

*Humanity Road, Inc.*

*Report on Audit of Financial Statements*

*Year Ended December 31, 2011*



*Creedle, Jones  
& Alga, P.C.  
Certified Public Accountants*

**Humanity Road, Inc.**

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*A Professional Corporation*

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Humanity Road, Inc.  
Boydton, Virginia

We have audited the accompanying statement of financial position of Humanity Road, Inc. (a nonprofit organization), as of December 31, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 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 Humanity Road, Inc., as of December 31, 2011, 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.

*Creedle, Jones & Alga, P.C.*

Creedle, Jones & Alga, P.C.  
Certified Public Accountants

South Hill, Virginia  
February 3, 2013

**Humanity Road, Inc.**

## Statement of Financial Position

December 31, 2011

**Assets****Current Assets**

Cash and cash equivalents	\$	917.30
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**Property and Equipment**

Equipment		683.37
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Less: Accumulated depreciation		<u>(38.95)</u>
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Net Property and Equipment		<u>644.42</u>
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Total Assets	\$	<u>1,561.72</u>
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**Net Assets**

Unrestricted	\$	<u>1,561.72</u>
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Total Net Assets	\$	<u>1,561.72</u>
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See independent auditor's report and accompanying notes to financial statements.

**Humanity Road, Inc.**

Statement of Activities

Year Ended December 31, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Revenues, Gains, and Other Support</b>				
Individual donations	\$ 9,339.69	\$ -	\$ -	\$ 9,339.69
In-kind donations	13,566.97	-	-	13,566.97
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues, Gains, and Other Support	22,906.66	-	-	22,906.66
<b>Expenses</b>				
Annual fees	425.00	-	-	425.00
Advertising and promotions	117.93	-	-	117.93
Bank fees	82.18	-	-	82.18
Depreciation	38.95	-	-	38.95
Internet	5,556.41	-	-	5,556.41
Miscellaneous	17.08	-	-	17.08
Office supplies	216.27	-	-	216.27
Postage	216.03	-	-	216.03
Training and public education	13,815.70	-	-	13,815.70
Telephone and telecommunications	1,000.00	-	-	1,000.00
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses	21,485.55	-	-	21,485.55
Change in Net Assets	1,421.11	-	-	1,421.11
Net Assets - Beginning of Year	140.61	-	-	140.61
	<hr/>	<hr/>	<hr/>	<hr/>
Net Assets - End of Year	<u>\$ 1,561.72</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,561.72</u>

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

**Humanity Road, Inc.**

## Statement of Cash Flows

Year Ended December 31, 2011

**Cash Flows from Operating Activities**

Change in net assets	\$ 1,421.11
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	<u>38.95</u>
Net Cash Provided by Operating Activities	1,460.06

**Cash Flows from Investing Activities**

Purchase of capital assets	<u>(683.37)</u>
Net Cash Used in Investing Activities	(683.37)
Net Increase in Cash	776.69
Cash Balance - Beginning of Year	<u>140.61</u>
Cash Balance - End of Year	<u>\$ 917.30</u>

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

## Humanity Road, Inc.

Notes to Financial Statement

Year Ended December 31, 2011

### 1 Summary of Significant Accounting Policies

#### **Organization**

Humanity Road, Inc., DBA Humanity Road, is a Virginia nonprofit corporation chartered on March 3, 2010. Its purpose is to provide the public with information on how to survive, sustain, and reunite in a disaster. Humanity Road uses the internet and mobile device technology to deliver disaster preparedness and response information to the public.

#### **Basis of Presentation**

The accompanying financial statement of the Corporation has been prepared on the accrual basis in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Corporation and changes therein are classified and reported as follows:

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Corporation 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.

#### **Unrestricted Net Assets**

Net assets that are not subject to donor-imposed stipulations.

#### **Temporarily Restricted Net Assets**

Net assets that are subject to donor-imposed stipulations that may or will be met, either by actions of the Corporation and/or the passage of time. 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.

#### **Permanently Restricted Net Assets**

Net assets that are subject to donor-imposed stipulations that are to be maintained permanently by the Corporation. Generally, the donors of these assets permit the Corporation to use all or part of the income earned on any related investments for general or specific purposes.

### ***Cash and Cash Equivalents***

For purposes of reporting cash flows, the Corporation considers all cash accounts which are not subject to withdrawal restrictions or penalties to be cash or cash equivalents.

### ***Property, Equipment, and Depreciation***

Property and equipment are capitalized in the account and valued at cost. Depreciation is computed by the use of either the straight-line or the modified accelerated method over the estimated useful lives of the assets.

Office equipment	5-10 years
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Depreciation expense for the year ended December 31, 2011 was \$38.95.

### ***Income Taxes***

Humanity Road, Inc. DBA Humanity Road is exempt from Federal income tax under Code Section 501(c)(3) of the Internal Revenue Code.

### ***Use of Estimates in Preparation of Financial Statements***

The preparation of the accompanying financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that directly affect the results of reported assets, liabilities, revenue, and expenses. Actual results may differ from these estimates.

### ***Contributions***

The Corporation also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made," whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions. The types are detailed as follows:

Unrestricted	<u>\$ 1,561.72</u>
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The main source of contributions for the Corporation comes from the following:

Individual donations	\$ 9,339.69
In-kind donations - contributed services	<u>13,566.97</u>
	<u>\$ 22,906.66</u>

During the year, website and video development services were provided to the Corporation without charge. The valuation of these services was determined based on documentation provided by service provider.

## **2 Subsequent Events**

We have searched for events occurring subsequent to the date of the financial statements that may impact the financial data herein presented. When such events occur, we report the event and estimate, to the best of our ability, the potential measurable impact to the financial data reported. We are not aware of any material events occurring during the period of time that is subsequent to the date of the financial statements up to and including the date of the Independent Auditor's Report.