

SELF-HELP INTERNATIONAL (USA)
Waverly, Iowa

December 31, 2015 and 2014

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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, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related Notes to 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

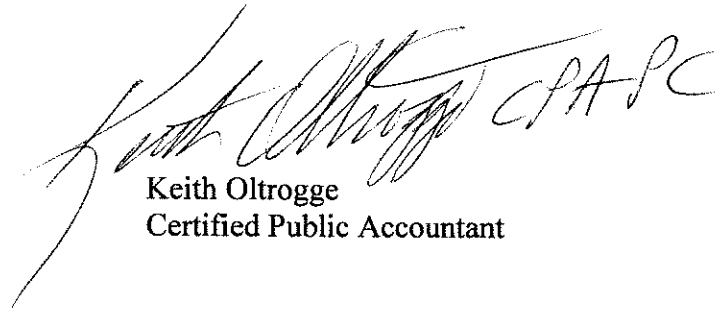
My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audits to obtain reasonable assurance about 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 Organization'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 Organization'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, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read "Keith Oltrogge CPA PC", is written over the printed name and title.

Keith Oltrogge
Certified Public Accountant

Denver, Iowa
April 6, 2016

SELF-HELP INTERNATIONAL (USA)
Waverly, Iowa

STATEMENTS OF FINANCIAL POSITION
At December 31, 2015 and 2014

ASSETS

	2015	
	Unrestricted Fund	(Unrestricted) Investment Fund
CURRENT ASSETS:		
Cash	\$ 60,424	\$ 5,230
Investments	-	338,301
Investment in life insurance policy	-	-
Accounts Receivable	3,280	-
Inventory	167	-
Total Current Assets	\$ 63,871	\$ 343,531
PROPERTY AND EQUIPMENT:		
Office Equipment	\$ 26,655	\$ -
Nicaragua assets	100	-
	\$ 26,755	\$ -
Less accumulated depreciation	-20,524	-
Net Property and Equipment	\$ 6,231	\$ -
TOTAL ASSETS	\$ 70,102	\$ 343,531

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ 3,571	\$ -
Accrued payroll taxes	2,305	-
Total Liabilities	\$ 5,876	\$ -
Net Assets	\$ 64,226	\$ 343,531
TOTAL LIABILITIES AND NET ASSETS	\$ 70,102	\$ 343,531

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

2015			2014	
Temporarily Restricted Fund	Permanently Restricted Endowment	Total (Memorandum Only)	Total (Memorandum Only)	
\$ -	\$ -	\$ 65,654	\$ 79,854	
-	101,029	439,330	434,021	
-	-	-	2,138	
-	-	3,280	-	
-	-	167	18,667	
\$ -	\$ 101,029	\$ 508,431	\$ 534,680	
\$ -	\$ -	\$ 26,655	26,655	
-	-	100	100	
\$ -	-	26,755	26,755	
-	-	-20,524	-20,350	
\$ -	\$ -	\$ 6,231	\$ 6,405	
	\$			
\$ -	\$ 101,029	\$ 514,662	\$ 541,085	
\$ -	\$ -	\$ 3,571	\$ -	
-	-	2,305	-	
\$ -	\$ -	\$ 5,876	\$ -	
\$ -	\$ 101,029	\$ 508,786	\$ 541,085	
\$ -	\$ 101,029	\$ 514,662	\$ 541,085	

