

# **AMIGOS FOR CHRIST**

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**Financial Statements  
and  
Independent Auditors' Report  
For the Years Ended December 31, 2011 and 2010**

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**HANCOCK ASKEW & CO LLP**  
ACCOUNTANTS & ADVISORS

**Independent Auditors' Report**

To the Board of Directors and Management  
Amigos for Christ  
Buford, Georgia

We have audited the accompanying statements of financial position of Amigos for Christ (a nonprofit organization) (the Organization) as of December 31, 2011 and 2010, and the related statements of activities, and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

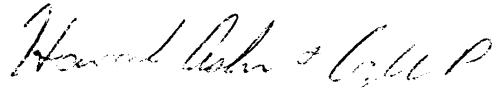
We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Amigos for Christ as of December 31, 2011 and 2010, 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.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 12 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.

Respectfully submitted,

A handwritten signature in cursive script, which appears to read "Howard Rubin & Co. P.C.", is written in dark ink.

Norcross, Georgia  
May 3, 2012

# Amigos for Christ

## Statements of Financial Position

<i>December 31,</i>	2011	2010
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 481,050	\$ 322,141
Investments	-	13,635
Inventory	-	14,706
Other receivable	11,984	-
Prepaid insurance	8,890	8,025
<b>Total current assets</b>	<b>501,924</b>	<b>358,507</b>
<b>Fixed assets</b>		
Furniture and equipment	26,390	10,630
Less accumulated depreciation	(10,630)	(10,630)
<b>Fixed assets, net</b>	<b>15,760</b>	<b>-</b>
<b>Total assets</b>	<b>\$ 517,684</b>	<b>\$ 358,507</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 19,459	\$ 11,175
Mission fees collected in advance	19,489	-
<b>Total current liabilities</b>	<b>38,948</b>	<b>11,175</b>
<b>Net assets</b>		
Unrestricted	478,736	337,295
Temporarily restricted	-	10,037
<b>Total net assets</b>	<b>478,736</b>	<b>347,332</b>
<b>Total liabilities and net assets</b>	<b>\$ 517,684</b>	<b>\$ 358,507</b>

*See accompanying notes and independent auditors' report.*

# Amigos for Christ

## Statements of Activities

<i>Years ended December 31,</i>	2011	2010
<b>Unrestricted Revenue</b>		
<b>Support and Revenue</b>		
Contributions	\$ 629,564	\$ 452,365
Donations in-kind - goods and services	3,857,838	1,335,576
Income - mission trips	294,297	242,184
Realized/unrealized (loss) gain	(2,466)	5,679
Interest income	2,999	4,420
Other income	35	45
<b>Total support and revenue</b>	<b>4,782,267</b>	<b>2,040,269</b>
<b>Net assets released from restrictions</b>	<b>778,702</b>	<b>623,607</b>
<b>Total unrestricted revenue</b>	<b>5,560,969</b>	<b>2,663,876</b>
<b>Expenses</b>		
Program expenses		
Water and sanitation	146,572	69,138
Health	117,182	69,585
Education	137,708	141,363
Small business	149,819	95,679
Community development	224,330	347,059
Missionaries and volunteers	294,318	316,630
Material aid	4,380	9,957
Program support	216,626	155,980
<b>Subtotal program expenses</b>	<b>1,290,935</b>	<b>1,205,391</b>
Donations in-kind - goods and services	3,880,536	1,320,870
<b>Total program expenses</b>	<b>5,171,471</b>	<b>2,526,261</b>
Support expenses		
General and administrative	126,528	84,816
Fundraising	121,529	193,912
<b>Total support expenses</b>	<b>248,057</b>	<b>278,728</b>
<b>Total expenses</b>	<b>5,419,528</b>	<b>2,804,989</b>
<b>Change in unrestricted net assets</b>	<b>141,441</b>	<b>(141,113)</b>
<b>Changes in temporarily restricted net assets</b>		
Contributions	768,665	633,644
Net assets released from donor restrictions	(778,702)	(623,607)
<b>Change in temporarily restricted net assets</b>	<b>(10,037)</b>	<b>10,037</b>
<b>Change in net assets</b>	<b>131,404</b>	<b>(131,076)</b>
<b>Net assets, beginning of year</b>	<b>347,332</b>	<b>478,408</b>
<b>Net assets, end of year</b>	<b>\$ 478,736</b>	<b>\$ 347,332</b>

