

INFINITE FAMILY

**CONSOLIDATING FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2013
(Unaudited)**

INFINITE FAMILY

TABLE OF CONTENTS

	Page
Independent Accountants' Review Reports	1
Consolidating Financial Statements	
Consolidating Statement of Financial Position	2
Consolidating Statement of Activities	3
Consolidating Statement of Cash Flows	4
Notes to Consolidating Financial Statements	5-7
Supplementary Information	
Independent Accountants' Review Report on Supplementary Information	9
Consolidating Schedules of Functional Expenses	10



LUTZ AND CARR
CERTIFIED PUBLIC ACCOUNTANTS, LLP
300 EAST 42ND ST., NEW YORK, NY 10017
212-697-2299 Fax 212-949-1768

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
Infinite Family

We have reviewed the accompanying consolidating statement of financial position of Infinite Family (a not-for-profit organization) as of December 31, 2013, and the related consolidating statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the consolidating financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the consolidating financial statements.

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the consolidating financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidating financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

We previously reviewed Infinite Family's 2012 consolidating financial statements and in our report dated November 13, 2014, stated that based on our procedures, we were not aware of any material modifications that should be made to the 2012 consolidating financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended December 31, 2012, for it to be consistent with the reviewed consolidating financial statements from which it has been derived.

Lutz + Carr, LLP

New York, New York
February 5, 2015

INFINITE FAMILY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2013 WITH COMPARATIVE TOTALS FOR 2012
(Unaudited)

	<u>2013</u>			<u>2012</u>	
	<u>Infinite Family</u>	<u>Infinite Family South Africa</u>	<u>Consolidating Entries</u>	<u>Consolidated Totals</u>	<u>Consolidated Totals</u>
Assets					
Cash	\$ 95,289	\$ 54,213	\$ -	\$ 149,502	\$ 254,380
Accounts receivable	6,903	-	-	6,903	7,801
Prepaid expenses	-	1,044	-	1,044	1,291
Fixed assets, net of accumulated depreciation (Notes 1c and 5)	442	18,391	-	18,833	27,598
Total Assets	<u>\$102,634</u>	<u>\$ 73,648</u>	<u>\$ -</u>	<u>\$ 176,282</u>	<u>\$ 291,070</u>
Liabilities and Net Assets					
Liabilities					
Accounts payable and accrued expenses	\$ 5,004	\$ 382	\$ -	\$ 5,386	\$ 5,922
Loan payable (Note 6)	75,000	-	-	75,000	65,000
Total Liabilities	<u>80,004</u>	<u>382</u>	<u>-</u>	<u>80,386</u>	<u>70,922</u>
Net Assets					
Unrestricted (deficit)	20,130	(36,112)	-	(15,982)	(25,436)
Temporarily restricted (Note 2)	2,500	109,378	-	111,878	245,584
Total Net Assets	<u>22,630</u>	<u>73,266</u>	<u>-</u>	<u>95,896</u>	<u>220,148</u>
Total Liabilities and Net Assets	<u>\$102,634</u>	<u>\$ 73,648</u>	<u>\$ -</u>	<u>\$ 176,282</u>	<u>\$ 291,070</u>

See accompanying notes and independent accountants' review report.

INFINITE FAMILY

CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2013 WITH COMPARATIVE TOTALS FOR 2012

(Unaudited)

	2013			2012	
	Infinite Family	Infinite Family South Africa	Consolidating Entries	Consolidated Totals	Consolidated Totals
Changes in Unrestricted Net Assets					
Revenue and Support					
Contributions (Note 4)	\$253,517	\$ 633	\$ (151,982)	\$ 102,168	\$ 224,153
Donated services (Note 3)	81,757	-	-	81,757	58,258
Benefit event income	-	-	-	-	54,900
Less: Direct benefit event expenses	-	-	-	-	(12,692)
Program income	6,250	-	-	6,250	7,475
Other income	11	8,218	-	8,229	2,324
Net assets released from restrictions					
Satisfaction of time and program restrictions	1,324	238,982	-	240,306	3,676
Total Revenue and Support	<u>342,859</u>	<u>247,833</u>	<u>(151,982)</u>	<u>438,710</u>	<u>338,094</u>
Expenses					
Program Services	<u>160,007</u>	<u>260,576</u>	<u>(157,712)</u>	<u>262,871</u>	<u>264,780</u>
Supporting Services					
Management and general	55,084	-	-	55,084	25,272
Fundraising	66,058	3,220	-	69,278	63,322
Total Supporting Services	<u>121,142</u>	<u>3,220</u>	<u>-</u>	<u>124,362</u>	<u>88,594</u>
Total Expenses	<u>281,149</u>	<u>263,796</u>	<u>(157,712)</u>	<u>387,233</u>	<u>353,374</u>
Increase (Decrease) in Unrestricted Net Assets Before Item Below	61,710	(15,963)	5,730	51,477	(15,280)
Foreign currency translation adjustment	-	(36,293)	(5,730)	(42,023)	(2,884)
Increase (Decrease) in Unrestricted Net Assets	<u>61,710</u>	<u>(52,256)</u>	<u>-</u>	<u>9,454</u>	<u>(18,164)</u>
Changes in Temporarily Restricted Net Assets					
Contributions (Note 4)	2,500	104,100	-	106,600	244,260
Net assets released from restrictions	<u>(1,324)</u>	<u>(238,982)</u>	<u>-</u>	<u>(240,306)</u>	<u>(3,676)</u>
Increase (Decrease) in Temporarily Restricted Net Assets	<u>1,176</u>	<u>(134,882)</u>	<u>-</u>	<u>(133,706)</u>	<u>240,584</u>
Increase (decrease) in net assets	62,886	(187,138)	-	(124,252)	222,420
Net assets, beginning of year	<u>(40,256)</u>	<u>260,404</u>	<u>-</u>	<u>220,148</u>	<u>(2,272)</u>
Net Assets, End of Year	<u>\$ 22,630</u>	<u>\$ 73,266</u>	<u>\$ -</u>	<u>\$ 95,896</u>	<u>\$ 220,148</u>

