



INFINITE FAMILY AND INFINITE FAMILY NPC

FINANCIAL STATEMENTS WITH
SUPPLEMENTARY INFORMATION

December 31, 2016 (Consolidating) and
December 31, 2015 (Consolidated)

CONTENTS

Independent Auditor's Report	1
Statements of Financial Position.....	3
Statements of Activities.....	4
Statements of Cash Flows	5
Notes to Financial Statements	6
Management's Discussion and Analysis.....	9
Schedules of Financial Position - Constant Currency.....	11
Schedules of Activities - Constant Currency.....	12



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Infinite Family
New York, New York

We have audited the accompanying consolidating financial statements of Infinite Family and Infinite Family NPC, which comprise the consolidating statement of financial position as of December 31, 2016, and the related consolidating statements of activities and cash flows for the year then ended, and the related notes to the financial statements. We have also audited the accompanying consolidated financial statements of Infinite Family and Infinite Family NPC, which comprise the consolidated statement of financial position as of December 31, 2015, and the related consolidated statements of activities and cash flows for the year 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 did not audit the financial statements of Infinite Family NPC, a wholly-owned subsidiary, which statements reflect total assets of \$89,585 and \$61,403 as of December 31, 2016 and 2015, respectively, and total revenues of \$215,532 and \$241,417, respectively, for the years then ended. Those statements, which were prepared in accordance with the International Financial Reporting Standard for Small- and Medium-Sized Entities as issued by the International Accounting Standards Board and the Companies Act of South Africa, were audited by other auditors, whose report has been furnished to us. We have applied audit procedures on the conversion adjustments to the financial statements of Infinite Family NPC, which conform those financial statements to accounting principles generally accepted in the United States of America. Our opinion, insofar as it relates to the amounts included for Infinite Family NPC, prior to these conversion adjustments, is based solely on the report of the other auditors. 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.

New York Office:

230 Park Avenue, 10th Floor
New York, NY 10146
P: (212) 551-1724
F: (262) 522-7550

Washington DC Office:

400 North Washington Street
Second Floor
Alexandria, VA 22314
P: (703) 519-0990

Wisconsin Office:

2110 Luann Lane
Madison, WI 53713
P: (608) 274-4020
F: (608) 274-0775

www.wegnercpas.com
info@wegnercpas.com
(888) 204-7665

Opinion

In our opinion, based on our audits and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Infinite Family and Infinite Family NPC as of December 31, 2016 and 2015, and the changes in their consolidated net assets and their consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Also, in our opinion, the 2016 consolidating financial statements referred to in the first paragraph present fairly, in all material respects, the individual financial positions of Infinite Family and Infinite Family NPC other than Infinite Family NPC (as to which we express no opinion because those statements were audited by other auditors as indicated in the first paragraph of the Auditor's Responsibility section), as of December 31, 2016, and the changes in their individual net assets and their individual cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The management's discussion and analysis and related schedules on pages 11-12, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Wegner CPAs LLP

Wegner CPAs, LLP
New York, New York
November 30, 2017

INFINITE FAMILY AND INFINITE FAMILY NPC
STATEMENTS OF FINANCIAL POSITION
December 31, 2016 (Consolidating) and December 31, 2015 (Consolidated)

	2016			2015	
	Infinite Family	Infinite Family NPC	Eliminations	Consolidated Totals	Consolidated Totals
ASSETS					
CURRENT ASSETS					
Cash	\$ 48,321	\$ 5,604	\$ -	\$ 53,925	\$ 48,724
Unconditional promises to give	2,500	-	-	2,500	7,525
Prepaid expenses	-	795	-	795	832
Total current assets	50,821	6,399	-	57,220	57,081
EQUIPMENT AND SOFTWARE					
Equipment and software	61,871	101,629	-	163,500	106,280
Accumulated depreciation	(61,871)	(18,443)	-	(80,314)	(71,312)
Equipment and software - net	-	83,186	-	83,186	34,968
Total assets	\$ 50,821	\$ 89,585	\$ -	\$ 140,406	\$ 92,049
LIABILITIES AND NET ASSETS (DEFICIT)					
CURRENT LIABILITIES					
Accounts payable	\$ 12,320	\$ 3,210	\$ -	\$ 15,530	\$ 14,992
Note payable	76,851	-	-	76,851	75,851
Total liabilities	89,171	3,210	-	92,381	90,843
NET ASSETS (DEFICIT)					
Unrestricted net assets (deficit)	(39,450)	71,859	-	32,409	(50,234)
Temporarily restricted net assets	1,100	14,516	-	15,616	51,440
Total net assets (deficit)	(38,350)	86,375	-	48,025	1,206
Total liabilities and net assets (deficit)	\$ 50,821	\$ 89,585	\$ -	\$ 140,406	\$ 92,049

