eliminations have not been made in the aggregation of this data.

Pledges and Contributions – The Organization engages in periodic fundraising campaigns manifested by offering telephone, mail and other fundraising appeals. These appeals encourage supporters, both individuals and organizations, to provide financial contributions to the Organization for enhancement of the programs and operating expenses. Financial contributions are frequently evidenced by pledges received from responding supporters. Contributions including unconditional promises to give are recognized as revenue in the period received or given. However, uncollected pledges are not enforceable against contributors. An allowance for uncollectible contributions receivable is provided based on the Organization’s judgment including such factors as prior collection history and type of contribution. All pledges receivable are promises to give within one year of December 31, 2012. Contributions and collected pledges are components of the unrestricted operating fund inasmuch as their usage is not limited to specific activities of the Organization. This usage is consistent with appeals for contributions and pledges.

Contributed Services – During the years ended December 31, 2012 and 2011, 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, but these services do not meet the criteria for recognition as contributed services.

SELF-HELP INTERNATIONAL (USA)
Waverly, Iowa

NOTES TO FINANCIAL STATEMENTS
At December 31, 2012

NOTE 2 –INVESTMENTS

Investments are in stocks, municipal bonds and mutual funds and are stated at fair value and are summarized as follows as of December 31, 2012:

Municipal Bonds	Interest Rate	Date Matures	Cost	Fair Value
Iowa State Special Obligation IJOBS Program	6.750%	6-1-34	\$ 10,225	\$ 11,942
<hr/>				
Mutual Funds			Cost	Fair Value
ISHARES IBOXX High Yield Corporate Bond Fund			\$ 13,328	\$ 13,816
Vanguard Total Bond Market Fund			127,908	128,482
Vanguard MSCI Emerging Markets Index Fund			17,434	18,124
ISHARES MSCI EAFE Index Fund			17,114	18,195
ISHARES Russell 1,000 Index Fund			121,064	136,059
ISHARES Russell 2,000 Index Fund			15,743	18,213
ISHARES Russell Mid-Cap Index Fund			7,178	8,030
ISHARES Floating Rate Note Fund			11,560	11,635
			<hr/>	
			\$ 331,329	\$ 352,554
<hr/>				
Stocks			Cost	Fair Value
First of Waverly Corporation*			\$ 32,832	\$ 44,064

*A non-public company

**Represents more than 5% of total assets

Investment in Life Insurance Policy represents the cash value of the life insurance policy for which the Organization is the owner. The policy was a gift to the Organization. The policy is on the life of the donor.

Credit Risk – The Organization's deposits in banks at December 31, 2012 were fully covered by federal depository insurance.

SELF-HELP INTERNATIONAL (USA)
Waverly, Iowa

NOTES TO FINANCIAL STATEMENTS
At December 31, 2012

NOTE 2 – INVESTMENTS (Continued)

Interest Rate Risk – The Organization manages interest rate risk with segmented time distribution.

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31, 2012:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Interest income	\$ 1,439	\$ 6	\$ 43	\$ 1,488
Dividend income	4,937	-	148	5,085
Net realized gain/loss	7,296	-	-	7,296
Unrealized gain/loss	25,992	-	779	26,771
	<u>\$ 39,664</u>	<u>\$ 6</u>	<u>\$ 970</u>	<u>\$ 40,640</u>

NOTE 3 – FAIR VALUE MEASUREMENTS

The Organization's investments are reported at fair value in the accompanying statement of net assets. The following table presents fair value measurement information for certain financial instruments. The carrying value of cash and cash equivalents included in the accompanying statement of net assets approximated fair value at December 31, 2012 and 2011, and thus are not included in the following table.

December 31, 2012	Fair Value	Fair Value Measurements Using:		
		Quoted Prices In Active Markets (Level 1)	Other than Quoted Prices In Active Markets (Level 2)	Significant Unobservable Inputs (Level 3)
Municipal Bonds	\$ 11,942	\$ 11,942	\$ -	\$ -
Mutual Funds	352,554	352,554	-	-
Stocks	44,064	-	-	44,064
	<u>\$ 408,560</u>	<u>\$ 364,496</u>	<u>\$ -</u>	<u>\$ 44,064</u>

FASB ASC 820 (formerly SFAS No. 157 and 159), *Fair Value Measurements*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs are based on inputs other than quoted prices within Level 1 that are observable for the asset, either directly or indirectly, and Level 3 inputs have the lowest priority.

SELF-HELP INTERNATIONAL (USA)
Waverly, Iowa

NOTES TO FINANCIAL STATEMENTS
At December 31, 2012

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

The estimated fair value amounts have been determined by First National Bank using appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, First National Bank measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were only used when Level 2 inputs were not available.

Level 1 Fair Value Measurements

The fair value of mutual funds is based on quoted net asset values. The fair value of municipal bonds is based on quoted market prices.