SELF-HELP INTERNATIONAL (USA)
Waverly, Iowa

STATEMENTS OF ACTIVITIES
Years Ended December 31, 2015 and 2014

	2015	
	Unrestricted Fund	(Unrestricted) Investment Fund
REVENUE, GAINS & OTHER SUPPORT		
Churches	\$ 24,024	\$ -
Individuals	131,495	-
Corporations/Organizations	39,409	-
Trustees	44,884	6,388
Interest	-	-
Dividends	-	1,796
Realized gain (loss)	-	6,954
Unrealized gain (loss) from increase (decrease) in FMV of investments	-	-508
Grants	-	-
Miscellaneous	3,207	-
In-Kind Contributions	18,000	-
Total Revenue, gains & other support	\$ 261,019	\$ 14,630
EXPENSES:		
Central America project	\$ -	\$ -
Africa project	-	-
Nutrition project	-	-
Management and general	73,577	-
Fund raising and public relations	100,728	-
Total Expenses	\$ 174,305	\$ -
Change in net assets before transfers	\$ 86,714	\$ 14,630
Transfers	-93,603	-25,600
Change in net assets	\$ -6,889	\$ -10,970
Net assets beginning of year	71,115	354,501
Net assets end of year	\$ 64,226	\$ 343,531

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

2015			2014	
Temporarily Restricted Fund	Permanently Restricted Endowment	Total (Memorandum Only)	Total (Memorandum Only)	
\$ 13,841	\$ -	\$ 37,865	\$ 51,276	
50,410	125	182,030	154,909	
21,378	-	60,787	37,744	
10,653	-	61,925	59,007	
-	-	-	433	
-	6,073	7,869	9,468	
-	94	7,048	17,606	
-	-3,161	-3,669	11,008	
-	-	-	22,667	
598	-	3,805	153	
-	-	18,000	26,415	
<u>\$ 96,880</u>	<u>\$ 3,131</u>	<u>\$ 375,660</u>	<u>\$ 390,686</u>	
\$ 122,892	\$ -	\$ 122,892	\$ 117,184	
104,503	-	104,503	116,937	
6,259	-	6,259	-	
-	-	73,577	70,249	
-	-	100,728	78,808	
<u>\$ 233,654</u>	<u>\$ -</u>	<u>\$ 407,959</u>	<u>\$ 383,178</u>	
\$ -136,774	\$ 3,131	\$ -32,299	\$ 7,508	
123,227	-4,024	-	-	
\$ -13,547	\$ -893	\$ -32,299	\$ 7,508	
13,547	101,922	541,085	533,577	
<u>\$ -</u>	<u>\$ 101,029</u>	<u>\$ 508,786</u>	<u>\$ 541,085</u>	

SELF-HELP INTERNATIONAL (USA)
Waverly, Iowa

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2015 and 2014

	2015	
	Unrestricted Fund	(Unrestricted) Investment Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 86,714	\$ 14,630
Depreciation	174	-
(Increase) Decrease in inventory	18,500	-
(Increase) Decrease in accounts receivable	-3,280	-
(Increase) Decrease in life insurance policy	2,138	-
Increase (Decrease) in accounts payable	3,571	-
Increase (Decrease) in accrued payroll taxes	2,305	-
Unrealized (gain) loss on investments	-	508
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 110,122	\$ 15,138
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	\$ -	\$ -
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from investments	\$ -	\$ 192,602
Purchase of investments	-	-189,009
Dividends and interest reinvested	-	-1,796
NET CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES	\$ -	\$ 1,797
NET INCREASE (DECREASE) IN CASH	\$ 110,122	\$ 16,935
Transfers	-93,603	-34,107
CASH AT BEGINNING OF YEAR	43,905	22,402
CASH AT END OF YEAR	\$ 60,424	\$ 5,230

Cash is comprised of:

	2015	2014
Checking, savings and petty cash	\$ 60,424	\$ 57,452
Money market account	5,230	22,402
	<u>\$ 65,654</u>	<u>\$ 79,854</u>

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

2015			2014		
Temporarily Restricted Fund	Permanently Restricted Endowment	Total (Memorandum Only)	Total (Memorandum Only)		
\$ -136,774	\$ 3,131	\$ -32,299	\$ 7,508		
-	-	174	381		
-	-	18,500	-18,476		
-	-	-3,280	-		
-	-	2,138	-38		
-	-	3,571	-		
-	-	2,305	-		
-	3,161	3,669	-11,008		
\$ -136,774	\$ 6,292	\$ -5,222	\$ -21,633		
\$ -	\$ -	\$ -	\$ -384		
\$ -	\$ 51,509	\$ 244,111	\$ 207,568		
-	-56,211	-245,220	-190,446		
-	-6,073	-7,869	-12,064		
\$ -	\$ -10,775	\$ -8,978	\$ 5,058		
\$ -136,774	\$ -4,483	\$ -14,200	\$ -16,959		
123,227	4,483	-	-		
13,547	-	79,854	96,813		
\$ -	\$ -	\$ 65,654	\$ 79,854		

