

**GLOBAL AIDS INTERFAITH ALLIANCE
AND AFFILIATE**

REPORT ON AUDIT OF COMBINED FINANCIAL STATEMENTS

for the year ended December 31, 2010

GLOBAL AIDS INTERFAITH ALLIANCE AND AFFILIATE

C O N T E N T S

	Page
Independent Auditors' Report	1
Financial Statements:	
Combined Statement of Financial Position	2
Combined Statement of Activities and Change in Net Assets	3
Combined Statement of Functional Expenses	4
Combined Statement of Cash Flows	5
Notes to Combined Financial Statements	6-12
Supplemental Schedules:	
Combining Schedule of Financial Position	13
Combining Schedule of Activities and Change in Net Assets	14
Combining Schedule of Expenses	15



Building your future

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Global AIDS Interfaith Alliance and Affiliate

We have audited the accompanying combined statement of financial position of Global AIDS Interfaith Alliance and Affiliate as of December 31, 2010, and the related combined statement of activities and change in net assets, statement of functional expenses, and statement of cash flows for the year then ended. These combined financial statements are the responsibility of Global AIDS Interfaith Alliance and Affiliate's management. Our responsibility is to express an opinion on these combined financial statements based on our audit. We did not audit the financial statements of the combined affiliate, which statements reflect total assets constituting 25% of the related combined financial statements totals as of December 31, 2010, and revenues constituting approximately 33% of the related combined financial statements totals for the year then ended. This entity is listed in Note 1 of the financial statements (under principles of combination). Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the affiliate, is based solely on the reports of other auditors.

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 and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Global AIDS Interfaith Alliance and Affiliate as of December 31, 2010, and the combined results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The combining information in the supplemental schedules on pages 13 to 15 is presented for purposes of additional analysis of the combined financial statements rather than to present the financial position, results of operations, and cash flows of the individual entities, and it is not a required part of the combined 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 combined financial statements. The combining information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, which insofar as it relates to the affiliate, is based on the report of other auditors, the combining information is fairly stated in all material respects in relation to the combined financial statements as whole.

Burr Pilger Mayer, Inc.

San Francisco, California
June 20, 2011

Member of The Leading Edge Alliance

GLOBAL AIDS INTERFAITH ALLIANCE AND AFFILIATE
COMBINED STATEMENT OF FINANCIAL POSITION
December 31, 2010

ASSETS

Cash	\$ 1,708,429
Pledges receivable, net	404,250
Other receivables	48,739
Property and equipment, net	<u>517,206</u>
Total assets	<u><u>\$ 2,678,624</u></u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 11,406
Accrued expenses	18,031
Deferred revenue	<u>11,672</u>
Total liabilities	<u>41,109</u>
Net assets:	
Unrestricted–undesignated	637,532
Unrestricted–designated	288,968
Temporarily restricted	<u>1,711,015</u>
Total net assets	<u>2,637,515</u>
Total liabilities and net assets	<u><u>\$ 2,678,624</u></u>

The accompanying notes are an integral
part of these combined financial statements.

GLOBAL AIDS INTERFAITH ALLIANCE AND AFFILIATE
COMBINED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
for the year ended December 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues:			
Contributions	\$ 814,947	\$ 1,172,789	\$ 1,987,736
Special events revenue, net of expenses of \$113,063	589,157	-	589,157
Research grant income	35,356	-	35,356
Other income	66,610	-	66,610
Investment income	-	56	56
Net asset released from restrictions	679,382	(679,382)	-
	<u>2,185,452</u>	<u>493,463</u>	<u>2,678,915</u>
Total revenues			
Expenses:			
Program services	1,980,777	-	1,980,777
Management and general	166,753	-	166,753
Fundraising	214,520	-	214,520
	<u>2,362,050</u>	<u>-</u>	<u>2,362,050</u>
Total expenses			
Change in net assets	(176,598)	493,463	316,865
Net assets, beginning of year, as previously reported	1,103,098	839,477	1,942,575
Restatement (Note 10)	-	378,075	378,075
	<u>1,103,098</u>	<u>1,217,552</u>	<u>2,320,650</u>
Net assets, beginning of year, as restated			
Net assets, end of year	<u>\$ 926,500</u>	<u>\$ 1,711,015</u>	<u>\$ 2,637,515</u>

The accompanying notes are an integral
part of these combined financial statements.

