



INFINITE FAMILY AND INFINITE FAMILY NPC

FINANCIAL STATEMENTS WITH
SUPPLEMENTARY INFORMATION

December 31, 2017 (Consolidating) and
December 31, 2016 (Consolidated)

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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, 2017, 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, 2016, 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 consolidated 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 \$131,767 and \$89,585 as of December 31, 2017 and 2016, respectively, and total revenues of \$254,390 and \$215,532, 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.

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Opinion

In our opinion, based on our audits and the report of the other auditors, the consolidated 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, 2017 and 2016, 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 2017 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, 2017, 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 12-13, 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
December 4, 2018

INFINITE FAMILY AND INFINITE FAMILY NPC
STATEMENTS OF FINANCIAL POSITION
December 31, 2017 (Consolidating) and December 31, 2016 (Consolidated)

	2017			2016	
	Infinite Family	Infinite Family NPC	Eliminations	Consolidated Totals	Consolidated Totals
ASSETS					
CURRENT ASSETS					
Cash	\$ 30,253	\$ 17,250	\$ -	\$ 47,503	\$ 53,925
Unconditional promises to give	1,680	32,384	-	34,064	2,500
Prepaid expenses	-	884	-	884	795
Total current assets	31,933	50,518	-	82,451	57,220
EQUIPMENT AND SOFTWARE					
Equipment and software	61,871	113,081	-	174,952	163,500
Accumulated depreciation	(61,871)	(31,832)	-	(93,703)	(80,314)
Equipment and software - net	-	81,249	-	81,249	83,186
Total assets	\$ 31,933	\$ 131,767	\$ -	\$ 163,700	\$ 140,406
LIABILITIES AND NET ASSETS (DEFICIT)					
CURRENT LIABILITIES					
Accounts payable	\$ 30,536	\$ 3,115	\$ -	\$ 33,651	\$ 15,530
Note payable	76,917	-	-	76,917	76,851
Working capital loan	10,000	-	-	10,000	-
Total liabilities	117,453	3,115	-	120,568	92,381
NET ASSETS (DEFICIT)					
Unrestricted net assets (deficit)	(85,520)	128,652	-	43,132	32,409
Temporarily restricted net assets	-	-	-	-	15,616
Total net assets (deficit)	(85,520)	128,652	-	43,132	48,025
Total liabilities and net assets (deficit)	\$ 31,933	\$ 131,767	\$ -	\$ 163,700	\$ 140,406

See accompanying notes.

INFINITE FAMILY AND INFINITE FAMILY NPC
STATEMENTS OF ACTIVITIES
Years ended December 31, 2017 (Consolidating) and December 31, 2016 (Consolidated)

	2017			2016	
	Infinite Family	Infinite Family NPC	Eliminations	Consolidated Totals	Consolidated Totals
UNRESTRICTED NET ASSETS					
SUPPORT AND REVENUE					
Contributions	\$ 152,014	\$ 176,648	\$ (33,909)	\$ 294,753	\$ 265,190
In-kind contributions	86,832	77,458	-	164,290	171,623
Other	-	284	-	284	407
Total unrestricted support and revenue	238,846	254,390	(33,909)	459,327	437,220
EXPENSES					
Program services					
Mentorships	195,727	203,731	(35,208)	364,250	298,075
Supporting activities					
Management and general	44,769	3,749	-	48,518	48,945
Fundraising	45,520	1,594	-	47,114	52,723
Total expenses	286,016	209,074	(35,208)	459,882	399,743
Foreign currency translation gain (loss)	-	(3,039)	(1,299)	(4,338)	8,242
Net assets released from restrictions	1,100	14,516	-	15,616	36,924
Change in unrestricted net assets	(46,070)	56,793	-	10,723	82,643
TEMPORARILY RESTRICTED NET ASSETS					
Contributions	-	-	-	-	1,100
Net assets released from restrictions	(1,100)	(14,516)	-	(15,616)	(36,924)
Change in temporarily restricted net assets	(1,100)	(14,516)	-	(15,616)	(35,824)
Change in net assets	(47,170)	42,277	-	(4,893)	46,819
Net assets (deficit) - beginning of year	(38,350)	86,375	-	48,025	1,206
Net assets (deficit) - end of year	\$ (85,520)	\$ 128,652	\$ -	\$ 43,132	\$ 48,025

See accompanying notes.