SELF-HELP INTERNATIONAL (USA)
Waverly, Iowa

STATEMENTS OF FUNCTIONAL EXPENSES – UNRESTRICTED FUND
Years Ended December 31, 2015 and 2014

		2015			
		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	-	-	-	-	-
Retirement/Benefits	-	-	-	-	-
Depreciation	-	-	-	-	-
Travel	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	-

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

2015				2014	
Supporting Services			Total (Memorandum Only)	Total (Memorandum Only)	
Management & General	Fund- Raising	Total			
\$ 26,404	\$ 26,806	\$ 53,210	\$ 53,210	\$ 67,881	
1,682	1,708	3,390	3,390	4,563	
2,420	-	2,420	2,420	2,320	
1,656	-	1,656	1,656	1,336	
-	-	-	-	24	
1,507	-	1,507	1,507	1,280	
665	1,126	1,791	1,791	1,456	
5,093	305	5,398	5,398	740	
20,406	-	20,406	20,406	24,357	
-	69,302	69,302	69,302	31,940	
7,325	-	7,325	7,325	8,308	
4,689	-	4,689	4,689	2,033	
174	-	174	174	381	
1,556	1,481	3,037	3,037	2,438	
<u>\$ 73,577</u>	<u>\$ 100,728</u>	<u>\$ 174,305</u>	<u>\$ 174,305</u>	<u>\$ 149,057</u>	

SELF-HELP INTERNATIONAL (USA)
Waverly, Iowa

STATEMENTS OF FUNCTIONAL EXPENSES – TEMPORARILY RESTRICTED FUND
Years Ended December 31, 2015 and 2014

2015				
Program Services				
	Nutrition Project	Central America	Africa	Total
Payroll	\$ -	\$ 16,496	\$ 15,175	\$ 31,671
Payroll Taxes	-	1,051	967	2,018
Legal and accounting	-	-	-	-
Insurance	-	-	-	-
Supplies	6,259	98,056	84,355	188,670
Telephone/Infonet	-	-	-	-
Postage/Shipping	-	-	-	-
Dues and subscriptions	-	-	-	-
Office expense	-	-	-	-
Promotion	-	-	-	-
Bank Charges	-	-	-	-
Retirement	-	-	-	-
Depreciation	-	-	-	-
Travel	-	7,289	4,006	11,295
	<u>\$ 6,259</u>	<u>\$ 122,892</u>	<u>\$ 104,503</u>	<u>\$ 233,654</u>

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

2015					2014	
Supporting Services						
Management & General		Fund- Raising		Total	Total (Memorandum Only)	Total (Memorandum Only)
\$	-	\$	-	\$	31,671	\$ 29,250
	-		-		2,018	2,237
	-		-		-	-
	-		-		-	-
	-		-		188,670	191,110
	-		-		-	7
	-		-		-	20
	-		-		-	25
	-		-		-	20
	-		-		-	432
	-		-		-	-
	-		-		-	-
	-		-		-	-
	-		-		11,295	11,020
\$	-	\$	-	\$	233,654	\$ 234,121

SELF-HELP INTERNATIONAL (USA)
Waverly, Iowa

NOTES TO FINANCIAL STATEMENTS
At December 31, 2015

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 Self-Help International (USA) 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, 2015

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, 2015

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, 2015. 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, 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, 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, 2015

NOTE 2 –INVESTMENTS

Investments are in stocks and mutual funds and are stated at fair value and are summarized as follows as of December 31, 2015:

Mutual Funds	Cost	Fair Value	
ISHARES Russell 1,000 Value Fund	\$ 15,652	\$ 14,972	
Vanguard Total Bond Market Fund	147,660	144,722	**
Vanguard MSCI Emerging Markets Index Fund	8,131	6,936	
ISHARES MSCI EAFE Index Fund	48,762	45,977	**
ISHARES Russell 1,000 Index Fund	93,143	135,972	**
ISHARES Russell 2,000 Index Fund	13,800	16,893	
SPDR Barclay's Capital High Yield Bond Fund	16,005	14,818	
	<u>\$ 343,153</u>	<u>\$ 380,290</u>	

Stocks	Cost	Fair Value	
First of Waverly Corporation*	\$ 32,832	\$ 59,040	**

*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, 2015 were fully covered by federal depository insurance.

SELF-HELP INTERNATIONAL (USA)
Waverly, Iowa

NOTES TO FINANCIAL STATEMENTS
At December 31, 2015

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, 2015:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Interest income	\$ -	\$ -	\$ -	-
Dividend income	1,796	-	6,073	7,869
Net realized gain/loss	6,954	-	94	7,048
Unrealized gain/loss	-508	-	-3,161	-3,669
	<u>\$ 8,242</u>	<u>\$ -</u>	<u>\$ 3,006</u>	<u>\$ 11,248</u>

NOTE 3 – ENDOWMENT FUND

The Organization has a permanently restricted endowment fund that includes \$70,000 from 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. During the year ended December 31, 2014, the Merry Fredrick Leadership Endowment Fund was created. 5% of the average balance may be used in a year for grants which recognize, initiate or promote leadership. During the year ended December 31, 2015 a grant of \$1,250 was given. The principal consists of the following at December 31, 2015 and 2014:

	Fair Value at December 31,	
	2015	2014
Mutual Funds	<u>\$ 101,029</u>	<u>\$ 101,922</u>

NOTE 4 – DETAIL OF RESTRICTED NET ASSETS

Temporarily Restricted:

	Fair Value at December 31,	
	2015	2014
Africa	\$ -	\$ -
Central America	-	-
Nutrition Program	-	13,547
	<u>\$ -</u>	<u>\$ 13,547</u>

SELF-HELP INTERNATIONAL (USA)
Waverly, Iowa

NOTES TO FINANCIAL STATEMENTS
At December 31, 2015

NOTE 5 – 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 6 – FAIR VALUES OF FINANCIAL INSTRUMENTS

The Organization's financial instruments, none of which are held for trading purposes, include cash and investments. The Organization estimates that the fair value of all financial instruments at December 31, 2015 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position. The estimated fair value amounts have been determined by First National Bank, using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and accordingly, the estimates are not necessarily indicative of the amounts that the Organization could realize in a current market exchange.

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 9 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 6, 2016, which is the date the financial statements were available to be issued.

Independent Auditor's Report on Internal Control over Financial Reporting

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, 2015, and have issued my report thereon dated April 6, 2016

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 to determine the audit procedures 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. However, as described in the accompanying Schedule of Findings, I identified deficiencies in internal control I consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of the 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 a material misstatement of the Organization's financial statements will not be prevented or detected and corrected on a timely basis. I consider the deficiencies described in Part I of the accompanying Schedule of Findings as items I-A-15 through I-D-15 to be material weaknesses.

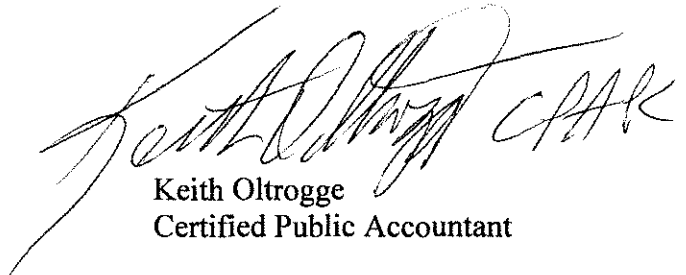
Self Help International (USA)'s Responses to the Findings

Self Help International (USA)'s responses to the findings identified in my audit are described in the accompanying Schedule of Findings. Self Help International (USA)'s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on them.