Level 2 Fair Value Measurements

The fair value of a Level 2 investment is based on the publicly quoted price of the mutual fund it is invested in. The fair value of a loan payable is based on the quoted interest rate currently available for the issuance of debt with similar terms and maturity dates.

Level 3 Fair Value Measurements

The fair value of the non-public company stock is determined by independent annual appraisal.

NOTE 4 – ENDOWMENT FUND

The Organization has a permanently restricted endowment fund which is funded primarily by E & M Charities. The Organization has the use of the income produced each year. If the Organization should ever become “for profit” or cease to exist, the principal would revert to the donor. The endowment fund income is deposited in the unrestricted fund. The principal consists of the following at December 31, 2012 and 2011:

	Fair Value at December 31,	
	2012	2011
Mutual Funds	\$ 70,000	\$ 70,000

SELF-HELP INTERNATIONAL (USA)
Waverly, Iowa

NOTES TO FINANCIAL STATEMENTS
At December 31, 2012

NOTE 5 – DETAIL OF RESTRICTED NET ASSETS

Temporarily Restricted

	Fair Value at December 31,	
	2012	2011
Africa	\$ -	\$ -
Central America	-	-
Nutrition Program	8,073	12,763
	<u>\$ 8,073</u>	<u>\$ 12,763</u>

NOTE 6 – SCHEDULE OF FUNCTIONAL EXPENSES

The costs of providing the various programs and services have been allocated to program/service functions based upon utilization and time spent by employees as designated by the Executive Director.

NOTE 7 – RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The Organization assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 8, 2013, which is the date the financial statements were available to be issued.

Keith Oltrogge, CPA, P.C.

201 East Main Street
P.O. Box 310
Denver, Iowa 50622
(319) 984-5292
FAX (319) 984-6408

To the Board of Directors
Self Help International (USA)

I have audited in accordance with auditing standards generally accepted in the United States of America the financial statements of Self Help International (USA) as of and for the year ended December 31, 2012, and have issued my report thereon dated April 8, 2013

Internal Control Over Financial Reporting

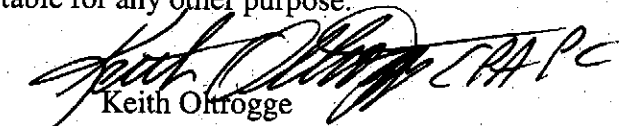
In planning and performing my audit of the financial statements, I considered Self Help International (USA)'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Self Help International (USA)'s internal control. Accordingly, I do not express an opinion on the effectiveness of Self Help International (USA)'s internal control.

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control. Accordingly, this communication is not suitable for any other purpose.


Keith Oltrogge
Certified Public Accountant

Denver, Iowa
April 8, 2013

Keith Oltrogge, CPA, P.C.

201 East Main Street
P.O. Box 310
Denver, Iowa 50622
(319) 984-5292
FAX (319) 984-6408

April 8, 2013

To the Audit Committee
Self Help International (USA)

I have audited the financial statements of Self Help International (USA) for the year ended December 31, 2012, and have issued my report thereon dated April 8, 2013. Professional standards require that I provide you with the following information related to my audit.

My Responsibility under U.S. Generally Accepted Auditing Standards

As stated in my engagement letter, my responsibility, as described by professional standards, is to plan and perform my audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement and are fairly presented, in all material respects, in accordance with the accrual basis of accounting. Because an audit is designed to provide reasonable, but not absolute assurance and because I did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by me.

As part of my audit, I considered the internal control of Self Help International (USA). Such considerations were solely for the purpose of determining my audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of Self Help International (USA)'s compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my tests was not to provide an opinion on compliance with such provisions.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of my engagement letter, I will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Self Help International (USA) are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2012. I noted no transactions entered into by Self Help International (USA) during the year that were both significant and unusual, and of which, under professional standards, I am required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to my satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. I am pleased to report that no such disagreements arose during the course of my audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with me to determine that the consultant has all the relevant facts. To my knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditor

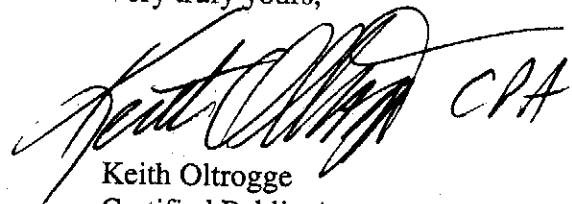
I generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Self Help International (USA)'s auditor. However, these discussions occurred in the normal course of our professional relationship and my responses were not a condition to my retention.

Difficulties Encountered in Performing the Audit

I encountered no significant difficulties in dealing with management in performing my audit.

This information is intended solely for the use of the Board of Directors and management of Self Help International (USA) and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

 CPA PC
Keith Oltrogge
Certified Public Accountant