

SELF HELP AFRICA, INC.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2014 AND 2013

SELF HELP AFRICA, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors Self Help Africa, Inc.

We have audited the accompanying financial statements of Self Help Africa, Inc., which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities, functional expenses 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

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 from 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects the financial position of Self Help Africa, Inc. as of December 31, 2014, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

**To the Board of Directors
Self Help Africa, Inc.**

Report on Summarized Comparative Information

The financial statements of the Organization as of December 31, 2014 were audited by other auditors whose report date October 8, 2014, expressed an unmodified opinion on those statements. In our opinion, the comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Tait, Weller & Baker LLP
TAIT, WELLER & BAKER LLP

**Philadelphia, Pennsylvania
March 19, 2015**

SELF HELP AFRICA, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2014 And 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 205,140	\$ 52,860
Contributions and grants receivable	201,737	50,560
Prepaid expenses	<u>878</u>	<u>13,111</u>
Total current assets	407,755	116,531
Property and Equipment, net	276	998
Security deposit	<u>5,622</u>	<u>5,376</u>
Total assets	<u>\$ 413,653</u>	<u>\$ 122,905</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 13,981	\$ 259
Grants payable	<u>133,357</u>	<u>-</u>
Total current liabilities	<u>147,338</u>	<u>259</u>
LONG-TERM LIABILITIES		
Note payable, Self Help Africa, Ireland	<u>93,836</u>	<u>84,980</u>
Total long-term liabilities	<u>93,836</u>	<u>84,980</u>
Total liabilities	<u>241,174</u>	<u>85,239</u>
NET ASSETS		
Unrestricted	57,681	(28,652)
Temporarily restricted	<u>114,798</u>	<u>66,318</u>
Total net assets (deficit)	<u>172,479</u>	<u>37,666</u>
Total liabilities and net assets (deficit)	<u>\$ 413,653</u>	<u>\$ 122,905</u>

SELF HELP AFRICA, INC.

STATEMENT OF ACTIVITIES

For The Year Ended December 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUES			
Contributions	\$ 376,500	\$ 15,000	\$ 391,500
Special events, net of direct expenses of \$204,051	557,493	141,650	699,143
Net assets released from restrictions	<u>108,170</u>	<u>(108,170)</u>	<u>-</u>
Total support and revenues	<u>1,042,163</u>	<u>48,480</u>	<u>1,090,643</u>
EXPENSES			
Program services	624,458	-	624,458
Supporting services			
Management and general	94,111	-	94,111
Fundraising	<u>237,261</u>	<u>-</u>	<u>237,261</u>
Total expenses	<u>955,830</u>	<u>-</u>	<u>955,830</u>
CHANGE IN NET ASSETS	86,333	48,480	134,813
NET ASSETS			
Beginning of year	<u>(28,652)</u>	<u>66,318</u>	<u>37,666</u>
End of year	<u>\$ 57,681</u>	<u>\$ 114,798</u>	<u>\$ 172,479</u>

SELF HELP AFRICA, INC.

STATEMENT OF ACTIVITIES

For The Year Ended December 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUES			
Contributions	\$ 29,185	\$ 31,780	\$ 60,965
Contributed materials	68,624	-	68,624
Contributed services	26,635	-	26,635
Special events, net of direct expenses of \$154,150	421,358	-	421,358
Net assets released from restrictions	<u>60,812</u>	<u>(60,812)</u>	<u>-</u>
Total support and revenues	<u>606,614</u>	<u>(29,032)</u>	<u>577,582</u>
EXPENSES			
Program services	351,210	-	351,210
Supporting services			
Management and general	137,034	-	137,034
Fundraising	<u>244,519</u>	<u>-</u>	<u>244,519</u>
Total expenses	<u>732,763</u>	<u>-</u>	<u>732,763</u>
CHANGE IN NET ASSETS	(126,149)	(29,032)	(155,181)
NET ASSETS			
Beginning of year	<u>97,497</u>	<u>95,350</u>	<u>192,847</u>
End of year	<u>\$ (28,652)</u>	<u>\$ 66,318</u>	<u>\$ 37,666</u>

SELF HELP AFRICA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended December 31, 2014

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
		<u>Management And General</u>	<u>Fundraising</u>	
Salaries, Taxes and Benefits				
Salaries	\$ 240,571	\$ 35,792	\$ 147,115	\$ 423,478
Employee benefits	48,844	7,267	29,870	85,981
Payroll taxes	<u>18,764</u>	<u>2,792</u>	<u>11,475</u>	<u>33,031</u>
Total salaries, taxes and benefits	<u>308,179</u>	<u>45,851</u>	<u>188,460</u>	<u>542,490</u>
Other Expenses				
Program grants and expenses	\$ 271,232	\$ -	\$ -	\$ 271,232
Professional fees	-	16,770	-	16,770
Occupancy	19,294	2,870	11,798	33,962
Office expense	9,245	1,375	5,653	16,273
Event expense	-	-	3,422	3,422
Travel	16,098	3,512	24,981	44,591
Dues and subscriptions	-	-	574	574
Depreciation	410	61	251	722
Bank charges	-	17,694	-	17,694
Miscellaneous	<u>-</u>	<u>5,978</u>	<u>2,122</u>	<u>8,100</u>
Total other expenses	<u>316,279</u>	<u>48,260</u>	<u>48,801</u>	<u>413,340</u>
Total Expenses	<u>\$ 624,458</u>	<u>\$ 94,111</u>	<u>\$ 237,261</u>	<u>\$ 955,830</u>

