

ASCHIANA FOUNDATION

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015 and 2014**

DUNHAM, AUKAMP & RHODES, PLC
Certified Public Accountants
Chantilly, Virginia

ASCHIANA FOUNDATION

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Dunham, Aukamp & Rhodes, PLC
Certified Public Accountants

4437 Brookfield Corporate Dr., Suite 205-D
Chantilly, VA 20151

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Aschiana Foundation

We have audited the accompanying financial statements of Aschiana Foundation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, cash flows, and functional expenses 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 of 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 Aschiana Foundation as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Certified Public Accountants
Chantilly, Virginia

November 20, 2015

ASCHIANA FOUNDATION
STATEMENT OF FINANCIAL POSITION
June 30,

ASSETS		<u>2015</u>	<u>2014</u>
Assets			
Cash and cash equivalents		\$ 311,335	\$ 200,524
Accounts receivable		<u>2,980</u>	<u>26,058</u>
Total Assets		<u><u>\$ 314,315</u></u>	<u><u>\$ 226,582</u></u>

LIABILITIES AND NET ASSETS

Liabilities			
Accounts payable		<u>\$ 768</u>	<u>\$ 3,154</u>
Total Liabilities		<u>768</u>	<u>3,154</u>
Net Assets			
Unrestricted		<u>313,547</u>	<u>223,428</u>
Total Net Assets		<u><u>\$ 314,315</u></u>	<u><u>\$ 226,582</u></u>

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

ASCHIANA FOUNDATION
STATEMENT OF ACTIVITIES
For the Year Ended June 30,

Changes in Unrestricted Net Assets	2015	2014
Unrestricted Revenues		
Contributions	\$ 104,729	\$ 62,867
Gala, net of expense \$33,142 and \$20,018, respectively	158,619	45,134
Interest income	459	572
Total Unrestricted Revenues	263,807	108,573
Expenses		
Program support	163,795	133,580
Management and general	4,801	4,758
Fundraising	5,092	5,369
Total Expenses	173,688	143,707
Change in Net Assets	90,119	(35,134)
Net Assets at Beginning of Year	223,428	258,562
Net Assets at End of Year	\$ 313,547	\$ 223,428

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

ASCHIANA FOUNDATION
STATEMENT OF CASH FLOWS
For the Year Ended June 30,

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2015</u>	<u>2014</u>
Change in net assets	\$ 90,119	\$ (35,134)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Decrease (Increase) in accounts receivable	23,078	(25,559)
(Decrease) Increase in accounts payable	<u>(2,386)</u>	<u>3,154</u>
Net cash provided by (used in) operating activities	<u>110,811</u>	<u>(57,539)</u>
Change in cash and cash equivalents	110,811	(57,539)
Cash and cash equivalents, beginning of year	<u>200,524</u>	<u>258,063</u>
Cash and cash equivalents, end of year	<u><u>\$ 311,335</u></u>	<u><u>\$ 200,524</u></u>

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

ASCHIANA FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30,

	2015				2014			
	Program Support	Management and General	Fundraising	Total	Program Support	Management and General	Fundraising	Total
Project field expenses	\$ 163,620	\$ -	\$ -	\$ 163,620	\$ 133,400	\$ -	\$ -	\$ 133,400
Office and clerical	-	1,980	1,980	3,960	-	1,378	2,363	3,741
Fund raising expense	-	-	1,441	1,441	-	-	308	308
Accounting	-	630	629	1,259	-	1,101	1,101	2,202
Printing and reproduction	-	203	810	1,013	-	-	-	-
Postage and delivery	-	686	-	686	-	92	-	92
Licenses and permits	-	571	-	571	-	511	-	511
Website and internet costs	-	233	232	465	-	990	990	1,980
Service charges	175	175	-	350	180	209	-	389
Professional fees	-	323	-	323	-	-	-	-
Supplies	-	-	-	-	-	477	607	1,084
TOTAL	\$ 163,795	\$ 4,801	\$ 5,092	\$ 173,688	\$ 133,580	\$ 4,758	\$ 5,369	\$ 143,707

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

ASCHIANA FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – Organization and Summary of Significant Accounting Policies

The Aschiana Foundation (the “Foundation”) was organized in 2004 to support Aschiana in Afghanistan. The main focus of the Foundation’s activities has been the building of a new Children’s Center in Kabul and support for educational, medical, and humanitarian assistance programs that benefit working street children in Kabul and in outlying regions. Revenues are derived from private and foundation contributions.

The following is a summary of significant accounting policies followed in the preparation of these financial statements:

- (a) **Basis of Accounting** – The Foundation prepares its financial statements in accordance with generally accepted accounting principles, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred. 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. As of June 30, 2015 and 2014 the Foundation did not have any temporarily restricted or permanently restricted net assets.
- (b) **Support and Expenses** – Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Foundation 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, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reported in the statement of activity as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.
- (c) **Cash and Cash Equivalents** – Cash and cash equivalents consist of checking and savings accounts. The Foundation considers all highly liquid investments with a maturity of three months or less to be cash equivalents.
- (d) **Statement of Cash Flows** – For the purposes of the statements of cash flows the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.
- (e) **Accounts Receivable** – Accounts receivable are recorded as unpaid balances based on the Foundation’s management evaluation of the individual accounts. There is no allowance for doubtful accounts as management believes all balances to be collectible as of June 30, 2015. There were no bad debts for the years ended June 30, 2014 and 2015.
- (f) **Income Tax Matters** – The Foundation is exempt from federal and state income taxes under Section 501(C)(3) of the Internal Revenue Code, on all income other than unrelated business income. Accordingly, there is no provision for income taxes. The Foundation is not a private foundation.
- (g) **Uncertain Tax Positions** – As of June 30, 2015, the Foundation has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The tax years subject to examination by the taxing authorities are the years ended June 30, 2012 through 2014.

ASCHIANA FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Concluded)

NOTE 1 – Organization and Summary of Significant Accounting Policies (Continued)

- (h) Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates, including estimates relating to assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.
- (i) Concentration of Credit Risk – Financial instruments that potentially expose the Foundation to concentrations of credit risk consist primarily of cash equivalents. The Foundation occasionally maintains deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions. The Foundation has not experienced any losses on its cash equivalents.
- (j) Advertising Costs – Advertising costs are expensed as incurred.

NOTE 2 – Functional Allocation of Expenses

The costs of providing the various programs, fund-raising and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and fund-raising activities benefited.

NOTE 3 – Evaluation of Subsequent Events

The Foundation has evaluated subsequent events through November 20, 2015, the date which the financial statements were available to be issued.