GLOBAL AIDS INTERFAITH ALLIANCE AND AFFILIATE**COMBINED STATEMENT OF FUNCTIONAL EXPENSES**

for the year ended December 31, 2010

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Combined</u>
Salaries	\$ 528,690	\$ 107,561	\$ 128,049	\$ 764,300
Benefits	83,962	7,893	9,396	101,251
Payroll taxes	22,108	8,930	10,235	41,273
Program support	884,524	-	-	884,524
Professional services	37,675	13,628	16,224	67,527
Rent	37,745	9,904	11,790	59,439
Materials and publications	15,359	5,973	7,111	28,443
Fundraising events	12,528	-	10,672	23,200
Travel	67,840	-	5,728	73,568
Insurance	4,819	1,201	1,430	7,450
Office supplies	27,651	3,521	4,191	35,363
Postage and delivery	6,235	2,425	2,888	11,548
Meals and other expenses	45,403	2,164	2,576	50,143
Equipment	2,950	-	-	2,950
Info technology/web site	11,741	2,563	3,052	17,356
Telephone	16,813	743	884	18,440
Repair and renovation	27,280	-	-	27,280
Depreciation	105,598	-	-	105,598
Taxes, licenses, and fees	635	247	294	1,176
Loan loss charged for the year	17,115	-	-	17,115
Loss on disposal of property and equipment	10,897	-	-	10,897
Foreign exchange loss	13,209	-	-	13,209
Total expenses	<u>\$ 1,980,777</u>	<u>\$ 166,753</u>	<u>\$ 214,520</u>	<u>\$ 2,362,050</u>

The accompanying notes are an integral
part of these combined financial statements.

GLOBAL AIDS INTERFAITH ALLIANCE AND AFFILIATE

COMBINED STATEMENT OF CASH FLOWS

for the year ended December 31, 2010

Cash flows from operating activities:	
Change in net assets	\$ 316,865
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Loss on sale of equipment	10,897
Loan loss charged for the year	17,115
Foreign exchange loss	13,209
Depreciation expense	105,598
Donated investments	(60,298)
Changes in operating assets and liabilities:	
Pledges receivable	(26,175)
Other receivables	(20,105)
Accounts payable	4,246
Accrued expenses	1,413
Deferred revenue	11,672
Net cash provided by operating activities	<u>374,437</u>
Cash flows from investing activities:	
Proceeds from short-term investments	100,000
Proceeds from sale of investments	60,298
Purchase of property and equipment	<u>(152,550)</u>
Net cash provided by investing activities	<u>7,748</u>
Net increase in cash	382,185
Cash, beginning of year	<u>1,326,244</u>
Cash, end of year	<u><u>\$ 1,708,429</u></u>
Supplementary disclosure of cash flow information:	
In-kind contributions	<u>\$ 21,813</u>
Donated investments	<u><u>\$ 60,298</u></u>

The accompanying notes are an integral part of these combined financial statements.

GLOBAL AIDS INTERFAITH ALLIANCE AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

1. General

Organization

Global AIDS Interfaith Alliance (GAIA US) is a nonprofit corporation that was formed on June 12, 2000. GAIA's mission is to provide basic health services, targeting prevention, care, and support in communities affected by HIV, AIDS, TB, and malaria in Africa.

Global AIDS Interfaith Alliance Malawi (GAIA Malawi), an affiliate of GAIA US, is a charitable organization that was incorporated in March 2006. It is a Trust and a member of Council for Non-Governmental Organizations in Malawi (CONGOMA). The main objectives are developing village level referral networks, providing home based support, providing HIV prevention to in and out of school youth, providing assistance and care to orphans, and providing economic support to women through income generating activities.

Program Services

Youth HIV Prevention – Creating comprehensive workshops for youth that teach them how HIV is spread and treated, thereby reducing HIV stigma.

Orphan Care – Identifying and registering AIDS orphans in the villages where GAIA works. All orphans are provided with orphan care kits that include food, vitamins, clothing, blankets, school supplies, and soap.

Orphan Education – Granting high school scholarships to orphaned youth, particularly girls, who would otherwise be unable to attend school.

