

AMIGOS FOR CHRIST

**Financial Statements
and
Independent Auditor's Report
Years Ended December 31, 2012 and 2011**

Amigos for Christ

Contents

Independent Auditor's Report	2 - 3
Financial Statements	
Statements of financial position	4
Statements of activities	5
Statements of cash flows	6
Notes to financial statements	7 - 10



HANCOCK ASKEW & CO LLP
ACCOUNTANTS & ADVISORS

Independent Auditor's Report

The Board of Directors
Amigos for Christ
Buford, Georgia

We have audited the accompanying financial statements of Amigos for Christ (the Organization), which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities 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 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 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 Amigos for Christ as of December 31, 2012 and 2011, and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Respectfully submitted,

A handwritten signature in cursive script that reads "Hancock Robins & Co, LLP".

Norcross, Georgia
May 1, 2013

Amigos for Christ

Statements of Financial Position

<i>December 31,</i>	2012	2011
ASSETS		
Cash and cash equivalents	\$ 941,020	\$ 481,050
Receivables	-	11,984
Promises to give	139,597	-
Prepaid expenses	9,518	8,890
Property and equipment, net	10,507	15,760
Total assets	\$ 1,100,642	\$ 517,684
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued liabilities	\$ 9,463	\$ 19,459
Mission fees collected in advance	24,550	19,489
Total liabilities	34,013	38,948
Net assets		
Unrestricted	959,543	478,736
Temporarily restricted	107,086	-
Total net assets	1,066,629	478,736
Total liabilities and net assets	\$ 1,100,642	\$ 517,684

The accompanying notes are an integral part of these financial statements.

Amigos for Christ

Statements of Activities

<i>Years ended December 31,</i>	2012			2011
	Unrestricted	Temporarily Restricted	Total	Total
Revenue				
Contributions	\$ 678,409	\$ 1,120,217	\$ 1,798,626	\$ 1,398,229
Contributed goods and services	3,047,763	-	3,047,763	3,667,874
Mission trip income	-	493,879	493,879	294,297
Investment income	2,711	-	2,711	2,999
Net realized loss on investments	-	-	-	(2,466)
Other income	-	-	-	35
Net assets released from restrictions	1,507,010	(1,507,010)	-	-
Total revenue	5,235,893	107,086	5,342,979	5,360,968
Expenses				
Program activities	4,554,773	-	4,554,773	5,021,930
Management and general activities	41,537	-	41,537	85,951
Fundraising activities	158,776	-	158,776	121,683
Total expenses	4,755,086	-	4,755,086	5,229,564
Change in net assets	480,807	107,086	587,893	131,404
Net assets, beginning of year	478,736	-	478,736	347,332
Net assets, end of year	\$ 959,543	\$ 107,086	\$ 1,066,629	\$ 478,736

The accompanying notes are an integral part of these financial statements.

Amigos for Christ

Statements of Cash Flows

<i>Years ended December 31,</i>	2012	2011
Operating activities		
Change in net assets	\$ 587,893	\$ 131,404
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	5,253	-
Net realized depreciation of investments	-	2,466
Donated investment	-	(6,925)
Changes in assets and liabilities		
Inventories	-	14,706
Receivables	11,984	(11,984)
Promises to give	(139,597)	-
Prepaid insurance	(628)	(865)
Accounts payable and accrued liabilities	(9,996)	8,284
Mission fees collected in advance	5,061	19,489
Cash provided by operating activities	459,970	156,575
Investing activities		
Proceeds from sales and maturities of investments	-	18,094
Purchase of property and equipment	-	(15,760)
Cash provided by investing activities	-	2,334
Increase in cash and cash equivalents	459,970	158,909
Cash and cash equivalents, beginning of year	481,050	322,141
Cash and cash equivalents, end of year	\$ 941,020	\$ 481,050
Donation of common stock	\$ -	\$ 6,925

The accompanying notes are an integral part of these financial statements.

1. Nature of Operations and Summary of Significant Accounting Policies

General

Amigos for Christ (the Organization), a not-for-profit organization, was formed in July 1999. The Organization is based in Buford, Georgia, and is dedicated to serve 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.

The Organization qualifies as a not-for-profit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

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, 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 significantly from those estimates.

