Amigos for Christ

Financial Statements

December 31, 2010

Independent Auditor's Report

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

We have audited the accompanying statement of financial position of Amigos for Christ (a nonprofit organization) as of December 31, 2010, and the related statements of activities, and changes in net assets, and cash flows for the year 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 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 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, 2010 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented only for supplementary analysis purposes. 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.

Jackson, Reece & Scott, P.C.

May 17, 2011

Amigos for Christ
Statement of Financial Position
As of December 31

		2010
Assets		
Cash & cash equivalents	$	322,141
Investments (Note C)		13,635
Inventory		14,706
Prepaid insurance		8,025
Total Current Assets		358,507
Fixed Assets		
Furniture and equipment		10,630
Less: Accumulated depreciation		(10,630)
Fixed Assets, net		-
TOTAL ASSETS	$	358,507
Liabilities and Net Assets		
Liabilities:		
Accounts payable	$	4,481
Accrued payroll taxes		6,694
Total Current Liabilities		11,175
Net Assets:		
Unrestricted		337,295
Temporarily restricted		10,037
Total Net Assets		347,332
TOTAL LIABILITIES AND NET ASSETS	$	358,507

See accompanying notes to accountants' report.

Amigos for Christ
Statement of Activities
For the Year Ended December 31

	2010
Unrestricted Revenues	
Support and Revenue	
Contributions	$ 452,365
Donations in kind - goods & services	1,335,576
Income- mission trips	242,184
Unrealized gain/loss - net	5,352
Interest income	4,747
Other income	45
Total Unrestricted Revenues	2,040,269
Net Assets Released from Restriction	623,607
Total Unrestricted Revenues	2,663,876
Expenses:	
Program expenses:	
Water & sanitation	69,138
Health	69,585
Education	141,363
Small business	95,679
Community development	347,059
Missionaries & volunteers	316,630
Goods & supplies	9,957
Goods & services	1,320,870
Program support	155,980
Total program expenses	2,526,261
Support expenses:	
Administrative	84,816
Fundraising	193,912
Total support expenses	278,728
Total Expenses	2,804,989
Change in Unrestricted Net Assets	(141,113)
Changes in Temporarily Restricted Net Assets:	
Contributions	633,644
Net assets released from donor restrictions	(623,607)
Change in Temporarily Restricted Net Assets	10,037
Change in Net Assets	(131,076)
Net Assets, beginning of the year	478,408
NET ASSETS, END OF YEAR	$ 347,332

See accompanying notes to accountants' report

Amigos for Christ
Statement of Cash Flows
For the Year Ended December 31

		2010
Operating activities		
(Decrease) in net assets	$	(131,076)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Prior period adjustment- inventory		(118,798)
Prior period adjustment - fixed assets		326
Prior period adjustment - investments		13,637
Unrealized gain/loss on investments		(5,679)
Decrease in inventories		90,455
(Increase) in prepaid insurance		(8,025)
Increase in accounts payable		4,481
Increase in payroll taxes		6,694
Total Adjustments		(16,909)
Net cash and cash equivalents provided by (used in) operating activities		(147,985)
Net (decrease) in cash and cash equivalents		(147,985)
Cash and cash equivalents as of beginning of year		470,126
Cash and cash equivalents as of end of year	$	322,141

See accompanying notes and accountants' report

SUPPLEMENTARY INFORMATION

Amigos for Christ
Statement of Functional Expenses
For the Year Ended December 31, 2010