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 Organization's internal control. Accordingly, this communication is not suitable for any other purpose.

I would like to acknowledge the many courtesies and assistance extended to me by personnel of Self Help International (USA) during the course of my audit. Should you have any questions concerning any of the above matters, I shall be pleased to discuss them with you at your convenience.



Keith Oltrogge
Certified Public Accountant

Denver, Iowa
April 6, 2016

Self Help International (USA)

Schedule of Findings

Year Ended June 30, 2015

Part I – Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

- I-A-15 Internal Control – One of the most important responsibilities of the Organization is to maintain a system of internal control. The Organization's Board of Directors is responsible for making policies and procedures that safeguard Organization assets, ensure Organization financial information is accurate, ensure employees are complying with the policies and procedures and disciplining employees who choose not to comply with Board policies and procedures.

The successful operation of the Organization's internal control is dependent upon having sufficient and properly trained management and personnel to ensure the policies and procedures formed by the Board of Directors are being followed. Based on my audit, it appears the Organization's internal control structure had several breakdowns. This is common during times of turnover and transition.

Recommendation – The Board of Directors and management staff should review the internal control structure and policies and procedures that are in place and evaluate their effectiveness. Changes in the internal control structure may need to be made for the Organization to gain full effectiveness of internal control. This is where having a policy and procedures manual is helpful. Additional staff or volunteers may also be necessary to achieve this goal.

Response – We are reviewing and evaluating our policies and procedures and developing new policies and procedures, where necessary. We have made changes to ensure a proper, reliable and efficient system of internal controls are in place. We are creating a manual of policies and procedures.

Conclusion – Response accepted.

- I-B-15 Segregation of Duties – The limited number of personnel makes it difficult to achieve adequate internal control through the segregation of duties and responsibilities, such as recording and processing cash receipts, preparing checks and bank reconciliations, preparation of journals and general financial information for ledger posting, and the analysis of financial information. A small staff makes it difficult to establish an ideal system of automatic internal checks on accounting record accuracy and reliability. This is not an unusual condition, but it is important the entity officials are aware that the condition exists.

Recommendation – I realize that with a limited number of office employees, segregation of duties is difficult. However, the entity should review its control procedures to obtain the maximum internal control possible under the circumstances. Something as simple as the Board Treasurer reviewing the bank statements or providing a second signature on the checks is helpful in protecting the entity's assets.

Self Help International (USA)

Schedule of Findings

Year Ended June 30, 2015

Part I – Findings Related to the Financial Statements (continued):

I-B-15 Segregation of Duties (continued):

Response - The entity is aware of the lack of complete segregation of duties and will make changes as the opportunity arises.

Conclusion – Response accepted.

I-C-15 Disbursements – I noted several instances of checks written to vendors without an invoice or other supporting documentation. Several of the credit card statements did not have receipts attached to support all of the charges that were made.

Recommendation – All disbursements should have adequate support by an invoice, receipt or other written documentation prior to the check being released for payment. Each invoice/support item should be carefully reviewed. These items are needed to protect your assets.

Response – We have changed our procedures to include a review of all invoices/supporting items before they are paid.

Conclusion – Response accepted.

I-D-15 Bank Reconciliation/General Ledger – I noted during my audit that the bank reconciliation did not agree with the cash balance in the general ledger. The outstanding deposits on the reconciliation at December 31, 2015 did not agree to deposits made in subsequent bank statements. There are a number of old outstanding items in the bank reconciliation. The chart of accounts includes many old and unused income and expense accounts.

Recommendation – The bank reconciliation should be compared to the balance sheet and any variances should be investigated. The detailed reconciliation should be maintained as documentation for this process. The general ledger is supposed to be an accurate history of your financial transactions. You may want to consider creating a new “company” in the accounting software as a way to combine and streamline the accounting.

Response – We are reviewing and updating the accounting and donor software to bring them in line with the other procedural changes we are making.

Conclusion – Response accepted.