Home Based Care – Teaching rural villagers to identify neighbors, family and friends who might be HIV positive and encourage them to be tested. HBC patients are provided with food, simple medicines, and care.

Nursing Scholarships – Providing year-long nursing scholarships to young women, many of whom are AIDS orphans. The scholarships greatly assist vulnerable young women in pursuing a degree in nursing and help strengthen Malawi's nursing corps.

Microfinance for Women – Granting microloans to rural women to help them begin, sustain, and expand their small-business enterprises. To help these women succeed, GAIA provides training in simple accounting and bookkeeping.

Hospital Based Services – Supporting the development of Malawi's healthcare infrastructure by increasing the availability, distributions, and informed use of antiretroviral medications (anti-AIDS drugs), as well as treatment of malaria and tuberculosis.

Mobile Health Clinics – Providing integrated healthcare services including same-day HIV testing, prenatal care, assessing children under the age of five for malnutrition, as well as diagnosing and treating malaria, and testing for and treating tuberculosis.

Bed Nets – Distributing anti-mosquito bed nets in Malawi's rural villages to help prevent malaria. The program focuses on those who are most vulnerable: children under the age of five and pregnant women.

Continued

GLOBAL AIDS INTERFAITH ALLIANCE AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies

Combined Financial Statements

The combined financial statements include the accounts of GAIA US and GAIA Malawi, an affiliate of GAIA US. All significant intercompany transactions and balances are eliminated in the combination. The Board of Trustees of GAIA Malawi is appointed by GAIA US. GAIA US and GAIA Malawi will be referred to as GAIA hereinafter.

Basis of Presentation

The combined financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States. Grants are recognized as support when earned in accordance with the terms of each grant or agreement. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, GAIA's net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets

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

Board Designated—Board designated net assets of \$288,968 consist of unrestricted funds received from donors that are to be used for future use in operations in accordance with a board approved plan of action. Of the \$313,968, \$250,000 is reserved for future emergency operating needs. The remaining \$38,968 is designated by the Board for miscellaneous projects to be performed in Malawi.

Temporarily Restricted Net Assets

Net assets subject to donor-imposed stipulations that may or will be met, either by actions of GAIA 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 subject to donor-imposed stipulations that must be maintained permanently by GAIA. GAIA did not have any permanently restricted net assets at December 31, 2010.

Translation of Foreign Currency Financial Statements

GAIA's reporting currency is the U.S. dollar. The functional currency of GAIA Malawi is their local currency and, as such, amounts included in the combined statements of activities are translated at the weighted average exchange rates for the period. Monetary assets and liabilities are translated at year-end exchange rates while nonmonetary assets and liabilities are translated using historical rates. Resulting foreign exchange translation adjustments are recorded as income or expense.

GLOBAL AIDS INTERFAITH ALLIANCE AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Foreign Currency Transactions

Monetary assets and liabilities denominated in currencies other than the functional currency are remeasured into their respective functional currencies at exchange rates in effect at the statement of financial position date. The resulting exchange gain or loss is included in GAIA's combined statement of activities as foreign exchange loss, net.

Pledges Receivable

Unconditional promises to give are recognized as revenues in the period notified. Unconditional promises to give include an allowance for doubtful accounts. The allowance is based on experience and other circumstances which may affect the ability of donors to meet their obligations. Unconditional promises to give that are expected to be collected in excess of one year are recorded at the net present value of their estimated future cash flows.

At December 31, 2010, an allowance for uncollectable pledges of \$10,000 has been provided for by management.

Property and Equipment

The aggregate cost of assets over \$5,000 is capitalized in the statement of financial position. Property and equipment are stated at cost and depreciation is computed on the straight-line basis of accounting over the estimated useful lives of the assets. Estimated useful lives are as follows:

Building	50 years
Motor vehicles and motor cycles	5 years
Office furniture and equipment	3 years
Computer equipment	3 years

Accrued Expenses

Accumulated unpaid employee vacation benefits are recognized as accrued liabilities.

Deferred Revenue

Deferred revenue is recognized when cash advances exceed revenues earned against such advances.

Revenue Recognition

Contributions, including unconditional promises to give and special events income, are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. All 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 (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Continued

GLOBAL AIDS INTERFAITH ALLIANCE AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

In-kind Contributions

Noncash donations are recorded as contributions at fair value at the date of donation. Donated services are only recognized as in-kind contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by GAIA. During the year ended December 31, 2010, GAIA recognized \$21,813 of noncash donations received for legal services performed on pro-bono basis. This has been recorded in other income and expenses on the statement of activities.