	Program Services									Support Services		
	Water & Sanitation	Health	Education	Small Business	Community Development	Missionaries & Volunteers	Goods & Supplies	Program Support	Total	General & Administrative	Fund-Raising	Total 2010
Salary and benefits	$ 12,740	$ 28,614	$ 21,022	32,635	38,240	70,508	8,550	116,442	328,751	$ 32,910	105,305	$ 466,966
Wells	25,745	-	-	-	-	-	-	-	25,745		-	25,745
Distribution services	16,000	-	-	-	-	-	-	-	16,000		-	16,000
Drilling machine maintenance	2,600	-					-		2,600		-	2,600
Vehicles	4,728	2,370	3,220	4,730	13,350	14,940	-	1,785	45,123		-	45,123
Medical	-	36,887	-	-	-	-	-	-	36,887		-	36,887
CALT	-	-	33,599	-	-	-	-	-	33,599		-	33,599
School construction	-	-	10,000	-	-	-	-	-	10,000		-	10,000
School operations	-	-	6,500	-	-	-	-	-	6,500		-	6,500
Feeding center	-	-	20,930	-	-	-	-	-	20,930		-	20,930
Emergency Feeding Program			4,890	-	-		-	-	4,890		-	4,890
Education		-	41,202	-	-		-	-	41,202		-	41,202
Farming - Finca Amigos	-	-	-	39,033	-	-	-	-	39,033		-	39,033
School business enterprises	-	-	-	19,281	-	-	-	-	19,281		-	19,281
Contract services	-	-	-	-	117,700	-	-	-	117,700		-	117,700
Amigos facility	-	-	-	-	154,938	-	-	-	154,938		-	154,938
Community Infrastructure	-	-	-	-	13,445	-	1,407	-	14,852		-	14,852
Airfare	-	-	-	-	-	125,458	-	-	125,458		-	125,458
Mission programs	-	-	-	-	-	105,724	-	-	105,724		-	105,724
Amigos house office	-	-	-	-	-	-	-	19,116	19,116		-	19,116
Technology	-	-	-	-	-	-	-	3,300	3,300	2,329	-	5,629
Telephone								4,150	4,150	2,744	-	6,894
Utilities	-	-	-	-	-	-	-	9,420	9,420	10,582	-	20,002
Professional fees	-	-	-	-	-	-	-	1,567	1,567	2,561	-	4,128
Consulting	-	-	-	-	-	-	-	-	-		9,425	9,425
Marketing	-	-	-	-	-	-	-	-	-		11,587	11,587
Insurance	-	-	-	-	-	-	-	-	-	26,533	-	26,533
Credit card fees	-	-	-	-	-	-	-	-	-	6,247	-	6,247
Events	-	-	-	-	-	-	-	-	-		65,324	65,324
Other expenses	7,325	1,714	-	-	9,386	-	-	200	18,625	910	2,271	21,806
Interest expense	-	-	-	-	-	-	-	-	-		-	-
Depreciation Expense	-	-	-	-	-	-	-	-	-		-	-
	-	-	-	-	-	-	-	-	-		-	-
	-	-	-	-	-	-	-	-	-		-	-
Total Expenses	$ 69,138	$ 69,585	$ 141,363	95,679	347,059	316,630	9,957	155,980	1,205,391	$ 84,816	193,912	$ 1,484,119

See accountants' report

AMIGOS FOR CHRIST
NOTES TO THE FINANCIAL STATEMENTS

NOTE A - 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.

NOTE B - 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 Statement of Activities as net assets released from restrictions.

Donated Services and Equipment

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

Subsequent events were reviewed through the date of the report.

AMIGOS FOR CHRIST
NOTES TO THE FINANCIAL STATEMENTS

NOTE C – INVESTMENTS

The Organization utilizes USAA and Edward Jones as custodian of its investments and consisted of the following as of December 31, 2010:

	2010	
	Cost	Fair Value
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 as quoted market prices for identical instruments in active markets (Level 1) for mutual funds and government and corporate bonds.

Unrealized losses of $5,679 for 2010 are included in the changes in net assets and are reported in the statement of activities as an unrealized gain/loss on investments.

Investment income is reported as unrestricted support.

NOTE D - DONATED SERVICES, FACILITIES AND GIFTS-IN-KIND

The Organization receives contributed services from individuals and companies in the form of medicine, surgical services, clothing, house wares, and consulting services. For the year ended December 31, 2010, the Organization recorded approximately $532,759 in medicines, $487,617 in surgical and medical services, and $139,806 in volunteer hours and other professional services at their estimated fair market value, respectively.

AMIGOS FOR CHRIST
NOTES TO THE FINANCIAL STATEMENTS

NOTE E – 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.

NOTE F – 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.

NOTE G – 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 year-ended 2010, the Organization contributed $2,700 to the plan on behalf of two employees.

NOTE H – RELATED PARTY TRANSACTIONS

For the year ended 2010, the Organization paid wages to a related party in the amount of $12,000.

NOTE I – AFFILIATE ORGANIZATION

The Organization supports a Nicaraguan entity by providing funding, volunteers, and goods and services. Total cash gifts to the entity were $815,917 for the year ending December 31, 2010. The Nicaraguan entity receives support from other donors and maintains its own operations, bank accounts, accounting and management.