



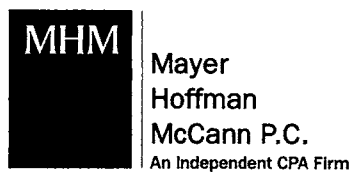
FOUNDATION RWANDA INC.

Financial Statements

and

Supplementary Information

December 31, 2009



FOUNDATION RWANDA INC.

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The logo consists of the letters 'MHM' in a white, bold, sans-serif font, centered within a solid black square.

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Foundation Rwanda Inc.

We have audited the accompanying statement of financial position of Foundation Rwanda Inc. as of December 31, 2009, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation'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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Foundation Rwanda Inc. as of December 31, 2009, 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.

*Mayer Hoffman McCann CPAs*

October 5, 2010

FOUNDATION RWANDA INC.  
Statement of Financial Position  
December 31, 2009

ASSETS

Current assets:	
Cash and cash equivalents	\$ 407,318
Prepaid expenses and other current assets	3,018
Total current assets	<u>410,336</u>
Property and equipment, net (Note 5)	1,532
Intangible asset, net (Note 4)	<u>4,306</u>
	<u>\$ 416,174</u>

LIABILITIES AND UNRESTRICTED NET ASSETS

Accounts payable and accrued expenses	\$ 8,842
Grant payable	62,314
Unrestricted net assets	<u>345,018</u>
	<u>\$ 416,174</u>

See accompanying notes.

FOUNDATION RWANDA INC.  
Statement of Activities  
For the Year Ended December 31, 2009

Public support and revenue (Note 3):	
Contributions and grants	\$ 257,353
Donated services (Note 8)	55,204
Interest and other income	650
Total public support and revenue	313,207
Expenses (Note 7):	
Program services:	
Grants	62,314
Other program services	54,961
Total program services	117,275
Supporting services:	
Management and general services	57,133
Fundraising	26,612
Total supporting services	83,745
Total expenses	201,020
Change in unrestricted net assets	112,187
Unrestricted net assets, beginning of year	232,831
Unrestricted net assets, end of year	\$ 345,018

See accompanying notes.

FOUNDATION RWANDA INC.  
Statement of Cash Flows  
For the Year Ended December 31, 2009

Cash flows from operating activities:	
Change in unrestricted net assets	\$ 112,187
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities:	
Depreciation and amortization	1,220
Change in assets and liabilities:	
Interest in net assets of Boston for Africa, LLC	11,315
Prepaid expenses and other current assets	(1,244)
Accounts payable and accrued expenses	(462)
Grant payable	62,314
Net cash provided by operating activities	<u>185,330</u>
Cash flows from investing activities:	
Purchase of intangible asset	(1,150)
Purchase of property and equipment	(1,702)
Cash used in investing activities	<u>(2,852)</u>
Net increase in cash and cash equivalents	182,478
Cash, beginning of year	<u>224,840</u>
Cash and cash equivalents, end of year	<u>\$ 407,318</u>

See accompanying notes.

FOUNDATION RWANDA INC.  
Notes to Financial Statements

Note 1 - The Foundation

Foundation Rwanda Inc. (the "Foundation") is a not-for-profit organization incorporated under the laws of the State of New York on February 6, 2008 dedicated to promote and advance the education of children born out of sexual violence during the 1994 genocide in Rwanda through the distribution of educational grants and scholarships.

The Foundation is exempt from federal income taxes under provisions of Section 501(c)(3) of the Internal Revenue Code.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

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

Basis of Presentation

The financial statement presentation follows Financial Accounting Standards Board Accounting Standards Codification ("ASC") 958, "Not-for-Profit Entities." Under ASC 958, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Accordingly, the net assets of the Foundation 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 may or will be met either by actions of the Foundation and/or the passage of time. As of December 31, 2009, the Foundation does not have any temporarily restricted net assets.

Permanently Restricted Net Assets

Permanently restricted net assets is the class of net assets that is subject to donor-imposed stipulations that they be maintained permanently by an organization. As of December 31, 2009, the Foundation does not have any permanently restricted net assets.

FOUNDATION RWANDA INC.  
Notes to Financial Statements

Note 2 - Summary of Significant Accounting Policies (Continued)

Revenue and Expenses

Revenue is reported as increases in unrestricted net assets unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. The Foundation reports donor-restricted contributions where restrictions are met in the same reporting period as changes in unrestricted net assets. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Contributions and Grants

Contributions and grants are recognized as revenue in the period received. The Foundation considers all contributions and grants available for unrestricted use, unless specifically restricted by the donor or due in future periods, in which case they are recorded as temporarily restricted.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The Foundation considers highly liquid investments with original maturities of three months or less to be cash equivalents.

Intangible Asset

The intangible asset is stated at cost or fair market value at the date of purchase or gift. Amortization of the intangible asset is provided on a straight-line basis over its estimated useful life of five years.