*See accompanying notes and independent auditors' report.*

# Amigos for Christ

## Statements of Cash Flows

<i>Years ended December 31,</i>	2011	2010
<b>Cash from operating activities</b>		
Increase (decrease) in net assets	\$ 131,404	\$ (131,076)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Prior period adjustments	-	(104,835)
Realized/unrealized loss (gain) on investments	2,466	(5,679)
Donated investment	(6,925)	-
Net change in operating assets and liabilities		
Inventories	14,706	90,455
Other receivable	(11,984)	-
Prepaid insurance	(865)	(8,025)
Accounts payable and accrued expenses	8,284	11,175
Mission fees collected in advance	19,489	-
<b>Net cash provided by (used in) operating activities</b>	<b>156,575</b>	<b>(147,985)</b>
<b>Cash from investing activities</b>		
Proceeds from sale of investments	18,094	-
Purchase of fixed asset	(15,760)	-
<b>Net cash provided by investing activities</b>	<b>2,334</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>158,909</b>	<b>(147,985)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>322,141</b>	<b>470,126</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 481,050</b>	<b>\$ 322,141</b>
<b>Supplemental non-cash investing transactions</b>		
Donation of common stock	\$ 6,925	\$ -

*See accompanying notes and independent auditors' report.*

# Amigos for Christ

## Notes to Financial Statements

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**1. Nature of Organization**

Amigos for Christ (the Organization) is a not-for-profit organization based in Buford, Georgia incorporated as a 501(c)3 in July, 1999. The Organization serves the destitute poor in the Central American country of Nicaragua. The Organization provides aid through a model that supports water and sanitation, health care, education and nutrition, small business opportunities, and community development.

**2. Summary of Significant Accounting Policies**

**Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**Cash and Cash Equivalents**

The Organization considers as cash and cash equivalents highly liquid investments with a maturity of three months or less when purchased and certificates of deposit with maturities of one year or less.

**Inventory**

Inventories are stated at the lower of cost (first-in, first-out method) or market. Inventory consists of medicine, surgical supplies, house wares and clothing.

**Property and Equipment**

Purchased property and equipment are capitalized at cost. Donated assets are capitalized at the fair market value of the asset on the date of contribution. Additions and replacements are charged to the property accounts while repairs and maintenance are charged to expense as incurred. Depreciation is provided by the straight-line method over the estimated useful life of the assets.

**Contributions**

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of 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 Statements of Activities as net assets released from restrictions.



**2. Summary of  
Significant  
Accounting  
Policies (cont.)**

**Donated Services and Equipment**

Donated services are recognized at the fair value if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Organization receives services from a large number of volunteers who have donated their time in the Organization's program services.

Donated equipment is valued at fair market value at date of gift and is capitalized and depreciated over its estimated useful life or expensed as program supporting services in accordance with the Organization's capitalization policy.

**Temporarily Restricted Net Assets**

Temporarily restricted assets are recorded as released from restrictions when the specific project is completed or when the time restriction has lapsed.

**Use of Estimates**

The preparation of financial statements in conformity with 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 support and expenses during the year. Actual results could differ from those estimates.

**Income Taxes**

The Organization is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Therefore, the Organization has made no provision for federal income taxes in the accompanying financial statements.

**Subsequent Events**

The Organization has evaluated subsequent events from the balance sheet date through May 3, 2012, the date at which the financial statements were available to be issued, and determined that there are no other items to disclose.

# Amigos for Christ

## Notes to Financial Statements

- 3. Investments** The Organization utilizes USAA and Edward Jones as custodian of its investments and consisted of the following as of December 31, 2011 and 2010:

	2011		2010	
	Cost	Fair Value	Cost	Fair Value
Common Stocks	\$ -	\$ -	\$ 21,593	\$ 13,635

The Organization establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Fair value was determined using quoted market prices at the reporting date multiplied by the quantity held (Level 1).

Net realized/unrealized losses and gains on investments of (\$2,466) and \$5,679 for 2011 and 2010, respectively, are included in the changes in net assets and are reported in the statements of activities. There are no investments held at December 31, 2011.

Investment income is reported as unrestricted support.

- 4. Donated Services, Facilities and Gifts-in-Kind** The Organization operates from donated facilities, including telephone service. Rent received was \$19,000 and \$18,000 and telephone \$15,425 and \$11,770 for 2011 and 2010, respectively. The Organization also receives contributed services from individuals and companies in the form of medicine, surgical services, clothing, house wares, and consulting services. For the years ended December 31, 2011 and 2010, the Organization recorded approximately \$2,717,904 and \$532,759 in medicines, \$564,001 and \$487,617 in surgical and medical services, and \$189,964 and \$139,806 in volunteer hours and other professional services at their estimated fair market value, respectively.
- 5. Concentration of Credit Risk** The Organization maintains its cash in bank deposits that, at times, may exceed federally-insured limits. The Company has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash.

