



HEINFELD, MEECH & CO., P.C.  
CERTIFIED PUBLIC ACCOUNTANTS



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
International Foundation for Education and Self-Help

We have audited the accompanying statement of financial position of International Foundation for Education and Self-Help (the Foundation) as of September 30, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The comparative totals as of and for the year ended September 30, 2009, presented in the financial statements are included for additional analysis only. Our audit report dated June 30, 2010 expressed an unqualified opinion on these statements; however, we have not performed any auditing procedures on this information since the date of our report.

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 the Foundation as of September 30, 2010, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2011 on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Heinfeld, Meech & Co., P.C.*

HEINFELD, MEECH & CO., P.C.  
Certified Public Accountants

June 17, 2011

**INTERNATIONAL FOUNDATION FOR EDUCATION AND SELF-HELP**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2010**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009)**

ASSETS	<u>2010</u>	<u>2009</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 149,045	\$ 126,964
Prepaid travel, stipends and other	47,829	91,327
Pledges and accounts receivable	<u>734,942</u>	<u>1,054,465</u>
Total current assets	931,816	1,272,756
LONG-TERM PLEDGES RECEIVABLE	56,667	21,667
INVESTMENTS	6,025	5,995
RESTRICTED CASH AND INVESTMENTS	61,971	310,869
BLOCKED ASSETS AND LETTERS OF CREDIT	3,907,646	5,729,191
EQUIPMENT, Net of accumulated depreciation of \$170,575 and \$365,331	<u>                    </u>	<u>15,855</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 4,964,125</u></b>	<b><u>\$ 7,356,333</u></b>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued operating expenses and other liabilities	\$ <u>312,951</u>	\$ <u>867,525</u>
Total current liabilities	312,951	867,525
DEFERRED REVENUE	<u>4,703,777</u>	<u>6,410,524</u>
Total liabilities	<u>5,016,728</u>	<u>7,278,049</u>
NET ASSETS (DEFICIT)		
Unrestricted	(320,707)	(272,104)
Temporarily restricted	<u>268,104</u>	<u>350,388</u>
Total net assets (deficit)	<u>(52,603)</u>	<u>78,284</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 4,964,125</u></b>	<b><u>\$ 7,356,333</u></b>

**INTERNATIONAL FOUNDATION FOR EDUCATION AND SELF-HELP**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	
			<u>2010</u>	<u>2009</u>
<b>REVENUES AND SUPPORT</b>				
Contributions	\$ 372,446	\$ 888,149	\$ 1,260,595	\$ 1,409,079
In-kind contributions	5,783,621		5,783,621	3,120,904
Federal grants	6,094,010		6,094,010	5,418,099
Fee for service	197		197	6,118
Interest income	1,557		1,557	110
Restricted revenues released from restriction	<u>970,433</u>	<u>(970,433)</u>		
Total revenues and support	<u>13,222,264</u>	<u>(82,284)</u>	<u>13,139,980</u>	<u>9,954,310</u>
<b>EXPENSES</b>				
Program expenses	11,322,827		11,322,827	8,314,405
Management and general expenses	1,818,819		1,818,819	1,747,156
Fundraising	<u>129,221</u>		<u>129,221</u>	<u>163,567</u>
Total expenses	<u>13,270,867</u>		<u>13,270,867</u>	<u>10,225,128</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	(48,603)	(82,284)	(130,887)	(270,818)
<b>NET ASSETS (DEFICIT), BEGINNING OF YEAR</b>	<u>(272,104)</u>	<u>350,388</u>	<u>78,284</u>	<u>349,102</u>
<b>NET ASSETS (DEFICIT), END OF YEAR</b>	<u>\$ (320,707)</u>	<u>\$ 268,104</u>	<u>\$ (52,603)</u>	<u>\$ 78,284</u>