Property and Equipment

Property and equipment is recorded at cost. Expenditures for major additions are capitalized. Maintenance and repairs are charged to operations as incurred. Depreciation of property and equipment is computed on a straight-line basis over its estimated useful life of five years.



FOUNDATION RWANDA INC.  
Notes to Financial Statements

Note 3 - Concentration of Credit Risk

Cash and Cash Equivalents

The Foundation maintains cash balances at banks. Cash accounts at these institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000.

Major Contributor

During the year ended December 31, 2009, the Foundation received donated services from one company, which accounted for approximately 11% of total public support and revenue.

Note 4 - Intangible Asset

Intangible asset consists of the following:

Website	\$ 5,825
Less: Accumulated amortization	<u>1,519</u>
	<u>\$ 4,306</u>

For the year ended December 31, 2009, amortization expense amounted to approximately \$1,000. Amortization expense is estimated to be approximately \$1,200 for each of the next three years, \$600 for year four and \$100 for year five.

Note 5 - Property and Equipment

Property and equipment consists of:

Office equipment	\$ 1,702
Less: Accumulated depreciation	<u>170</u>
	<u>\$ 1,532</u>

For the year ended December 31, 2009, depreciation expense amounted to \$170.

FOUNDATION RWANDA INC.  
Notes to Financial Statements

Note 6 - Related Party Transactions

On August 24, 2008 and as amended on October 22, 2008, the Foundation entered into an agreement with two other nonprofit organizations to form Boston for Africa, LLC, of which the Foundation is a 25% member. Boston for Africa, LLC was formed to organize and participate in fundraising events on behalf of its members, to benefit the people of Africa, to accept and hold in trust all contributions, and to act as an agent for each of its members in connection with such fundraising events. During the period from February 6, 2008 (inception) to December 31, 2008, Boston for Africa, LLC held a fundraiser, for which the Foundation recognized its membership share of the proceeds of approximately \$41,000. As of December 31, 2008, the Foundation's interest in net assets of Boston for Africa, LLC amounted to approximately \$11,000, the balance of which was collected during the year ended December 31, 2009. Boston for Africa, LLC was dissolved on May 29, 2009.

Note 7 - Functional Allocation of Expenses

The cost of providing the various program and supporting services has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and the supporting services benefited.

Note 8 - Donated Services

Donated services are recorded as revenue and as expenditures in the accompanying statement of activities at their estimated fair values at the date of receipt to the extent that they require specialized skills which, if not provided by donations, would have to be purchased by the Foundation. For the year ended December 31, 2009, the Foundation received approximately \$55,000 in donated services, which consisted of legal, accounting, media and rent.

Note 9 - Subsequent Events

The Foundation has evaluated subsequent events through October 5, 2010, which is the date the financial statements were available to be issued, and has concluded that no such events or transactions took place which would require disclosure herein.

SUPPLEMENTARY INFORMATION



MHM

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INDEPENDENT AUDITOR'S REPORT  
ON THE SUPPLEMENTARY INFORMATION

The Board of Directors  
Foundation Rwanda Inc.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

*Mayer Hoffman McCann CPAs*

October 5, 2010

FOUNDATION RWANDA INC.  
(Supplementary Information)  
Schedule of Functional Expenses  
For the Year Ended December 31, 2009

	Supporting Services			Total Supporting Services	Total Expenses
	Program Services	Management and General Services	Fundraising		
Salaries and related expenses:					
Salaries	\$ 21,250	\$ 4,000	\$ 7,250	\$ 11,250	\$ 32,500
Payroll taxes and health benefits	5,871	1,144	2,008	3,152	9,023
Total salaries and related expenses	27,121	5,144	9,258	14,402	41,523
Donated services:					
Legal	-	32,925	-	32,925	32,925
Accounting	-	4,563	-	4,563	4,563
Rent	1,750	500	250	750	2,500
Public Service Announcements	7,108	-	7,108	7,108	14,216
Media	500	-	500	500	1,000
Total donated services	9,358	37,988	7,858	45,846	55,204
Other expenses:					
Accounting	-	12,282	-	12,282	12,282
Audio/video	284	-	-	-	284
Donation processing fees	-	-	2,530	2,530	2,530
Bank fees	-	141	-	141	141
Depreciation and amortization	693	38	489	527	1,220
Website	653	32	545	577	1,230
Government fees	89	210	-	210	299
Grants	62,314	-	-	-	62,314
Graphics and design	-	-	450	450	450
Insurance	579	148	320	468	1,047
Meals and entertainment	2,319	193	2,043	2,236	4,555
Office supplies	2,683	793	1,185	1,978	4,661
Postage	358	139	715	854	1,212
Printing services	1,227	-	390	390	1,617
Newsletters	259	5	56	61	320
Rental	778	-	225	225	1,003
Travel	8,560	20	548	568	9,128
Total other expenses	80,796	14,001	9,496	23,497	104,293
Total expenses	\$ 117,275	\$ 57,133	\$ 26,612	\$ 83,745	\$ 201,020

See independent auditor's report on the supplementary information.