SELF HELP AFRICA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended December 31, 2013

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
		<u>Management And General</u>	<u>Fundraising</u>	
Employee Compensation				
Salaries	\$ 120,976	\$ 40,717	\$ 123,976	\$ 285,669
Employee benefits	31,760	8,108	23,641	63,509
Payroll taxes	<u>10,457</u>	<u>3,519</u>	<u>10,716</u>	<u>24,692</u>
Total employee compensation	<u>163,193</u>	<u>52,344</u>	<u>158,333</u>	<u>373,870</u>
Other Expenses				
Program grants and expenses	\$ 104,902	\$ -	\$ -	\$ 104,902
Professional fees	46,642	51,692	15,336	113,670
Occupancy	14,258	4,799	14,611	33,668
Office expense	5,529	1,861	5,666	13,056
Event expense	-	-	18,324	18,324
Travel	16,380	5,497	28,862	50,739
Dues and subscriptions	-	-	970	970
Depreciation	306	103	313	722
Bank charges	-	15,306	-	15,306
Miscellaneous	<u>-</u>	<u>5,432</u>	<u>2,104</u>	<u>7,536</u>
Total other expenses	<u>188,017</u>	<u>84,690</u>	<u>86,186</u>	<u>358,893</u>
Expenses reported by function	<u>\$ 351,210</u>	<u>\$ 137,034</u>	<u>\$ 244,519</u>	<u>\$ 732,763</u>

SELF HELP AFRICA, INC.

STATEMENTS OF CASH FLOWS

For The Years Ended December 31, 2014 And 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Change in net assets</i>	\$ 134,813	\$ (155,181)
<i>Adjustments to reconcile change in net assets to net cash provided (used) by operating activities</i>		
Depreciation	722	722
(Increase) decrease in operating assets		
Pledges receivable	(36,600)	(18,830)
Grant receivable	(114,577)	56,220
Prepaid expenses	12,233	(2,205)
Security deposit	(246)	-
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	13,722	(1,874)
Grant payable	<u>133,357</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>143,424</u>	<u>(121,148)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on note payable, Self Help Africa, Ireland	(236,172)	(178,286)
Proceeds from note payable, Self Help Africa, Ireland	<u>245,028</u>	<u>245,266</u>
Net cash provided by financing activities	<u>8,856</u>	<u>66,980</u>
Net increase (decrease) in cash and cash equivalents	152,280	(54,168)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>52,860</u>	<u>107,028</u>
End of year	<u>\$ 205,140</u>	<u>\$ 52,860</u>
SUPPLEMENTAL INFORMATION		
Non-cash transactions		
Contributed materials	\$ -	\$ 68,624
Contributed services	<u>-</u>	<u>26,635</u>
Total non-cash transactions	<u>\$ -</u>	<u>\$ 95,259</u>

SELF HELP AFRICA, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2014 And 2013

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES

Self Help Africa, Inc. ("*Self Help Africa*") was incorporated on February 23, 2009 in the State of Delaware as a not-for-profit corporation. Its mission is to empower rural Africa to achieve economic independence. On a continent where up to 75% of people rely on small-scale agriculture for their survival, Self Help Africa believes that it is only by tackling the challenges faced by rural farming communities can real and sustained economic progress be made across sub-Saharan Africa.

Self Help Africa is related to an international charity of the same name which is headquartered in Ireland and the United Kingdom (*Self Help Africa, IR*). After 25 years of operation in Africa and Europe, Self Help Africa was launched with the aim of bringing the message of African futures to a wider audience and increasing support for the programs in Africa (*See Note 2*).

For over a quarter-century, Self Help Africa, IR has sought to strengthen agricultural systems; improve access to services and inputs; and to provide rural African Communities with the opportunities to market and sell their produce. Self Help Africa works with local staff and partners in nine countries to support communities to grow more food; diversify their farm production; develop new off-farm enterprise; and sell their farm surpluses. It supports rural micro-finance programs; assists producers to organize into farmers' associations and co-operatives; and enables farm families to access markets and add value to their produce. Additionally, it promotes low-cost sustainable solutions to the management of nature resources; supports community adaption to a changing climate; and provides resources to communities to meet the challenges of gender inequality. Self Help Africa is also committed to advocating in support of the interests of African smallholder farmers, urging a long-term commitment to aid and investment, to ensure the sustainable development of agriculture and food production in sub-Saharan Africa. This advocacy involves giving voice to smallholder farmers at national, regional and international levels, seeking to ensure that the unique position of smallholders in African agriculture is understood and that it is used to power economic growth in Africa.