**INTERNATIONAL FOUNDATION FOR EDUCATION AND SELF-HELP**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2009)**

	<b>2010</b>	<b>2009</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Decrease in net assets	\$ (130,887)	\$ (270,818)
Adjustments to reconcile decrease in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	15,855	21,139
Changes in assets and liabilities:		
Restricted cash	248,898	(218,477)
Prepaid travel, stipends and others	43,498	207,841
Unrealized and realized losses on investments	448	
Pledges and accounts receivable	284,523	15,851
Accrued operating expenses and other liabilities	(554,574)	184,307
Deferred revenue	114,798	(169,194)
	22,559	(229,351)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of investments	28,563	170
Purchase of investments	(29,041)	
	(478)	170
<b>INCREASE/(DECREASE) IN UNRESTRICTED CASH AND CASH EQUIVALENTS</b>	22,081	(229,181)
<b>UNRESTRICTED CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	126,964	356,145
<b>UNRESTRICTED CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 149,045	\$ 126,964
<u>Supplemental Disclosure of Cash Flow Information</u>		
Cash paid during year for interest	\$ 1,099	\$ 1,607

**INTERNATIONAL FOUNDATION FOR EDUCATION AND SELF-HELP**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**  
**(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009)**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The International Foundation for Education and Self-Help (the Foundation) is a private, not-for-profit organization. The purpose of the Foundation is to pool and direct resources toward five Third World problem areas: hunger, illiteracy, unemployment, health care and economic development, primarily in sub-Saharan Africa. The Foundation gives priority to operating programs providing motivation and training based on self-help principles.

The Foundation prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. The more significant accounting policies are described below.

**A. Basis of Accounting**

The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**B. Basis of Presentation**

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.

**C. Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**D. Pledged Contributions**

Unconditional pledged contributions are recorded as receivables and revenue at their fair values in the period the pledge is received. These pledges are considered either restricted or unrestricted receivables, based on the existence or nonexistence of donor restrictions. Pledges receivable are considered by management to be collectible in full, and accordingly, an allowance for doubtful accounts is not considered necessary. Contributions of goods are recorded at their fair values; contributions of services are recognized at their fair value if they create or enhance non-financial assets or require specialized skills. Total in-kind contributions of goods and services (primarily teacher salaries and books) were \$5,783,621 and \$3,120,904 for the years ended September 30, 2010 and 2009, respectively.

**INTERNATIONAL FOUNDATION FOR EDUCATION AND SELF-HELP**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**  
**(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009)**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**E. Contributions**

Unconditional contributions are recognized as revenues in the period received at their fair values. Conditional promises to give are recognized when they become unconditional. All contributions are considered to be available for unrestricted use unless restricted by the donor for specific purposes or future years. Contributions restricted by the donor for specific purposes or future years are recorded as restricted support and increase temporarily restricted net assets, unless their restrictions are met in the same reporting period. Gifts of long-lived assets are reported as unrestricted support when the asset is put into service.

**F. Expenses**

Program grants are reported as expenses at the time they are approved by the Foundation's Board of Directors, unless the Foundation funds such programs with local currency under its Debt for Development or Blocked Asset Programs. In these cases, program grants are contingent on performance and reporting requirements and so are reported as expenses when program disbursements are made. All expenses for equipment and leasehold improvements in excess of \$5,000 are capitalized. The Foundation captures indirect costs through an indirect cost rate allocated to all direct program costs, with certain exceptions.

**G. Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the Foundation considers all highly liquid instruments with an initial maturity of three months or less to be cash equivalents.

At September 30, 2010 and 2009, the carrying amount of the Foundation's total cash in bank was \$211,016 and \$437,833, respectively, and the bank balance was \$262,465 and \$523,661, respectively. Of the September 30, 2010 bank balance, \$119,949 was covered by Federal depository insurance and \$142,516 was uninsured and uncollateralized.

**H. Concentrations of Credit and Market Risk**

The Foundation maintains deposits in excess of federally insured limits. Financial instruments that potentially expose the Foundation to concentrations of credit and market risk consist primarily of cash equivalents and investments. The Foundation maintains its cash balances in several financial institutions located in Arizona and Africa. The Foundation has not experienced any losses on their cash equivalents. The Foundation's investments do not represent significant concentrations of market risk inasmuch as the Foundation's investment portfolio is adequately diversified among issuers.

