

Kupona Foundation (a Corporation)
Financial Statements
December 31, 2012

Index

Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Statement of Functional Expenses	5
Notes to Financial Statements	6 - 8

Independent Auditor's Report

To the Board of Directors
of Kupona Foundation (a Corporation)

I have audited the accompanying financial statements of Kupona Foundation (a Corporation), the statement of financial position as of December 31, 2012, and the related statements of activities, cash flows and functional expenses 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kupona Foundation (a Corporation) as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

September 13, 2013



Kupona Foundation (a Corporation)
Statement of Financial Position
December 31, 2012

2012

Assets

Current Assets

Cash	\$ 217,263
Escrow	1,024
Contributions receivable	80,000
	<u>298,287</u>

Non - current assets 21,553

\$ 319,840

Liabilities and Net Assets

Current Liabilities

Accounts payable \$ 7,000

Net Assets 312,840

\$ 319,840

See notes to these financial statements and independent auditor's report.

Kupona Foundation (a Corporation)
Statement of Activities
For the Year Ended December 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2012</u>
Support and Revenue			
Contributions	\$ 366,477	\$ 198,198	\$ 564,675
Direct costs of special events	(14,986)	-	(14,986)
	<u>351,491</u>	<u>198,198</u>	<u>549,689</u>
Interest Income	602	-	602
Satisfaction of program restrictions	198,198	(198,198)	-
	<u>550,291</u>	<u>-</u>	<u>550,291</u>
Expenses			
Program services	<u>230,571</u>	<u>-</u>	<u>230,571</u>
Supporting services:			
General and administrative	42,044	-	42,044
Fund-raising	46,918	-	46,918
	<u>88,962</u>	<u>-</u>	<u>88,962</u>
Total expenses	<u>319,533</u>	<u>-</u>	<u>319,533</u>
Increase in net assets	230,758	-	230,758
Beginning net assets	82,082	-	82,082
Ending net assets	<u>\$ 312,840</u>	<u>\$ -</u>	<u>\$ 312,840</u>

See notes to these financial statements and independent auditor's report.

Kupona Foundation (a Corporation)
Statement of Cash Flows
For the Year Ended December 31, 2012

2012

Cash Flows from Operating Activities

Increase in net assets	\$ 230,758
Adjustment to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation and amortization	3,000
Increase in:	
Escrow	(1,024)
Contributions receivable	(80,000)
Increase in:	
Accounts payable	1,000
Net cash provided by operating activities	<u>153,734</u>
 Increase in Cash	 153,734
 Beginning Cash	 63,529
 Ending Cash	 <u><u>\$ 217,263</u></u>

See notes to these financial statements and independent auditor's report.

Kupona Foundation (a Corporation)
Statement of Functional Expenses
Year Ended December 31, 2012

	<u>Program Services</u>	<u>Supporting Services</u>			
		<u>General and Administrative</u>	<u>Fund-raising</u>	<u>Direct Costs of Special Events</u>	<u>Total 2012</u>
Salaries	\$ 10,875	\$ 25,375	\$ 36,250	\$ -	\$ 72,500
Payroll taxes	878	2,049	2,927	-	5,854
Payroll expenses	179	419	598	-	1,196
Program expenses	217,642	-	-	-	217,642
Venue, catering and other	-	-	-	11,019	11,019
Travel, meals and meetings	-	3,812	3,812	776	8,400
Professional fees	-	7,160	-	-	7,160
Depreciation and amortization	429	1,138	1,433	-	3,000
Insurance	-	765	-	1,123	1,888
Printing and promotions	48	112	161	1,548	1,869
Storage	187	435	622	-	1,244
Supplies and other expenses	160	375	536	-	1,071
Telephone, Internet and website	91	212	304	-	607
Bank charges and other fees	82	192	275	-	549
Photography	-	-	-	520	520
	<u>230,571</u>	<u>42,044</u>	<u>46,918</u>	<u>14,986</u>	<u>334,519</u>
Less: Direct costs of special events deducted from income on Statement of Operations	-	-	-	(14,986)	(14,986)
	<u>\$ 230,571</u>	<u>\$ 42,044</u>	<u>\$ 46,918</u>	<u>\$ -</u>	<u>\$ 319,533</u>

Kupona Foundation (a Corporation)
Notes to Financial Statements
December 31, 2012

Note 1 - Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

Kupona Foundation (Kupona) is committed to improving health care, particularly in the area of maternal and newborn health in Tanzania by partnering on the ground with CCBRT, a local NGO, and the Government of Tanzania. Our mission is to ensure that American support of every level and kind has maximum social impact abroad – that donations, materials, and volunteers reach the most people, save the most women and babies, and grant the most opportunities.

Kupona was incorporated in the State of Delaware in 2009.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Revenue

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence and / or nature of any donor restrictions. Kupona has not received any contributions with donor-imposed restrictions that would result in permanently restricted net assets.

Cash and Cash Equivalents

The Foundation considers all liquid investments having initial maturities of three months or less to be cash equivalents.

Use of 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 and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

Property and equipment are recorded at cost or, if donated, the approximate fair value at the date of donation. Depreciation is provided on the straight line method over the estimated useful lives of the assets.

Kupona Foundation (a Corporation)
Notes to Financial Statements
December 31, 2012

Note 1 - (Continued)

Income Taxes

Kupona is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statements.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Subsequent Events

In preparing these financial statements, Kupona, has evaluated events and transactions for potential recognition or disclosure through September 13, 2013, the date the financial statements were available to be issued.

Concentrations

The Organization maintains cash balances in one financial institution, which at times exceeds federally insured limits. The Organization has not experienced any losses related to these accounts and believes it is not exposed to any significant credit risk.

Approximately 74% of contributions were provided by two organizations for the year ended December 31, 2012.

Note 2 – Non – Current Assets

Non – current assets consist of:

Organization costs	\$ 33,192
Less: accumulated amortization	<u>(11,639)</u>
	<u>\$ 21,553</u>

Depreciation and amortization was \$3,000 for the year ended December 31, 2012.

Kupona Foundation (a Corporation)
Notes to Financial Statements
December 31, 2012

Note 3 - Temporarily Restricted Net Assets

Temporarily restricted net assets by revenue source and changes therein for the year ended December 31, 2012, were as follows:

	Balance December 31, 2011	Additions	Releases From Restrictions	Balance December 31, 2012
<u>Restricted by purpose:</u>				
Maternity Hospital	\$ -	\$ 51,515	\$ 51,515	\$ -
Human Resources within Maternal Health	-	1,360	1,360	-
Fistula & M-Pesa program	-	144,823	144,823	-
Cleft Palate Program	-	500	500	-
	<u>\$ -</u>	<u>\$ 198,198</u>	<u>\$ 198,198</u>	<u>\$ -</u>