See accompanying notes and independent accountants' review report.

INFINITE FAMILY

CONSOLIDATING STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2013 WITH COMPARATIVE TOTALS FOR 2012

(Unaudited)

	2013			2012
	Infinite Family	Infinite Family South Africa	Consolidating Entries	Consolidated Totals
Cash Flows From Operating Activities				
Increase (decrease) in net assets	\$ 62,886	\$ (187,138)	\$ -	\$ (124,252)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:				
Effect of exchange rate changes on fixed assets	-	4,998	-	4,998
Depreciation	1,373	2,394	-	3,767
(Increase) decrease in:				
Accounts receivable	898	-	-	898
Prepaid expenses	-	247	-	247
Increase (decrease) in accounts payable:	(682)	146	-	(536)
Net Cash Provided (Used) By Operating Activities	64,475	(179,353)	-	(114,878)
Cash Flows From Investing Activities				
Purchase of fixed assets	-	-	-	(27,140)
Cash Flows From Financing Activities				
Proceeds from loan borrowings	10,000	-	-	10,000
Net increase (decrease) in cash	74,475	(179,353)	-	(104,878)
Cash, beginning of year	20,814	233,566	-	254,380
Cash, End of Year	<u>\$ 95,289</u>	<u>\$ 54,213</u>	<u>\$ -</u>	<u>\$ 149,502</u>
Supplemental Information				
Interest paid	<u>\$ 2,071</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,071</u>

See accompanying notes and independent accountants' review report.

INFINITE FAMILY**NOTES TO CONSOLIDATING FINANCIAL STATEMENTS****DECEMBER 31, 2013****(Unaudited)****Note 1 - Organization and Summary of Significant Accounting Policies****a - Organization**

Infinite Family ("IF") was incorporated as a not-for-profit corporation in New York State on December 29, 1998. IF's charitable mission is to work with local organizations in Africa to connect adult mentors worldwide with orphans and vulnerable children using video conferencing, e-mail, a secure internet site, and interactive tools and resources, to help the children learn to make good decisions, stay healthy, and develop academic and life skills. The adult volunteers essentially act as part-time mentors to African children who do not have adult guidance in their lives primarily as a result of the ravages of HIV/AIDS and poverty. Technology-based communication tools provide the platform for this interaction.

b - Principles of Consolidation

The accompanying consolidating financial statements include the accounts of IF and Infinite Family South Africa ("IF-SA") (a related foreign non-for-profit corporation), which was formed in November 2010. All significant intercompany transactions have been eliminated.

c - Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the related assets.

d - Financial Statement Presentation

IF reports 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.

e - Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

f - Grants and Contributions

Grants and contributions are recognized when the donor makes a promise to give to IF, that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

INFINITE FAMILY**NOTES TO CONSOLIDATING FINANCIAL STATEMENTS****DECEMBER 31, 2013****(Unaudited)****Note 1 - Organization and Summary of Significant Accounting Policies (continued)****g - Tax Status**

Infinite Family is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation. Management has evaluated all income tax positions and concluded that no disclosures related to uncertain tax positions are required in the financial statements. IF's tax returns are generally subject to examination by taxing authorities for a period of three years from the date of filing.

Infinite Family South Africa was formed as a charitable trust under the laws of South Africa. Accordingly, it is subject to separate filing and reporting requirements in its country of formation.

h - Subsequent Events

Infinite Family has evaluated subsequent events through February 5, 2015, the date that the financial statements are considered available to be issued.

Note 2 - Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31, 2013 and 2012 are restricted to future programs and periods.

Note 3 - Donated Services

During the years ended December 31, 2013 and 2012, IF recorded donated services of \$81,757 and \$58,258, respectively. Donated services during the years ended December 31, 2013 and 2012 consisted of professional fees valued at \$10,440 and \$5,758, respectively, and the salary of the chief executive officer valued at \$71,317 and \$52,500, respectively in each year.

Note 4 - Concentration

During the years ended December 31, 2013 and 2012, IF received contributions from five donors which represented approximately 76% and approximately 62% of total contributions, respectively.