See accompanying notes.

INFINITE FAMILY AND INFINITE FAMILY NPC
STATEMENTS OF ACTIVITIES
Years ended December 31, 2016 (Consolidating) and December 31, 2015 (Consolidated)

	2016			2015	
	Infinite Family	Infinite Family NPC	Eliminations	Consolidated Totals	Consolidated Totals
UNRESTRICTED NET ASSETS					
SUPPORT AND REVENUE					
Contributions	\$ 147,490	\$ 132,769	\$ (15,069)	\$ 265,190	\$ 252,444
In-kind contributions	89,268	82,355	-	171,623	193,292
Other	-	407	-	407	1,668
Total unrestricted support and revenue	236,758	215,531	(15,069)	437,220	447,404
EXPENSES					
Program services					
Mentorships	119,834	191,168	(12,927)	298,075	396,806
Supporting activities					
Management and general	48,407	1,978	(1,440)	48,945	49,529
Fundraising	52,314	1,524	(1,115)	52,723	57,238
Total expenses	220,555	194,670	(15,482)	399,743	503,573
Foreign currency translation gain (loss)	-	8,655	(413)	8,242	(24,546)
Net assets released from restrictions	-	36,924	-	36,924	55,664
Change in unrestricted net assets	16,203	66,440	-	82,643	(25,051)
TEMPORARILY RESTRICTED NET ASSETS					
Contributions	1,100	-	-	1,100	-
Net assets released from restrictions	-	(36,924)	-	(36,924)	(55,664)
Change in temporarily restricted net assets	1,100	(36,924)	-	(35,824)	(55,664)
Change in net assets	17,303	29,516	-	46,819	(80,715)
Net assets (deficit) - beginning of year	(55,653)	56,859	-	1,206	81,921
Net assets (deficit) - end of year	\$ (38,350)	\$ 86,375	\$ -	\$ 48,025	\$ 1,206

See accompanying notes.

INFINITE FAMILY AND INFINITE FAMILY NPC
STATEMENTS OF CASH FLOWS
Years ended December 31, 2016 (Consolidating) and December 31, 2015 (Consolidated)

	2016			2015	
	Infinite Family	Infinite Family NPC	Eliminations	Consolidated Totals	Consolidated Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Change in net assets	\$ 17,303	\$ 29,516	\$ -	\$ 46,819	\$ (80,715)
Adjustments to reconcile change in net assets to net cash flows from operating activities					
Depreciation	176	7,132	-	7,308	5,837
Effect of exchange rate changes on fixed assets (Increase) decrease in assets	-	(3,553)	-	(3,553)	12,965
Unconditional promises to give	5,025	-	-	5,025	23,235
Prepaid expenses	128	(91)	-	37	4,289
Increase (decrease) in liabilities Accounts payable	1,872	(1,804)	-	68	(2,761)
Net cash flows from operating activities	24,504	31,200	-	55,704	(37,150)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of equipment	-	(51,503)	-	(51,503)	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from note payable	1,000	-	-	1,000	20,000
Payments on note payable	-	-	-	-	(20,851)
Accrued interest on note payable	-	-	-	-	851
Net cash flows from financing activities	1,000	-	-	1,000	-
Change in cash	25,504	(20,303)	-	5,201	(37,150)
Cash - beginning of year	22,817	25,907	-	48,724	85,874
Cash - end of year	\$ 48,321	\$ 5,604	\$ -	\$ 53,925	\$ 48,724
SUPPLEMENTAL DISCLOSURES					
Cash paid for interest	\$ 2,268	\$ -	\$ -	\$ 2,268	\$ 2,256

See accompanying notes.