**INTERNATIONAL FOUNDATION FOR EDUCATION AND SELF-HELP**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**  
**(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009)**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**I. Investments**

The Foundation carries investments in marketable equity securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

**J. Investment Income and Gains**

Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

**K. Accounts Receivable**

Accounts receivable are considered by management to be collectible in full and, accordingly, an allowance for doubtful accounts is not considered necessary.

**L. Restricted Cash**

Restricted cash is restricted to the projects for which funds were granted by grantors.

**M. Property and Equipment**

Property and equipment are stated at cost. The title for assets purchased for a program will be held by the grantor. At the end of each program, the granting agency may decide to pass the title to the Foundation. As of year end, the Foundation had \$215,780 in property and equipment used in operations but not recorded on the Statement of Financial Position. If title is passed, the Foundation will then capitalize the assets. Depreciation and amortization are provided for using the straight-line method over the shorter of the estimated useful lives of the assets or, if applicable, the length of the grant that covers the assets. Depreciation and amortization expense was \$15,855 and \$21,139 for the years ended September 30, 2010 and 2009, respectively.

**INTERNATIONAL FOUNDATION FOR EDUCATION AND SELF-HELP**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**  
**(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009)**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concl'd)**

**N. Income Tax Status**

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization other than a private foundation under Section 509(a)(1). The Foundation's Form 990 *Return of Organization Exempt From Income Taxes*, is generally subject to examination by the Internal Revenue Service for three years after the date filed.

**O. Comparative Financial Information**

The financial statements included certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2009, from which the summarized information was derived.

**INTERNATIONAL FOUNDATION FOR EDUCATION AND SELF-HELP**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**  
**(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009)**

**NOTE 2 - LETTERS OF CREDIT, BLOCKED ASSETS AND DEFERRED REVENUE**

Letters of credit (LOC), blocked assets and deferred revenue balances are as follows at September 30:

<u>2010</u>	<u>Denominated in Dollars</u>	<u>Blocked Cash</u>	<u>Letters of Credit</u>	<u>Deferred Revenue</u>
U.S. AID Grant LOC:				
African Education Initiative Support Program			\$ 3,151,954	\$ 3,151,954
Ghana Community Teachers Program			350,025	350,025
Nigeria Conflict Management and Mitigation Program			211,939	211,939
U.S. DHHS Grant LOC:				
HIV Prevention, Care, Support, Confidential Counseling and Testing in Selected State			161,216	161,216
U.S. AID: DD1 – Niger	CFA	\$ 32,512		32,512
Advanced payments for programs				796,131
Total		<u>\$ 32,512</u>	<u>\$ 3,875,134</u>	<u>\$ 4,703,777</u>
<u>2009</u>	<u>Denominated in Dollars</u>	<u>Blocked Cash</u>	<u>Letters of Credit</u>	<u>Deferred Revenue</u>
U.S. AID Grant LOC:				
African Education Initiative Support Program			\$ 4,061,332	\$ 4,061,332
Ethiopia Teacher Capacity Building			94,971	94,971
Nigeria Conflict Management and Mitigation Program			215,108	215,108
U.S. DHHS Grant LOC:				
HIV Prevention, Care, Support, Confidential Counseling and Testing in Selected State			1,322,680	1,322,680
U.S. AID: DD1 – Niger	CFA	\$ 35,100		35,100
Advanced payments for programs				681,333
Total		<u>\$ 35,100</u>	<u>\$ 5,694,091</u>	<u>\$ 6,410,524</u>

**INTERNATIONAL FOUNDATION FOR EDUCATION AND SELF-HELP**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**  
**(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009)**

**NOTE 2 - LETTERS OF CREDIT, BLOCKED ASSETS AND DEFERRED REVENUE**  
**(Cont'd)**

The Foundation has received from the United States Agency for International Development (U.S.A.I.D.) and the United States Department of Health and Human Services (U.S.D.H.H.S.) certain commitments in the form of letters of credit which are available to be drawn for programs described further below. The Foundation has accounted for these commitments as letters of credit and deferred revenue. Revenue and receivables are recognized as expenses are incurred. As of September 30, 2010 and 2009, \$3,875,134 and \$5,694,091, respectively, were being held in the form of U.S.A.I.D. and U.S.D.H.H.S. letters of credit upon which the Foundation can draw as needed.