Functional Allocation of Expenses

The costs of providing the 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 based on an internal time and motion study.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, and revenue and expenses, as well as contingent assets and liabilities during the reporting periods. Actual results could differ from those estimates.

Concentration of Credit Risk

Cash

GAIA maintains its bank accounts at various high quality financial institutions to minimize credit risk; however, GAIA balances may periodically exceed federal deposit insurance limits.

Pledges Receivable

As of December 31, 2010, two donors made up 32% of total net pledges receivable.

Fair Value of Financial Instruments

GAIA's financial instruments are cash, pledges receivable, and other receivables and accounts payable. For these financial instruments, carrying values approximate fair value.

3. Income Taxes

GAIA US is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. GAIA is also exempt from California franchise taxes under Section 23701d of the Revenue and Taxation Code and, therefore, has made no provision for Federal or California income taxes. In addition, GAIA US has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 501(a) of the Code. GAIA follows accounting guidance for uncertain tax positions. In management's opinion there are no uncertain tax positions for the year ended December 31, 2010.

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GLOBAL AIDS INTERFAITH ALLIANCE AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

4. Pledges Receivable

Pledges receivable at December 31, 2010 are as follows:

Due in less than one year	\$ 307,450
Due in one to five years	<u>106,800</u>
Total pledges receivable	414,250
Less allowance for uncollectible pledges	<u>(10,000)</u>
Pledges receivable, net	<u><u>\$ 404,250</u></u>

5. Property and Equipment

Property and equipment as of December 31, 2010 are as follows:

Land and building	\$ 175,385
Motor vehicles	572,327
Office furniture and equipment	26,196
Computer equipment	<u>51,009</u>
Total	824,917
Less accumulated depreciation	<u>(307,711)</u>
Property and equipment, net	<u><u>\$ 517,206</u></u>

Depreciation expense was \$105,598 for the year ended December 31, 2010.

6. Lease Commitments

GAIA US leases its facility under a noncancelable operating lease expiring April 1, 2011. In March 2011, GAIA entered into a new lease agreement with the same landlord to a different building in the same office park in Larkspur, CA. This new lease expires in June 2015. Lease terms call for escalating lease payments each year ranging from \$5,706 to \$5,931 per month over the course of the four years.

In December 2010, GAIA entered into a lease agreement for an office space in Pasadena, CA. This lease expires in January 2012. Monthly lease payment for this office is \$900 per month.

GAIA Board General Counsel's law firm subleases part of the Larkspur, CA office space. The law firm pays same rent per square footage of space as GAIA.

Continued

GLOBAL AIDS INTERFAITH ALLIANCE AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

6. Lease Commitments, continued

Minimum future rental payments and income under this noncancelable operating lease for each of the next five years and in the aggregate are as follows:

Year ended December 31:	<u>Total Rental Expense</u>	<u>Rental Income</u>	<u>Net Rental Expense</u>
2011	\$ 68,905	\$ 16,853	\$ 52,052
2012	84,715	22,940	61,775
2013	88,150	23,870	64,280
2014	91,584	24,800	66,784
2015	46,994	12,726	34,268
Total	<u>\$ 380,348</u>	<u>\$ 101,189</u>	<u>\$ 279,159</u>

Rental expense was \$72,229 and sublease income was \$25,069 for the year ended December 31, 2010.

7. Related Party Transactions

Pledges receivable from related parties including members of the Board of Trustees and employees of GAIA totaled \$129,100, or 32% of total pledges receivable as of December 31, 2010. For the year ending December 31, 2010, related parties contributed approximately \$447,000, or 22% of total contributions.