INFINITE FAMILY AND INFINITE FAMILY NPC
STATEMENTS OF CASH FLOWS
Years ended December 31, 2017 (Consolidating) and December 31, 2016 (Consolidated)

	2017			2016	
	Infinite Family	Infinite Family NPC	Eliminations	Consolidated Totals	Consolidated Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Change in net assets	\$ (47,170)	\$ 42,277	\$ -	\$ (4,893)	\$ 46,819
Adjustments to reconcile change in net assets to net cash flows from operating activities					
Depreciation	-	10,526	-	10,526	7,308
Effect of exchange rate changes on fixed assets (Increase) decrease in assets	-	(8,588)	-	(8,588)	(3,553)
Unconditional promises to give	820	(32,384)	-	(31,564)	5,025
Prepaid expenses	-	(90)	-	(90)	37
Increase (decrease) in liabilities					
Accounts payable	18,216	(95)	-	18,121	68
Accrued interest on note payable	66	-	-	66	-
Net cash flows from operating activities	(28,068)	11,646	-	(16,422)	55,704
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of equipment	-	-	-	-	(51,503)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from note payable	-	-	-	-	1,000
Proceeds from working capital loan	10,000	-	-	10,000	-
Net cash flows from financing activities	10,000	-	-	10,000	1,000
Change in cash	(18,068)	11,646	-	(6,422)	5,201
Cash - beginning of year	48,321	5,604	-	53,925	48,724
Cash - end of year	<u>\$ 30,253</u>	<u>\$ 17,250</u>	<u>\$ -</u>	<u>\$ 47,503</u>	<u>\$ 53,925</u>

See accompanying notes.

INFINITE FAMILY AND INFINITE FAMILY NPC
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 (Consolidating) and December 31, 2016 (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 balance at December 31, 2017 is \$0.

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, 2017 (Consolidating) and December 31, 2016 (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 December 4, 2018, 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, 2017 (Consolidating) and December 31, 2016 (Consolidated)

NOTE 2 - DONATED SERVICES

During 2017 and 2016, Infinite Family recorded donated services of \$79,512 and \$81,948. 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 \$36,481 and \$31,722 in 2017 and 2016, respectively. Donated services are included in the statements of activities and the expenses were allocated as follows for 2017 and 2016:

	2017	2016
Program	\$ 52,850	\$ 41,646
Management and general	11,707	13,427
Fundraising	14,955	26,875
Total donated services - Infinite Family	\$ 79,512	\$ 81,948

During 2017 and 2016, Infinite Family NPC recorded other donated services of \$84,778 and \$89,675. Donated services consisted of internet connectivity support included in the statements of activities and were for program services.

NOTE 3 - CONCENTRATIONS

In 2017 and 2016, Infinite Family received approximately 38% and 75% of total cash contributions from two and 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, 2017 and 2016, Infinite Family NPC's uninsured cash balances totaled \$17,250 and \$5,604.

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 \$2,322 and \$2,268 in 2017 and 2016. As of December 31, 2017 and 2016, the outstanding balance was \$76,917 and \$76,851.

At December 31, 2017, Infinite Family had an outstanding payable balance of approximately \$9,400 due to the chief executive officer for reimbursable expenses.

Infinite Family received a non-interest bearing working capital loan from the chief executive officer during 2017. As of December 31, 2017, the outstanding balance was \$10,000. The loan was forgiven in 2018.

At December 31, 2017, Infinite Family received approximately 63% of total cash contributions from board members or related individuals.

INFINITE FAMILY AND INFINITE FAMILY NPC
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 (Consolidating) and December 31, 2016 (Consolidated)

NOTE 5 - LEASING ARRANGEMENT

Infinite Family leases office space under an operating lease requiring monthly payments of \$1,542. The lease expires October 31, 2018. Rent expense was \$18,683 and \$18,052 for 2017 and 2016. Future minimum lease payments are \$15,654 for 2018.

INFINITE FAMILY AND INFINITE FAMILY NPC
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017

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 US dollars, rand, pounds and euros from American, South African, British and European sponsors and is exposed to foreign exchange fluctuations. During 2017, the rand appreciated from R13.7 to R12.4 to the dollar, a fluctuation of 9.5%. As a result of the rand's volatility, the value of funds transferred from the United States to South Africa was lower than projected while funds raised locally were valued more highly than the previous year. Combined, these factors create the perception that Infinite Family's 2017 consolidated support and revenue increased by 5.1%. When compared on a constant currency basis, Infinite Family's 2017 consolidated support and revenue decreased by 0.3% over 2016.

Program, management and general, and fundraising activities are conducted by staff in the United States and South Africa with contributions received in multiple currencies allocated to activities in both countries. In 2017, the expenses in the United States and South Africa comprised 54.5% and 45.5%, respectively, of total expenses. The distribution of total expenses between program, management and general, and fundraising activities was 79.2%, 10.6% and 10.2%, respectively.

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 Principles (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 between periods.