Self Help Africa operates administrative offices in New York, NY. It is supported primarily through contributions and grant revenue.

BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the accrual basis of accounting

ACCOUNTING ESTIMATES

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

SELF HELP AFRICA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2014 And 2013

BASIS OF PRESENTATION

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. All contributions are considered available for unrestricted use, unless specifically restricted by the donor. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that will be met either by actions of Self Help Africa and/or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently. Generally, the donors of these assets permit Self Help Africa, Inc. to use all or part of the income earned on related investments for unrestricted or temporarily restricted purposes.

CASH AND CASH EQUIVALENTS

For purposes of the statements of cash flows, Self Help Africa considers all highly liquid investments available for current use with an initial maturity date of three months or less to be cash and cash equivalents.

CONTRIBUTIONS

Self Help Africa reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

ALLOCATION OF EXPENSES

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

INCOME TAX STATUS

Self Help Africa has been granted exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the “*Code*”), and has been classified as an organization, which is not a private foundation under Section 509(a) of the Code.

Management has reviewed the tax positions for each of the open tax years (2011 – 2013) or those expected to be taken in Self Help Africa’s 2014 tax return and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

SELF HELP AFRICA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2014 And 2013

(2) RELATED PARTY TRANSACTIONS

Self Help Africa and Self Help Africa, IR share certain board members, however, Self Help Africa's board governs separately and independently from the international charity. Amounts due to Self Help Africa, IR were \$93,836 and \$84,980, as of December 31, 2014 and 2013, respectively (*See Note 5*).

During the year ended December 31, 2014, Self Help Africa received \$100,000 of contributions from Self Help Africa, IR.

(3) CONTRIBUTIONS AND GRANTS RECEIVABLE

At December 31, 2014 and 2013, management expects that all contributions and grant receivable will be fully collectible; therefore, no allowance for uncollectible accounts is considered necessary. Unconditional contributions and grants receivable consist of \$201,737 and \$50,560, at December 31, 2014 and 2013, respectively. Payment of \$135,059 and \$66,678 is expected in 2015 and 2016, respectively, on the outstanding contributions and grants receivable at December 31, 2014.

(4) PROPERTY AND EQUIPMENT

Property and equipment, at cost, consist of the following at December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>	<u>Estimated Useful Lives</u>
Computer	\$ 1,908	\$ 1,908	5 Years
Furniture	<u>1,703</u>	<u>1,703</u>	5 Years
	3,611	3,611	
Less accumulated depreciation	<u>3,335</u>	<u>2,613</u>	
Property and equipment, net	<u>\$ 276</u>	<u>\$ 998</u>	

Depreciation expense for each of the years ended December 31, 2014 and 2013 was \$722.

(5) NOTE PAYABLE

Note payable is due to Self Help Africa, IR as follows:

	<u>2014</u>	<u>2013</u>
Interest-free, payable on demand, and unsecured	<u>\$93,836</u>	<u>\$84,980</u>

SELF HELP AFRICA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2014 And 2013

(6) NET ASSETS

Temporarily restricted net assets are available for the following purposes at December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Africa Cashew Initiative	\$ 5,798	\$ 24,538
Malawi Programs	5,000	5,000
Ethiopia Programs	-	5,000
Tru Trade Program	104,000	-
Future Programs	<u>-</u>	<u>31,780</u>
Total	<u>\$ 114,798</u>	<u>\$ 66,318</u>

During the year ended December 31, 2014, net assets were released from donor restrictions by incurring expenses satisfying the following purposes:

	<u>2014</u>
Africa Cashew Initiative	\$ 18,740
Malawi Programs	15,000
Kenya Programs	5,000
Zambia Programs	36,250
Tru Trade Program	1,400
Future Programs	<u>31,780</u>
Total	<u>\$ 108,170</u>

(7) LEASE COMMITMENTS

Self Help Africa has a lease agreement for administrative office space in New York, New York expiring in February 2016. Total rent expense under this lease agreement was \$32,747 and \$32,418 for the years ended December 31, 2014 and 2013, respectively. Future minimum lease payments are as follows:

2015	\$ 33,729
2016	<u>5,622</u>
Total	<u>\$ 39,351</u>

(8) RETIREMENT PLAN

Self Help Africa contributes to a 403(b) defined contribution pension plan for all eligible employees. All full-time employees who have reached 18 years of age are eligible to participate in the plan. If employees elect, they may make contributions to the plan up to the maximum allowed by the Internal Revenue Code. Pension expense was \$14,403 and \$10,208 for the years ended December 31, 2014 and 2013, respectively.

SELF HELP AFRICA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2014 And 2013

(9) SUBSEQUENT EVENTS

In preparing these financial statements, Self Help Africa, Inc. has evaluated events and transactions for potential recognition or disclosure through March 19, 2015, the date the financial statements issued. Management has determined that there are no subsequent events that require disclosure or adjustment in the financial statements