In June 2005, the Foundation entered into a Cooperative Agreement with U.S.A.I.D./Nigeria to provide support for a program in Conflict Management and Mitigation. At September 30, 2010 and 2009, \$8,000,000 and \$6,716,005, respectively, had been obligated to that agreement with an expiration date of June 9, 2010.

In July 2009, the Foundation entered into a Cooperative Agreement with U.S.A.I.D./AEIS to provide funding for the African Education Initiative Support program. At September 30, 2010 and 2009, \$6,283,776 and \$4,700,000, respectively had been obligated to that agreement with an expiration date of July 10, 2012.

In March 2009, the Foundation entered into a Cooperative Agreement with U.S.A.I.D./Ghana to provide funding for the Community Teachers Program. At September 30, 2010 and 2009, \$1,495,083 and \$500,700, respectively had been obligated to that agreement with an expiration date of March 1, 2011.

In July 2002, the Foundation entered into a Cooperative Agreement with U.S.A.I.D./Ethiopia to build capacity among Ethiopia's primary school teachers. At September 30, 2010 and 2009, \$2,470,605 and \$2,170,605, respectively, had been obligated under that agreement with an expiration date of July 31, 2012.

In April 2007, the Foundation entered into a Cooperative Agreement with U.S.D.H.H.S. to provide support for a program in HIV Prevention, Care & Support, Confidential Counseling, and Testing. At September 30, 2010 and 2009, \$2,384,592 had been obligated to that agreement with an expiration date of September 30, 2010.

**INTERNATIONAL FOUNDATION FOR EDUCATION AND SELF-HELP**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**  
**(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009)**

**NOTE 2 - LETTERS OF CREDIT, BLOCKED ASSETS AND DEFERRED REVENUE**  
**(Concl'd)**

In March 1990, the Foundation entered into an agreement with U.S.A.I.D. wherein U.S.A.I.D. granted \$2,050,000 to the Foundation to be used to purchase foreign debt obligations of Nigeria, Niger and Guinea which can be exchanged for local currency of the applicable foreign nation. The proceeds of these exchanges are recorded as blocked assets and deferred revenue until used to fund programs in the respective country. As of September 30, 2010 and 2009, the Foundation held \$32,512 and \$35,100, respectively, denominated in Niger currency in a Niger bank.

**NOTE 3 - PLEDGED CONTRIBUTIONS**

At September 30, 2010 and 2009, the Foundation had a total pledge receivable of \$111,117 and \$128,040, of which \$54,450 and \$106,373 are considered current and \$56,667 and \$21,667 are long-term, respectively. Additionally, \$111,117 and \$128,040 of the total receivable are not restricted by program requirements and the remaining \$680,492 and \$948,092 are restricted to the specific program, respectively. At September 30, current pledges and accounts receivable included:

	<u>2010</u>	<u>2009</u>
Current pledged receivables	\$ 54,450	\$ 106,373
Accounts receivable	680,492	948,092
Total	<u>\$ 734,942</u>	<u>\$ 1,054,465</u>

Future minimum payments to be received under non-current pledges receivable at September 30, 2010 and 2009, respectively, consist of the following:

	<u>2010</u>	<u>2009</u>
2010		\$ 106,373
2011	\$ 54,450	21,667
2012	56,667	
Total	<u>\$ 111,117</u>	<u>\$ 128,040</u>

**INTERNATIONAL FOUNDATION FOR EDUCATION AND SELF-HELP**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**  
**(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009)**

**NOTE 4 - FAIR VALUE MEASUREMENTS**

Fair values of assets measured on a recurring basis at year end are as follows:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments			
Money market funds	\$ 6,025	\$ 6,025	
Pledges receivable	111,117		\$ 111,117
Total assets	<u>\$ 117,142</u>	<u>\$ 6,025</u>	<u>\$ 111,117</u>

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair value for the pledges receivable is determined by calculating the present value of estimated future cash flows. The present value of estimated future cash flows has been measured utilizing a discount rate of 5% for the current fiscal year. The Foundation recognizes transfers into and out of levels at the end of the reporting period. There were no transfers between levels during the current fiscal year.