INFINITE FAMILY AND INFINITE FAMILY NPC
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 (Consolidating) and December 31, 2015 (Consolidated)

Infinite Family was incorporated as a not-for-profit corporation in New York on December 29, 1998. Infinite Family's charitable mission is to work with local organizations in Africa to connect volunteer adult mentors worldwide with African teens affected by HIV/AIDS and poverty using video conferencing, e-mail, a secure Internet site, and interactive tools and resources, to inspire the teens to make good decisions, stay healthy, and develop academic and life skills. The adult volunteers are role models that help teach resilience, resourcefulness and responsibility, and provide adult guidance to help South African teens become self-reliant young adults. Technology based communication tools provide the platform for this interaction. Infinite Family NPC, located in Johannesburg, South Africa, is a non-profit organization that partners with Infinite Family to help further its mission.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The financial statements include the accounts of Infinite Family and Infinite Family NPC, a wholly-owned subsidiary that was formed in November 2010. All material intra-entity transactions have been eliminated.

Basis of Presentation

Infinite Family and Infinite Family NPC report information regarding their financial position and activities according to three classes of net assets:

Unrestricted net assets—Net assets that are not restricted by donors. Designations are voluntary board-approved segregations of unrestricted net assets for specific purposes, projects, or investments.

Temporarily restricted net assets—Net assets whose use has been limited by donor-imposed time restrictions or purpose restrictions. Temporarily restricted net assets at December 31, 2016 and 2015 are available for subsequent period activities.

Permanently restricted net assets—Net assets that have been restricted by donors to be maintained by Infinite Family and Infinite Family NPC in perpetuity.

Promises to Give

Unconditional promises to give are recognized as revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

INFINITE FAMILY AND INFINITE FAMILY NPC
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 (Consolidating) and December 31, 2015 (Consolidated)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Equipment and Software

Acquisitions of equipment and software are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful life of the individual assets.

Donated Services

Donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their estimated fair values in the period received.

Income Tax Status

Infinite Family is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, Infinite Family qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Infinite Family NPC was formed as a charity under the laws of South Africa and is registered as an NPO (non-profit organization) and a PBO (public benefit organization). Accordingly, it is subject to separate filing and reporting requirements in its country of formation.

Date of Management's Review

Management has evaluated subsequent events through November 30, 2017, the date which the financial statements were available to be issued.

Foreign Currency Conversion and Translation

Infinite Family's functional currency is the U.S. dollar; however, it transacts business in South African Rand for the South African operations. Assets and liabilities denominated in South African Rand are translated into U.S. dollars at the rates in effect at the date of the statement of financial position. Revenue and expense items denominated in South African Rand are translated into U.S. dollars at the rates in effect during the period. Gains and losses resulting from the translation to U.S. dollars are reported in the statements of activities.

INFINITE FAMILY AND INFINITE FAMILY NPC
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 (Consolidating) and December 31, 2015 (Consolidated)

NOTE 2 - DONATED SERVICES

During 2016 and 2015, Infinite Family recorded donated services of \$81,948 and \$81,215. Donated services consist of a portion of the salary of the chief executive officer that is the difference between what is paid and what market rate for this position is. The chief executive officer was compensated \$31,722 and \$29,142 in 2016 and 2015, respectively. Donated services are included in the statements of activities and the expenses were allocated as follows for 2016 and 2015:

	2016	2015
Program	\$ 41,646	\$ 51,978
Management and general	13,427	7,309
Fundraising	26,875	21,928
Total donated services - Infinite Family	\$ 81,948	\$ 81,215

During 2016 and 2015, Infinite Family NPC recorded other donated services of \$89,675 and \$94,077. Donated services consisted of internet connectivity support included in the statements of activities and were for program services.

