

FULLAWAY LAMPHEAR & SAUVE PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountants' Report on Applying Agreed-Upon Procedures

January 27, 2010

To the Board of Directors
Orphans Africa
South Bend, Washington

We have performed the procedures enumerated below, which were agreed to by the Board of Directors, solely to assist you in complying with the annual review of the books and records of Orphans Africa. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures described in the attached schedule for either the purpose for which this report has been requested or for any other purpose.

We performed the following procedures and state our findings, which pertain to the year ended December 31, 2009.

1. We reviewed the general ledger for accuracy.
 - We scanned the general ledger for any possible errors or unusual transactions. The only exception noted was that the automatic billings for credit card donations were not being downloaded into the system properly. However, this did not effect the financial statements and the issue has since been corrected.
2. We reviewed the monthly bank reconciliations to ensure they were done properly and on a timely basis.
 - We reviewed a sample of bank reconciliations to ensure they matched the bank statements. No exceptions were noted.
 - We reviewed a sample of daily deposit ledgers to ensure they tied to both the entry into QuickBooks, as well as the bank statement, and that they were done on a timely basis. No exceptions were noted.
3. We reviewed paid invoices for proper coding, payments and approval.

- We selected certain expense disbursements and traced the named payee and amount to the related invoice or receipt. All selected items appear to be properly paid and expensed.
4. We reviewed cash disbursements for program expenses and compared them to proposed budgets and copies of receipts.
- We reviewed the cash disbursements made for program expenses within QuickBooks and compared them to the worksheet kept by the board of directors for program expenses. No exceptions noted.
 - We reviewed a sample of receipts and compared those to budgeted amounts and funds disbursed. No exceptions noted.
5. We reviewed expense reimbursements to the Board of Directors to verify proper documentation and approval for payment.
- We reviewed a sample of checks written to Board members to verify that all expenses reimbursed were supported by proper documentation. No exceptions noted.
 - We reviewed expense reimbursement summary sheets to ensure proper approval for payment by another member of the board. No exceptions noted.
6. We reviewed donation classifications to make certain that money collected for a specific purpose had been so disbursed.
- We reviewed the donations made for specific classifications and the associated expenses paid with those funds to ensure that the money collected was being used for the purpose it was intended for. The majority of donations made were for the general purpose funds, which are to be disbursed as the board sees fit. No exceptions were noted.
7. We reviewed board policies on how projects are reviewed and accepted, and how funds are disbursed.
- Although the board's policies regarding projects are not included in the bylaws, it appears they have adequate policies and procedures for reviewing, accepting and executing projects, and monitoring the disbursement of funds.
8. We reviewed the Giftworks database system used to track donations and donor information.

- We reviewed the process used to input donor information and to classify donations.
- We reviewed the pro forma donor receipt to ensure all required information was included.
- We reconciled deposits and donation classifications in QuickBooks to those that were entered into the Giftworks system, and we reviewed the client's procedures for reconciling between the two systems. No exceptions were noted.

In general, it appears the Orphans Africa accounting records are being adequately maintained. However, we identified the following items to bring to the Board of Directors' attention:

- The donation amounts input to the Giftworks system are separately input to the QuickBooks program and reconciled. However, the Giftworks program has integration capabilities that would allow it to automatically download the donation information into QuickBooks, thereby saving time by eliminating the need to reenter the same information into two systems.
- Currently, the bylaws do not include processes or procedures for reviewing and accepting projects by the board. We suggest adding an amendment to the bylaws, formalizing in writing the procedures taken by the board to review and accept projects and determine the disbursement of funds for projects.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Orphans Africa's Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

FULLAWAY LAMPHEAR & SAUVE PLLC



Michael L. Fullaway