Net Asset Presentation

The Organization reports its information regarding its financial position and activities according to three classes of net assets depending upon the existence or nature of any donor-imposed restriction. The following is a description of these classes of net assets.

Unrestricted — Those resources over which the Board of Directors and the Organization have discretionary control.

Temporarily Restricted — Those resources subject to donor-imposed restrictions that will be satisfied by actions of the Organization or the passage of time. At December 31, 2012, the Organization had temporarily restricted net assets of \$107,086 restricted for use by the Organization's various programs.

1. Nature of Operations and Summary of Significant Accounting Policies (cont.)

Net Asset Presentation (cont.)

Permanently Restricted — Those resources subject to a donor-imposed restriction that will be maintained permanently by the Organization. At December 31, 2012 and 2011, the Organization did not have any permanently restricted net assets.

Cash and Cash Equivalents

The Organization considers all short-term, highly liquid investments with original maturities at the purchase date of three months or less to be cash equivalents.

Receivables

Receivables are recorded at net realizable value and result from mission trips for the Organization. All receivable amounts presented on the statements of financial position are deemed fully collectible.

Promises to Give

Unconditional promises to give that are expected to be collected within one year are reported at their net realizable value. If material, unconditional promises to give that are expected to be collected in future years are discounted to their present value. Amortization of the discount is recorded as an adjustment to contribution revenue. All amounts were deemed fully collectible as of December 31, 2012.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is computed on a straight-line basis over the estimated useful lives of the property and equipment as follows:

Furniture and equipment	5 – 7 years
Software	3 – 5 years

The Organization reviews long lived assets for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable.

1. Nature of Operations and Summary of Significant Accounting Policies (cont.)

Contributions

Contributions are reported as either temporarily or permanently 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 as unrestricted net assets and are reported as an increase in unrestricted net assets.

Contributed Goods and Services

Contributed goods are recorded at fair market value at the date of the contribution. At December 31, 2012 and 2011, the balance in contributed goods consist primarily of medicines, surgical services, clothing, housewares, and consulting services.

A substantial number of volunteers have made significant contributions of their time to the Organization's programs. The value of this contributed time is not reflected in the financial statements since it does not require a specialized skill. During the years ended December 31, 2012 and 2011, the Organization received approximately 63,833 and 45,355 hours of administrative and missionary services at an estimated value of approximately \$442,898 and \$189,964, respectively.

Functional Expenses

The Organization allocates its expenses on a functional basis among its various programs and supporting services. Expenses that can be identified with a specific program and supporting service are allocated directly according to their functional expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases.

Reclassification

Certain amounts in the 2011 financial statements have been reclassified to conform to the 2012 presentation. These reclassifications have no effect on the previously reported change in net assets.

Subsequent Events

Subsequent events have been evaluated and disclosed through May 1, 2013, the date the financial statements were available to be issued.

2. Concentrations of Credit Risk

The Organization maintains cash balances in financial institutions which may at times exceed the insured amount covered by the Federal Deposit Insurance Corporation. The Organization believes it is not exposed to any significant credit risk on cash.

Notes to Financial Statements

3. Promises to Give The Organization’s contributions receivable consist of unconditional promises to give of \$139,597 as of December 31, 2012. There were no similar receivable amounts as of December 31, 2011.

4. Property and Equipment Property and equipment consisted of the following:

<i>December 31,</i>	2012	2011
Furniture and equipment	-	10,630
Software	15,760	15,760
	15,760	26,390
Accumulated depreciation	(5,253)	(10,630)
	\$ 10,507	\$ 15,760

5. Employee Benefit Plans The Organization maintains a Simple IRA Plan. This plan allows employees to contribute a percentage of their compensation to the plan. The Organization has elected to make a 3% matching contribution of the employee’s compensation. For calendar years ended 2012 and 2011, the Organization contributed \$3,523 and \$3,981, respectively, to the plan.

6. Related Party Transactions For the years ended 2012 and 2011, the Organization paid wages to a related party in the amount of \$18,900 and \$18,000, respectively. The Organization also supports Amigos por Cristo, an affiliated Nicaraguan entity, by providing funding, volunteers and goods and services. Total cash gifts to the entity were \$958,880 and \$815,917 for the years ended December 31, 2012 and 2011, respectively. The Nicaraguan entity also receives support from other donors and maintains its own operations, bank accounts, accounting and management.