NOTE 3 - CONCENTRATIONS

In 2016 and 2015, Infinite Family received approximately 75% and 65% of total cash contributions from three donors in each year.

Infinite Family NPC maintains cash balances in a financial institution located in South Africa. Accounts at this institution are not insured. At December 31, 2016 and 2015, Infinite Family NPC's uninsured cash balances totaled \$5,604 and \$25,907.

Infinite Family NPC's operations are concentrated outside the United States.

NOTE 4 - RELATED PARTY TRANSACTIONS

Infinite Family entered into a loan agreement with the chief executive officer bearing interest on the outstanding principal at 3% per annum, payable semiannually. Full payment is due 180 days following demand by lender. Interest expense related to this note was \$2,268 and \$2,256 in 2016 and 2015. As of December 31, 2016 and 2015, the outstanding balance was \$76,851 and \$75,851.

NOTE 5 - LEASING ARRANGEMENT

Infinite Family leases office space under an operating lease requiring monthly payments of \$1,504. The lease expires October 31, 2017. Rent expense was \$18,052 and \$17,804 for 2016 and 2015. Future minimum lease payments are \$15,043 for 2017.

INFINITE FAMILY AND INFINITE FAMILY NPC
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016

INSTITUTIONAL AND FINANCIAL STRUCTURE

Infinite Family is comprised of Infinite Family, a US-based 501c3 non-profit company, and Infinite Family NPC, a South African non-profit corporation that is registered as a Non-Profit Organization (NPO) and a Public Benefit Organization (PBO). South African auditors at Douglas & Velcich perform Infinite Family NPC's financial audits. Infinite Family's US audit and consolidated financials are prepared by Wegner CPAs.

Infinite Family receives funding in dollars, rand, pounds and euros from American, South African, British and European sponsors and is exposed to foreign exchange fluctuations. During 2016, the Rand appreciated from R15.5 to R13.7 to the dollar, a fluctuation of approximately twelve percent (12%), which increased the cost of transferring funds from the United States to South Africa. As a result of the Rand's volatility, the value of funds transferred from the United States to South Africa was lower than projected creating the perception that our combined income was two percent (2%) less than the previous year. When compared on a constant currency basis, Infinite Family's 2016 combined income increased by five percent (5%) higher than the previous year.

Program, development and governance activities are conducted by staff in the United States and South Africa with grants received in either currency often covering activities in both. On a constant currency basis, 2016 expenses in United States and South Africa comprised forty-eight (48%) and fifty-two (52%), respectively, of total expenses.

Infinite Family's financial statements are prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities in South Africa and generally accepted accounting practices (GAAP) in the United States. However, management uses non-GAAP financial reports, including, but not limited to, Constant Currency Schedules of Activities and Financial Position to reduce the effects of currency volatility and to evaluate annual financial activities in a consistently comparable manner despite the currency volatility that may be experienced through the year.

FINANCIAL HIGHLIGHTS

The average foreign exchange rates between the dollar and South African Rand were \$0.0682 and \$0.0779 per R1.00, respectively, for the years ended December 31, 2016 and December 31, 2015.

- On a GAAP basis, Infinite Family's support and revenue declined by \$10,184 during 2016. Using Constant Currency calculations, 2016 support and revenues increased by \$23,002.
- South African and American sources represented forty-six percent (46%) and fifty-four percent (54%), respectively, of support and revenue per GAAP standards. South African and American sources were split evenly representing fifty percent (50%) each of support and revenue per Constant Currency reporting.
- Unrestricted net assets increased by \$82,643 per GAAP reporting and \$74,446 as reported using Constant Currency calculations.
- Total assets increased by 53% per GAAP reporting and 41% according to Constant Currency calculations.
- Program expenses represented 75% of 2016 expenses according to GAAP procedures and 76% of expenses recorded per Constant Currency evaluations.

**INFINITE FAMILY AND INFINITE FAMILY NPC
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2016**

CONTACTING INFINITE FAMILY'S FINANCIAL MANAGEMENT

If you have questions about or wish for additional information related to this report, please contact:

Amy Conrad Stokes, Founder and CEO at amy.stokes@infinitefamily.org, +1.212.400.7446 x11 or +27 (0)11 560.7997 x11.