8. Temporarily Restricted Net Assets

Temporarily restricted net assets are held for the following purposes at December 31, 2010:

	<u>Temporarily Restricted Net Assets</u>
MGC Villages and Mobile Health Clinic	\$ 1,446,857
MGC Villages–St. Luke’s Villages	268
Mobile Health Clinics	85,000
Micro-Loans	54,320
Wilson Fund for Africa	50,021
Hospital and Clinic Benefit	57,008
Church of the Redeemer–Goats	11,680
Mpala School	5,861
Total temporarily restricted net assets	<u>\$ 1,711,015</u>

Continued

GLOBAL AIDS INTERFAITH ALLIANCE AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

9. Net Assets Released from Restriction

Net assets were released from donor restrictions by satisfying the conditions for the following restricted purposes during the year ended December 31, 2010:

	Net Assets Released from Restriction
GAIA Villages	\$ 244,347
GAIA Villages–St. Luke’s Villages	41,889
Mobile Health Clinics	126,153
Nursing Scholarship and Training	216,672
Hospital and Clinic Benefit	4,932
Mpala School	8,555
Orphan Care and Small Grants for Higher Education	16,685
Bednets	20,149
Total released from restriction	\$ 679,382

10. Prior Period Restatement

The net assets as of December 31, 2009 have been restated as follows:

	Unrestricted	Temporarily Restricted	Total
Net assets, beginning of year, as previously reported	\$ 1,103,098	\$ 839,477	\$ 1,942,575
Pledges receivable not recorded by GAIA US	-	378,075	378,075
Net assets, beginning of year, as restated	\$ 1,103,098	\$ 1,217,552	\$ 2,320,650

Pledges receivable from various donors were not recorded in the financial statements in the prior year. Net assets were restated in the current year to reflect unrecorded pledges receivable and contribution revenue. The effect of the adjustment was to increase pledges receivable and net assets by \$378,075.

11. Subsequent Events

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through June 20, 2011, the date the financial statements were available to be issued. In March 2011, GAIA entered into a new lease agreement as described in Note 6.

SUPPLEMENTAL SCHEDULES

GLOBAL AIDS INTERFAITH ALLIANCE AND AFFILIATE
COMBINING SCHEDULE OF FINANCIAL POSITION

December 31, 2010

	United States	Malawi	Eliminations	Combined
ASSETS				
Cash	\$ 1,593,679	\$ 114,750	\$ -	\$ 1,708,429
Pledges receivable, net	404,250	-	-	404,250
Other receivables	12,159	36,580	-	48,739
Property and equipment, net	-	517,206	-	517,206
Total assets	\$ 2,010,088	\$ 668,536	\$ -	\$ 2,678,624
LIABILITIES AND NET ASSETS				
Accounts payable	\$ 11,112	\$ 294	\$ -	\$ 11,406
Accrued expenses	18,031	-	-	18,031
Deferred revenue	11,672	-	-	11,672
Total liabilities	40,815	294	-	41,109
Net assets:				
Unrestricted–undesignated	8,258	629,274	-	637,532
Unrestricted–designated	250,000	38,968	-	288,968
Temporarily restricted	1,711,015	-	-	1,711,015
Total net assets	1,969,273	668,242	-	2,637,515
Total liabilities and net assets	\$ 2,010,088	\$ 668,536	\$ -	\$ 2,678,624

The accompanying notes are an integral
part of these combined financial statements.

GLOBAL AIDS INTERFAITH ALLIANCE AND AFFILIATE
COMBINING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS
for the year ended December 31, 2010

	United States			Malawi	Eliminations	Combined		
	Unrestricted	Temporarily Restricted	Subtotal	Unrestricted	Unrestricted	Unrestricted	Temporarily Restricted	Total
Revenues:								
Contributions	\$ 784,908	\$ 1,172,789	\$ 1,957,697	\$ 1,207,407	\$ (1,177,368)	\$ 814,947	\$ 1,172,789	\$ 1,987,736
Special events revenue, net of expenses of \$113,063	589,157	-	589,157	-	-	589,157	-	589,157
Research grant income	31,716	-	31,716	3,640	-	35,356	-	35,356
Other income	26,069	-	26,069	40,541	-	66,610	-	66,610
Investment income	-	56	56	-	-	-	56	56
Net asset released from restrictions	679,382	(679,382)	-	-	-	679,382	(679,382)	-
Total revenues	2,111,232	493,463	2,604,695	1,251,588	(1,177,368)	2,185,452	493,463	2,678,915
Expenses:								
Program services	1,775,543	-	1,775,543	1,382,602	(1,177,368)	1,980,777	-	1,980,777
Management and general	166,753	-	166,753	-	-	166,753	-	166,753
Fundraising	214,520	-	214,520	-	-	214,520	-	214,520
Total expenses	2,156,816	-	2,156,816	1,382,602	(1,177,368)	2,362,050	-	2,362,050
Change in net assets	(45,584)	493,463	447,879	(131,014)	-	(176,598)	493,463	316,865
Net assets, beginning of year, as previously reported	303,842	839,477	1,143,319	799,256	-	1,103,098	839,477	1,942,575
Restatement (Note 10)	-	378,075	378,075	-	-	-	378,075	378,075
Net assets, beginning of year, as restated	303,842	1,217,552	1,521,394	799,256	-	1,103,098	1,217,552	2,320,650
Net assets, end of year	\$ 258,258	\$ 1,711,015	\$ 1,969,273	\$ 668,242	\$ -	\$ 926,500	\$ 1,711,015	\$ 2,637,515