FINANCIAL HIGHLIGHTS

The average foreign exchange rates between the dollar and South African rand were \$0.0752 and \$0.0682 per R1.00, respectively, for the years ended December 31, 2017 and December 31, 2016.

- On a GAAP basis, Infinite Family's support and revenue increased by \$22,107 during 2017. Using constant currency reporting, 2017 support and revenue decreased by \$1,427.
- American and South African sources represented 52.0% and 48.0%, respectively, of support and revenue per GAAP reporting. American and South African sources represented 54.8% and 45.2%, respectively, of support and revenue per constant currency reporting.
- Unrestricted net assets increased by \$10,723 per GAAP reporting and decreased by \$2,305 using constant currency reporting.
- Total assets increased by 16.6% per GAAP reporting and 7.1% according to constant currency reporting.
- Program expenses represented 79.2% of 2017 expenses according to GAAP reporting and 78.4% of expenses per constant currency reporting.

**INFINITE FAMILY AND INFINITE FAMILY NPC
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2017**

CONTACTING INFINITE FAMILY'S FINANCIAL MANAGEMENT

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

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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, 2017 (Consolidating) and December 31, 2016 (Consolidated)

	2017			2016	
	Infinite Family	Infinite Family NPC	Eliminations	Consolidated Totals	Consolidated Totals
ASSETS					
CURRENT ASSETS					
Cash	\$ 30,253	\$ 15,503	\$ -	\$ 45,756	\$ 53,925
Unconditional promises to give	1,680	29,105	-	30,785	2,500
Prepaid expenses	-	794	-	794	795
Total current assets	31,933	45,402	-	77,335	57,220
EQUIPMENT AND SOFTWARE					
Equipment and software	61,871	101,630	-	163,501	163,500
Accumulated depreciation	(61,871)	(28,608)	-	(90,479)	(80,314)
Equipment and software - net	-	73,022	-	73,022	83,186
Total assets	\$ 31,933	\$ 118,424	\$ -	\$ 150,357	\$ 140,406
LIABILITIES AND NET ASSETS (DEFICIT)					
CURRENT LIABILITIES					
Accounts payable	\$ 30,536	\$ 2,800	\$ -	\$ 33,336	\$ 15,530
Note payable	76,917	-	-	76,917	76,851
Working capital loan	10,000	-	-	10,000	-
Total liabilities	117,453	2,800	-	120,253	92,381
NET ASSETS (DEFICIT)					
Unrestricted net assets (deficit)	(85,520)	115,624	-	30,104	32,409
Temporarily restricted net assets	-	-	-	-	15,616
Total net assets (deficit)	(85,520)	115,624	-	30,104	48,025
Total liabilities and net assets (deficit)	\$ 31,933	\$ 118,424	\$ -	\$ 150,357	\$ 140,406

INFINITE FAMILY AND INFINITE FAMILY NPC
SCHEDULES OF ACTIVITIES - CONSTANT CURRENCY
Years ended December 31, 2017 (Consolidating) and December 31, 2016 (Consolidated)

	2017			2016	
	Infinite Family	Infinite Family NPC	Eliminations	Consolidated Totals	Consolidated Totals
UNRESTRICTED NET ASSETS					
SUPPORT AND REVENUE					
Contributions	\$ 152,014	\$ 160,306	\$ (33,909)	\$ 278,411	\$ 265,190
In-kind contributions	86,832	70,292	-	157,124	171,623
Other	-	258	-	258	407
Total unrestricted support and revenue	238,846	230,856	(33,909)	435,793	437,220
EXPENSES					
Program services					
Mentorships	195,727	184,884	(35,208)	345,403	298,075
Supporting activities					
Management and general	44,769	3,402	-	48,171	48,945
Fundraising	45,520	1,447	-	46,967	52,723
Total expenses	286,016	189,733	(35,208)	440,541	399,743
Foreign currency translation gain (loss)	-	(11,874)	(1,299)	(13,173)	8,242
Net assets released from restrictions	1,100	14,516	-	15,616	36,924
Change in unrestricted net assets	(46,070)	43,765	-	(2,305)	82,643
TEMPORARILY RESTRICTED NET ASSETS					
Contributions	-	-	-	-	1,100
Net assets released from restrictions	(1,100)	(14,516)	-	(15,616)	(36,924)
Change in temporarily restricted net assets	(1,100)	(14,516)	-	(15,616)	(35,824)
Change in net assets	(47,170)	29,249	-	(17,921)	46,819
Net assets (deficit) - beginning of year	(38,350)	86,375	-	48,025	1,206
Net assets (deficit) - end of year	\$ (85,520)	\$ 115,624	\$ -	\$ 30,104	\$ 48,025