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs):

Pledges receivable:	
Beginning of year	\$ 128,040
Additional pledges received	134,664
Payment of pledges	<u>151,587</u>
End of year	<u>\$ 111,117</u>

**NOTE 5 - LEASES**

The Foundation leases various office spaces under an operating lease which expires December 31, 2011. Future minimum lease payments at September 30, 2010 are as follows:

2011	\$ 130,813
2012	<u>32,943</u>
Total	<u>\$ 163,756</u>

Rental expenses were \$263,917 and \$251,231 for the years ended September 30, 2010 and 2009, respectively.

**INTERNATIONAL FOUNDATION FOR EDUCATION AND SELF-HELP**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**  
**(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009)**

**NOTE 6 - PROGRAM EXPENSES**

The Foundation's revenues are primarily used to support its programs and make grants to other entities' programs. Programs funded by the Foundation consist of the following at September 30:

	2010	2009
Schools for Africa	\$ 300	\$ 30,475
African Education Initiative Support (AEIS) Program		1,573,016
Capacity Building in Teacher Education - Ethiopia	590,785	694,175
Congo UNICEF		304,264
World Cocoa Foundation – Olam Foundation	14,785	15,586
Starbucks Grant Program	164,689	49,713
Alcoa Foundation Program	58,852	106,516
Kraft Foods Grant Program	5,190	
World Cocoa Foundation – Jacobs Foundation	71,146	14,602
Djibouti UNFPA	51,822	1,968
Djibouti UNICEF	65,408	8,210
Centers for Disease Control HIV/AIDS - Nigeria	909,090	1,263,888
Nigeria Conflict Management and Mitigation Program	1,012,912	1,190,378
World Cocoa Foundation/US Agency for International Development Empowering - Cocoa Households	488,922	880,674
US Agency for International Development American Educators for Africa	6,117,462	1,294,542
US Agency for International Development Community Teachers Program	1,436,595	777,045
US Agency for International Development Skills Training Apprenticeship Reintegration Program		990
PACT Extractive Industries Global Development Alliance Network	41,268	
Mars Impact Project	284,628	58,668
Communities Sowing the Future of Congo Program		49,470
Other Program Expenses	8,973	225
Total	<u>\$ 11,322,827</u>	<u>\$ 8,314,405</u>

**NOTE 7 – RESTRICTIONS ON NET ASSETS**

Temporarily restricted net assets are available for the following purposes or periods:

For subsequent year's activities	\$ 268,104
Total Temporarily Restricted Net Assets	<u>\$ 268,104</u>

**INTERNATIONAL FOUNDATION FOR EDUCATION AND SELF-HELP**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**  
**(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009)**

**NOTE 8 - RETIREMENT PLAN**

The Foundation established a 403 (b) defined contribution retirement plan as of January 1, 2005. Benefits are based solely on the amounts of plan contribution to the participant's account and earnings, if any. All benefits under the plan are fully funded and provided as selected by the participant. Contributions are fully vested when made. Total contributions made to the plan by IFESH for eligible employees as of September 30, 2010 and 2009 were \$36,312 and \$39,695, respectively.

**NOTE 9 - ECONOMIC DEPENDENCY**

The Foundation receives approximately 46% of its total revenue from Federal grants to operate its programs in Africa. U.S.A.I.D. provided approximately \$4,900,000 through federal grants during the current fiscal year. In addition, the Foundation receives approximately 44% of its total revenue from in-kind contributions which is also used to operate its programs in Africa. The Foundation contributed approximately \$5,800,000 in in-kind contributions during the current fiscal year. If the Foundation were to lose either its government grants or in-kind contributions, it would have a materially adverse effect on the Foundation and its operations in Africa.

**NOTE 10 - SUBSEQUENT EVENTS**

Subsequent events have been evaluated through June 17, 2011, which is the date the financial statements were available to be issued.

The Foundation and Pact, Inc. were involved in contracts for community development programs in the Democratic Republic of Congo. The contracts were terminated in previous years and the Foundation and Pact, Inc. have been in disputes regarding the amount each owes the other. It is unsure what the outcome will be and what future amounts the Foundation may receive or owe.