

LIVELIHOOD BASIX INC.

Ithaca, New York

Audit Report on Financial Statements

**For the Year Ended
March 31, 2013**

LIVELIHOOD BASIX INC.
March 31, 2013

Independent Auditor's Report.....	1
Statements of Assets, Liabilities and Net Assets.....	2
Statements of Revenues and Expenses.....	3
Statements of Cash Flows.....	4
Notes to Financial Statements.....	5-6
Project Income and Expenses.....	7

Paul V. Stearns, CPA

Individual & Business Taxes, Accounting Systems

Board of Directors

Livelihood Basix Inc

Ithaca, New York

I have audited the accompanying statements of assets, liabilities and net assets of Livelihood Basix, Inc. as of March 31, 2013 and the related statements of revenue, expenses and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Organizations Management. 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 a reasonable assurance about whether the financial statements are free of material misstatement. My audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. 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 principals used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Organization, as of March 31, 2013, and the changes in net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principals.



June 14, 2013
Ithaca, New York

411 West Seneca Street
Ithaca, NY 14850

607-330-1161/cell 607-279-0192
Fax 607-277-4994

LIVELIHOOD BASIX INC.
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS
March 31, 2013

ASSETS

Current Assets:	
Cash	\$ 107,261
Accounts Receivable	<u>80,432</u>
Total Current assets	<u>187,693</u>
Total Assets	<u><u>\$ 187,693</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accrued Expenses	\$ 7,908
Net Assets	
Unrestricted	179,785
Restricted	-0-
Permanently Restricted	<u>-0-</u>
Total Net Assets	<u>179,785</u>
Total Liabilities and Net Assets	<u><u>\$187,693</u></u>

See Independent Auditor's Report and Notes to Financial Statements

LIVELIHOOD BASIX INC.
STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEAR ENDED March 31, 2013

	<u>Amount</u>
Revenues:	
Grant Income	\$ 306,456
Fees	62,078
Interest income	68
Contributions	<u>105</u>
Total Revenues	368,707
Expenses	
Program Expenses	70,425
Contract Services	55,458
Travel	24,000
Retainer Expenses	<u>149,883</u>
Total Program Expenses	39,039
General & Administrative Expenses	<u>188,922</u>
Total Operating Expenses	179,785
Increase in Unrestricted Net Assets	-
Net Assets, April 1, 2012	<u>179,785</u>
Net Assets, March 31, 2013	<u><u>\$ 179,785</u></u>

See Independent Auditors Report and Notes to Financial Statements

**LIVELIHOOD BASIX INC.
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2013**

Cash Flows from Operating Activities:	
Changes in net assets	\$ 179,785
Adjustments to reconcile net assets to net cash provided by operating activities:	-0-
Changes in operating assets and liabilities:	
Increase in accrued expenses	7,908
Increase in accounts receivable	(80,432)
Net Cash Provided by Operating Activities	107,261
 Cash Flows from Investing Activities	
Purchase of investments	-0-
Proceeds from the sale of investments	-0-
Purchase of property and equipment	-0-
Net Cash (Used) by Investing Activities	-0-
 Cash Flows from Financing Activities:	-0-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVILANTS	107,261
 Cash and Cash Equivilants, April 1, 2012	-0-
Cash and Cash Equivilants, March 31, 2013	<u>\$ 107,261</u>

See Independent Auditor's Report and Notes to Financial Statements

LIVELIHOOD BASIX INC
NOTES TO FINANCIAL STATEMENTS
March 31, 2013

Note 1-Description of Organization

Nature of the Organization

Livelihood Basix Inc. is a not-for-profit corporation located in Ithaca, New York, whose purpose is to provide high quality and deeply committed global technical assistance to promote and transform the livelihoods of the poor. The Organization is currently working on projects in various countries In Africa.

Note 2-Significant Accounting Policies

Basis of Accounting

The Organization prepares its financial statements in accordance with generally accepted accounting principals promulgated in the United States of America (U.S. GAAP) for not for profit entities. The significant accounting and reporting policies used by the organization are described subsequently to enhance the usefulness and understandability of the financial statements.

Cash Equivalents and Short-term Investments

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are recorded at fair market value.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of financial statements. On an ongoing basis, the organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The organization's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Income Taxes

Livelihood Basix, Inc. is a nonprofit organization as defined by the Internal Revenue code section 501 (c)(3), and consequently is exempt from federal and state income taxes.

Net Assets

The financial statements report net assets and changes in net assets in three classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Unrestricted Net Assets

Unrestricted net assets are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

LIVELIHOOD BASIX INC
NOTES TO FINANCIAL STATEMENTS
March 31, 2013

Temporarily Restricted Net Assets

Temporarily restricted net assets are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The organization's unspent contributions are classified in this class if the donor limited their use, as are the unspent appreciation of its donor-restricted endowment funds.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from temporarily restricted to unrestricted net assets. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as temporarily restricted until the specified asset is placed in service by the organization, unless the donor provides more specific directions about the period of its use.

Permanently Restricted Net Assets

Permanently restricted net assets are resources whose use by the organization is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time. The portion of the organization's donor-restricted endowment funds that must be maintained in perpetuity are classified in this net asset class, as is the organization's beneficial interest in a perpetual charitable trust held by a bank trustee.

All revenues and net gains are reported as increases in unrestricted net assets in the statement of activities unless the use of the related resources is subject to temporary or permanent donor restrictions. All expenses and net losses other than losses on endowment investments are reported as decreases in unrestricted net assets. Net losses on endowment investments reduce temporary restricted net assets to the extent that net gains of the funds from prior years are unspent and classified there; remaining losses are classified as decreases in unrestricted net assets. If an endowment fund has no net gains from prior years, such as when a fund is newly established, net losses are classified as decreases in unrestricted net assets.

Accounts Receivable

Accounts receivable are primarily unsecured non-interest-bearing amounts due from grantors on cost reimbursement or performance grants. Management believes that all outstanding accounts receivable are collectible in full, therefore no allowance for uncollectible receivables has been provided.

LIVELIHOOD BASIX INC.
STATEMENT OF PROGRAM INCOME AND EXPENSES
March 31, 2013

	General & Administrative	PAMIGA 1	PAMIGA 2	Ford Fdtn	SDC	Fees	Total
Income	\$ 173	\$ 121,166	\$ 76,290	\$ 109,000		\$ 62,078	\$ 368,707
Legal & Professional	3,094						3,094
Contract Services		8,025	26,150	36,250			70,425
Taxes	850						850
Bookkeeping	353						353
Postage	156						156
Web Hosting & Internet	2,177						2,177
Business Development	278						278
Rent	6,000						6,000
Retainer	6,000	9,500	6,000	8,500			30,000
Travel	17,321	21,977	16,022	14,733	2,726		72,779
Licenses & Permits	680						680
Bank Service Charges	406						406
Office Supplies	1,724						1,724
Total Expenses	39,039	39,502	48,172	59,483	2,726	-	188,922
Net Income (loss)	\$ (38,866)	\$ 81,664	\$ 28,118	\$ 49,517	\$ (2,726)	\$ 62,078	\$ 179,785

See Independent Auditors Report and Notes to Financial Statements