# Amigos for Christ

## Notes to Financial Statements

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- 6. Functional Allocation of Expenses**      The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.
  - 7. Employee Benefit Plan**      The Organization maintains a Simple IRA Plan. This plan allows employees to contribute a percentage of their compensation to the plan. Additionally, the Organization has approved an employer contribution. The employer can contribute a discretionary percentage of the employees compensation determined annually. For calendar years ended 2011 and 2010, the Organization contributed \$3,891 and \$2,700, respectively, to the plan.
  - 8. Related Party Transactions**      For the years ended 2011 and 2010, the Organization paid wages to a related party in the amount of \$18,000 and \$12,000, respectively.
  - 9. Affiliate Organization**      The Organization supports an affiliated Nicaraguan entity by providing funding, volunteers, and goods and services. Total cash gifts to the entity were \$833,564 and \$815,917 for the years ended December 31, 2011 and 2010, respectively. The Nicaraguan entity receives support from other donors and maintains its own operations, bank accounts, accounting and management.

**SUPPLEMENTARY INFORMATION**

# Amigos for Christ

## Statements of Functional Expenses

	Program Expenses										Support Expenses			Total 2010
	Water & Sanitation		Health	Education	Small Business	Community Development	Missionaries & Volunteers	Material Aid	Program Support	Total	General & Administrative	Fund-Raising	Total	
Salary and benefits	\$ 26,390	46,223	12,165	59,443	59,428	76,855	3,708	158,024	442,236	\$	44,192	48,826	\$ 535,254	466,966
Vehicles	24,675	2,250	860	17,474	7,300	10,715	-	2,570	65,844	-	-	-	65,844	45,123
Combined water project	71,429	-	-	-	-	-	-	-	71,429	-	-	-	71,429	44,345
Medical - general	-	34,671	-	-	-	-	-	-	34,671	-	-	-	34,671	36,887
School support	-	-	15,451	-	-	-	-	-	15,451	-	-	-	15,451	134,200
Feeding program	-	-	46,040	-	-	-	-	-	46,040	-	-	-	46,040	25,820
Social business enterprises	-	-	-	43,181	-	95	-	-	43,276	-	-	-	43,276	19,281
Amigos facility	-	-	-	-	140,762	-	-	-	140,762	-	-	-	140,762	154,938
Community infrastructure	106	-	-	-	6,280	-	208	991	7,585	-	-	-	7,585	14,852
Airfare by team and category	1,672	6,425	2,966	-	-	99,592	-	50	110,705	-	8,187	-	118,892	125,458
Mission groups	-	-	-	-	-	94,177	-	-	94,177	-	-	-	94,177	105,724
Rent / facilities	-	-	-	-	-	-	-	29,309	29,309	-	-	-	29,309	19,116
Technology	-	-	-	-	-	-	-	6,264	6,264	-	1,058	-	7,322	5,629
Telephone	-	-	-	-	-	-	-	7,912	7,912	-	903	-	8,815	6,894
Utilities	-	-	-	-	-	-	-	16,224	16,224	-	7,722	-	23,946	20,002
Professional fees	-	-	-	-	-	-	-	1,247	1,247	-	17,433	-	18,680	13,553
Marketing and donor relations	-	-	-	-	-	-	-	-	-	-	-	4,611	4,611	11,587
Insurance	-	-	-	-	-	-	-	-	-	-	34,013	-	34,013	26,533
Credit card fees	-	-	-	-	-	-	-	-	-	-	12,503	-	12,503	6,247
Events	-	-	-	-	-	-	-	-	-	-	-	62,654	62,654	65,324
Animal programs	-	-	-	29,721	-	-	-	-	29,721	-	-	-	29,721	39,033
CALT - Las Torres	-	-	26,258	-	-	-	-	-	26,258	-	-	-	26,258	33,599
Other expenses	-	350	-	-	-	6,632	464	(5,965)	1,481	-	517	5,438	7,436	21,806
Latrines	22,300	-	-	-	-	-	-	-	22,300	-	-	-	22,300	-
Surgical care	-	27,263	-	-	-	-	-	-	27,263	-	-	-	27,263	-
Scholarships	-	-	33,968	-	-	-	-	-	33,968	-	-	-	33,968	41,202
Spiritual development	-	-	-	-	10,560	6,252	-	-	16,812	-	-	-	16,812	-
<b>Total Expenses</b>	<b>\$ 146,572</b>	<b>117,182</b>	<b>137,708</b>	<b>149,819</b>	<b>224,330</b>	<b>294,318</b>	<b>4,380</b>	<b>216,626</b>	<b>1,290,935</b>	<b>\$</b>	<b>126,528</b>	<b>121,529</b>	<b>\$ 1,538,992</b>	<b>1,484,119</b>