The accompanying notes are an integral part of these combined financial statements.

GLOBAL AIDS INTERFAITH ALLIANCE AND AFFILIATE

COMBINING SCHEDULE OF EXPENSES

for the year ended December 31, 2010

	Malawi											Eliminations	Combined	
	United States	40 Villages	Villages MCG and St. Luke's	Limbe Office	Imprest	Lilongwe Office	Microfinance Office	Mobile Clinics	Senior Staff	Small Programs	Subtotal			
Expenses:														
Salaries	\$ 512,194	\$ 67,853	\$ 11,269	\$ 35,978	\$ -	\$ 1,890	\$ 28,871	\$ 46,558	\$ 59,687	\$ -	\$ 252,106	\$ -	\$ 764,300	
Benefits	37,585	17,567	6,869	6,793	-	1,220	9,625	12,246	2,924	6,422	63,666	-	101,251	
Payroll taxes	41,273	-	-	-	-	-	-	-	-	-	-	-	41,273	
Program support	1,323,094	214,449	69,954	2,314	10,884	34,972	-	54,523	-	351,702	738,798	(1,177,368)	884,524	
Professional services	64,898	-	-	1,684	-	-	945	-	-	-	2,629	-	67,527	
Rent	47,160	-	-	-	-	6,891	1,174	4,214	-	-	12,279	-	59,439	
Materials and publications	28,443	-	-	-	-	-	-	-	-	-	-	-	28,443	
Fundraising events	23,200	-	-	-	-	-	-	-	-	-	-	-	23,200	
Travel	12,453	53	-	23,242	-	15,488	1,758	20,574	-	-	61,115	-	73,568	
Insurance	5,720	-	-	-	-	-	-	1,730	-	-	1,730	-	7,450	
Office supplies	22,025	3,152	463	6,952	-	125	1,293	1,353	-	-	13,338	-	35,363	
Postage and delivery	11,548	-	-	-	-	-	-	-	-	-	-	-	11,548	
Meals and other expenses	10,304	3,482	12,619	9,817	-	5,636	918	7,367	-	-	39,839	-	50,143	
Equipment	-	-	-	-	-	-	2,950	-	-	-	2,950	-	2,950	
Info technology/web site	12,207	-	-	4,663	-	141	-	345	-	-	5,149	-	17,356	
Telephone	3,536	5,829	1,104	4,448	-	1,167	493	1,863	-	-	14,904	-	18,440	
Repair and renovation	-	-	-	26,303	-	-	-	977	-	-	27,280	-	27,280	
Depreciation	-	24,757	16,430	11,562	-	-	561	52,288	-	-	105,598	-	105,598	
Taxes, licenses, and fees	1,176	-	-	-	-	-	-	-	-	-	-	-	1,176	
Loan loss charged for the year	-	-	-	14,727	-	369	2,019	-	-	-	17,115	-	17,115	
Loss on disposal of property and equipment	-	10,897	-	-	-	-	-	-	-	-	10,897	-	10,897	
Foreign exchange loss	-	8,425	-	-	-	-	4,784	-	-	-	13,209	-	13,209	
Total expenses	\$ 2,156,816	\$ 356,464	\$ 118,708	\$ 148,483	\$ 10,884	\$ 67,899	\$ 55,391	\$ 204,038	\$ 62,611	\$ 358,124	\$ 1,382,602	\$ (1,177,368)	\$ 2,362,050	

The accompanying notes are an integral part of these combined financial statements.