Additional information about Infinite Family can be found at www.infinitefamily.org.

INFINITE FAMILY AND INFINITE FAMILY NPC
SCHEDULES OF FINANCIAL POSITION - CONSTANT CURRENCY
December 31, 2016 (Consolidating) and December 31, 2015 (Consolidated)

	2016			2015	
	Infinite Family	Infinite Family NPC	Eliminations	Consolidated Totals	Consolidated Totals
ASSETS					
CURRENT ASSETS					
Cash	\$ 48,321	\$ 4,965	\$ -	\$ 53,286	\$ 48,724
Unconditional promises to give	2,500	-	-	2,500	7,525
Prepaid expenses	-	704	-	704	832
Total current assets	50,821	5,669	-	56,490	57,081
EQUIPMENT AND SOFTWARE					
Equipment and software	61,871	90,036	-	151,907	106,280
Accumulated depreciation	(61,871)	(16,339)	-	(78,210)	(71,312)
Equipment and software - net	-	73,697	-	73,697	34,968
Total assets	\$ 50,821	\$ 79,366	\$ -	\$ 130,187	\$ 92,049
LIABILITIES AND NET ASSETS (DEFICIT)					
CURRENT LIABILITIES					
Accounts payable	\$ 12,320	\$ 2,844	\$ -	\$ 15,164	\$ 14,992
Note payable	76,851	-	-	76,851	75,851
Total liabilities	89,171	2,844	-	92,015	90,843
NET ASSETS (DEFICIT)					
Unrestricted net assets (deficit)	(39,450)	63,662	-	24,212	(50,234)
Temporarily restricted net assets	1,100	12,860	-	13,960	51,440
Total net assets (deficit)	(38,350)	76,522	-	38,172	1,206
Total liabilities and net assets (deficit)	\$ 50,821	\$ 79,366	\$ -	\$ 130,187	\$ 92,049

INFINITE FAMILY AND INFINITE FAMILY NPC
SCHEDULES OF ACTIVITIES - CONSTANT CURRENCY
Years ended December 31, 2016 (Consolidating) and December 31, 2015 (Consolidated)

	2016			2015	
	Infinite Family	Infinite Family NPC	Eliminations	Consolidated Totals	Consolidated Totals
UNRESTRICTED NET ASSETS					
SUPPORT AND REVENUE					
Contributions	\$ 147,490	\$ 153,365	\$ (15,318)	\$ 285,537	\$ 252,444
In-kind contributions	89,268	95,130	-	184,398	193,292
Other	-	471	-	471	1,668
Total unrestricted support and revenue	\$ 236,758	\$ 248,966	\$ (15,318)	\$ 470,406	\$ 447,404
EXPENSES					
Program services					
Mentorships	119,834	220,822	(12,927)	327,729	396,806
Supporting activities					
Management and general	48,407	2,285	(1,440)	49,252	49,529
Fundraising	52,314	1,761	(1,115)	52,960	57,238
Total expenses	220,555	224,868	(15,482)	429,941	503,573
Foreign currency translation gain (loss)	-	(4,435)	(164)	(4,599)	(24,546)
Net assets released from restrictions	-	38,580	-	38,580	55,664
Change in unrestricted net assets	16,203	58,243	-	74,446	(25,051)
TEMPORARILY RESTRICTED NET ASSETS					
Contributions	1,100	-	-	1,100	-
Net assets released from restrictions	-	(38,580)	-	(38,580)	(55,664)
Change in temporarily restricted net assets	1,100	(38,580)	-	(37,480)	(55,664)
Change in net assets	17,303	19,663	-	36,966	(80,715)
Net assets (deficit) - beginning of year	(55,653)	56,859	-	1,206	81,921
Net assets (deficit) - end of year	<u>\$ (38,350)</u>	<u>\$ 76,522</u>	<u>\$ -</u>	<u>\$ 38,172</u>	<u>\$ 1,206</u>