INFINITE FAMILY

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

DECEMBER 31, 2013

(Unaudited)

Note 5 - Property and Equipment

Property and equipment consists of the following:

	<u>Life</u>	<u>2013</u>			<u>2012</u>
		<u>Infinite Family</u>	<u>Infinite Family South Africa</u>	<u>Total</u>	<u>Total</u>
Computer hardware and software	5 years	\$51,757	\$ -	\$51,757	\$51,757
Website	5 years	5,500	-	5,500	5,500
Office equipment	5 years	4,614	-	4,614	4,614
Modular facility	10 years	-	<u>21,942</u>	<u>21,942</u>	<u>27,140</u>
		<u>61,871</u>	<u>21,942</u>	<u>83,813</u>	<u>89,011</u>
Less: Accumulated depreciation		<u>(61,429)</u>	<u>(3,551)</u>	<u>(64,980)</u>	<u>(61,413)</u>
		<u>\$ 442</u>	<u>\$18,391</u>	<u>\$18,833</u>	<u>\$27,598</u>

Depreciation expense for the years ended December 31, 2013 and 2012 was \$3,767 and \$4,041, respectively.

Note 6 - Loan Payable

IF entered into a loan agreement with the chief executive officer for an amount up to \$75,000, bearing interest on the outstanding principal at 3% per annum, payable semi-annually beginning in February 2012. Full payment is due 180 days following demand by lender, but in no event earlier than February 2013. As of December 31, 2013 and 2012, IF had \$75,000 and \$65,000 outstanding under this agreement, respectively.

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 supporting services in reasonable ratios determined by management.

SUPPLEMENTARY INFORMATION



LUZ AND CARR

CERTIFIED PUBLIC ACCOUNTANTS, LLP
300 EAST 42ND ST., NEW YORK, NY 10017
212-697-2299 Fax 212-949-1768

**INDEPENDENT ACCOUNTANTS' REVIEW REPORT
ON SUPPLEMENTARY INFORMATION**

To the Board of Directors of
Infinite Family

Our report on our review of the consolidating financial statements of Infinite Family for 2013 appears on page 1. That review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the consolidating financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included in the accompanying Consolidating Schedule of Functional Expenses for the year ended December 31, 2013 with comparative totals for 2012 is presented for purposes of additional analysis and is not a required part of the consolidating financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the review of the consolidating financial statements, and we did not become aware of any material modifications that should be made to such information.

Lutz + Carr, LLP

New York, New York
February 5, 2015

INFINITE FAMILY

CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2013 WITH COMPARATIVE TOTALS FOR 2012

(Unaudited)

	2013							2012		
	Infinite Family				Infinite South Africa			Consolidating Entries	Consolidated Totals Expenses	Consolidated Totals Expenses
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising			
Salaries	\$ 94,196	\$ 19,057	\$ 30,862	\$144,115	\$ 64,601	\$ -	\$ -	\$ -	\$ 208,716	\$ 163,097
Payroll taxes and benefits	16,164	4,582	7,118	27,864	-	-	-	-	27,864	18,604
Professional fees	29,102	3,881	10,444	43,427	6,890	-	-	-	50,317	86,291
Stipends	-	-	-	-	-	-	-	-	-	-
Accounting and bookkeeping	-	12,138	-	12,138	208	-	-	-	12,346	5,430
Grants	-	-	-	-	157,712	-	-	(157,712)	-	-
Equipment and maintenance	-	-	-	-	31	-	390	-	421	8,510
Office supplies	2,985	1,904	1,593	6,482	-	-	-	-	6,482	4,434
Insurance	583	1,906	583	3,072	-	-	-	-	3,072	1,527
Marketing	2,000	-	5,750	7,750	-	-	-	-	7,750	-
Program expenses	330	1,083	47	1,460	4,310	-	23	-	5,793	4,474
Client services	-	-	-	-	-	-	-	-	-	-
Occupancy	3,601	3,602	3,745	10,948	6,860	-	-	-	17,808	2,907
Telephone, internet and technology	4,810	785	659	6,254	2,236	-	588	-	9,078	11,363
Postage and printing	573	342	399	1,314	-	-	-	-	1,314	8,681
Travel	4,119	1,222	2,862	8,203	2,811	-	2,219	-	13,233	14,988
Event expenses	-	-	1,696	1,696	-	-	-	-	1,696	11,466
Depreciation	1,073	-	300	1,373	2,394	-	-	-	3,767	4,041
Miscellaneous expense	471	4,582	-	5,053	12,523	-	-	-	17,576	7,561
Total Expenses, 2013	<u>\$160,007</u>	<u>\$ 55,084</u>	<u>\$ 66,058</u>	<u>\$281,149</u>	<u>\$260,576</u>	<u>\$ -</u>	<u>\$ 3,220</u>	<u>\$ (157,712)</u>	<u>\$ 387,233</u>	
Total Expenses, 2012	<u>\$210,688</u>	<u>\$ 24,795</u>	<u>\$ 63,322</u>	<u>\$298,805</u>	<u>\$98,292</u>	<u>\$ 477</u>	<u>\$ -</u>	<u>\$ (44,200)</u>		<u>\$ 353,374</u>

See independent accountants' review report on supplementary information.