



REGINALD DEWAYNE SHERMAN, CPA
Meeting Your Business Needs

UNQUALIFIED OPINION ON NOT-FOR-PROFIT ORGANIZATION FINANCIAL STATEMENTS

Independent Auditor's Report

To the Board of Directors of
A.F.F.E.C.T, Inc.

We have audited the accompanying statement of financial position of A.F.F.E.C.T, Inc., as of December 31, 2012, and the related statements of activities, and cash flows for the year then ended (collectively referred to as the basic financial statements). These financial statements are the responsibility of the entity'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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 A.F.F.E.C.T, Inc. as of December 31, 2012, 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.

Reginald Dewayne Sherman, CPA

February 26, 2013

A.F.F.E.C.T, Inc.
Statement of Financial Position
December 31, 2012

Assets:

Chase Bank - Checking	\$6,685.62
Chase bank - Savings	\$5.48
Office Furniture (Note 3)	\$500.00
Computer Equipment (Note 3)	\$500.00
Less Accumulated Depreciation	<u>-\$199.92</u>

Total Assets \$7,491.18

Liabilities:

Accounts Payable:

Contract Labor Payable	<u>\$186.15</u>
------------------------	-----------------

Total Liabilities \$186.15

Net Assets:

Unrestructured	<u>\$7,305.03</u>
----------------	-------------------

Total Liabilities and Net Assets \$7,491.18

A.F.F.E.C.T, Inc.
Statement of Activities
For the Year Ended December 31, 2012

Unrestricted Net Assets:

Administrative Expense Reimbursement	\$	31,525.09
Interest Income		-
Total Unrestricted Revenues		31,525.09

Administrative Expenses:

Advertising Expenses		1,730.00
Bank Fees		112.00
Contract Labor		3,235.00
Donations & Outside Services		1,167.95
Equipment Rentals		2,921.51
Field Trips/Outings		277.00
Food Supplies		2,242.29
Gasoline/Fuel Expenses		589.35
Meals/Entertainment		385.13
Occupancy Expense		200.00
Office Supplies		523.93
Permits/Fees		50.00
Postage		85.24
Program Services		7,890.00
Repairs/Maintenance		329.05
Supplies/Equipment Expense		318.89
T-Shirts & Promotional Items		1,572.32
Travel Expense		232.50
Utilities		357.90
Total Allowable Administrative Expenses		24,220.06

Increase in Unrestricted Net Assets 7,305.03

Temporarily Restricted Net Assets:

Federal financial assistance - Providers		-
Net assets released from restrictions:		-
Restrictions satisfied by payments		-

Decrease in Temporarily Restricted Net Assets -

Increase in Net Assets **\$ 7,305.03**

A.F.F.E.C.T, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2012

Cash Flows from Operating Activities:

Increase (Decrease) in Net Assets \$ 7,305.03

Items Not Requiring Cash:

Depreciation -

Change in:

Grants Receivables -

Other Receivables/Pre-Paid -

Accounts Payable (1,124.97)

Other Accounts Payable -

Wages Payable -

Net Cash Provided by Operating Activities 6,180.06

Cash Flows from Investing Activities:

Notes Payable - Executive Directors -

Net Cash Used by Investing Activities -

Net Increase in Cash and Cash Equivalents 6,180.06

Cash and Cash Equivalents at Beginning of Year 505.56

Cash and Cash Equivalents at End of Year \$ 6,685.62

A.F.F.E.C.T, Inc.
Statement of Change in Net Assets
December 31, 2012

Balance at January 1, 2012	\$ -
Increase in Net Assets for the Year	7,305.03
Balance at December 31, 2012	<u>\$ 7,305.03</u>