

**ACTION AFRICA, INC.**

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**AUDITED FINANCIAL STATEMENTS AND  
REPORT OF INDEPENDENT AUDITORS  
DECEMBER 31, 2009 AND 2008**

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**ACTION AFRICA, INC.**  
**AUDITED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009 AND 2008**

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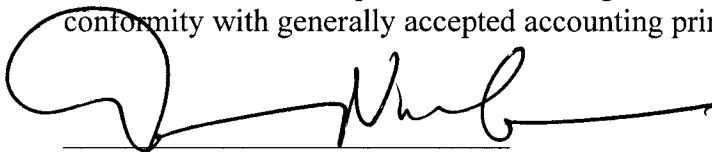
To the Board of Directors,  
Action Africa, Inc.  
Washington, D.C.

REPORT OF INDEPENDENT AUDITORS

We have audited the accompanying Statement of Financial Position of Action Africa, Inc. as of December 31, 2009 and 2008 and the related Statement of Activities, and Changes in Net Assets and the Statement of Cash Flows for the years then ended. These financial Statements are the responsibility of the management of Action Africa, Inc. 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 that the financial statements are free of material misstatements. An audit also includes examining, on a test basis evidence supporting the amounts and disclosures in the financial statements. It 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 Action Africa, Inc. as of December 31, 2009 and 2008 and the results of its operations and changes in its net assets for the years then ended in conformity with generally accepted accounting principles.



GEORGE F. NWABUKWU, CPA  
ADELPHI, MARYLAND

June 30, 2010.

**ACTION AFRICA, INC.**  
**STATEMENTS OF FINANCIAL POSITION**

**DECEMBER 31,**

**2009                      2008**

**ASSETS**

**Current Assets**

Cash-Unrestricted	\$ 6,553	\$ 39,023
Investments @ Market	110,493	83,500
Total Current Assets	117,046	122,523

**Fixed assets (Note 2b):**

Office equipment and software	35,853	35,853
Less: Accumulated depreciation	(5,046)	(1,800)
Net Fixed Assets	30,807	34,053

Total Assets	147,853	156,576
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**LIABILITIES AND NET ASSETS**

**Liabilities**

Accounts Payable	-	1,810
Total Liabilities	-	1,810

**Net assets:**

Unrestricted	147,853	154,766
Temporary Restricted (Note )	-	-
Total Net assets	147,853	154,766

Total Liabilities & Net Assets	\$ 147,853	\$ 156,576
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The accompanying notes are an integral part of the financial statements

ACTION AFRICA, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

	2009		2008	
	Total	Temp Restricted	Unrestricted	Total
Revenue collected:				
Direct Public Donations	\$ 61,167	\$ 340,000	\$ -	\$ 272,953
Interest Income	-	-	-	193
Net assets released from restrictions	-	-	-	-
Total revenue collected	61,167	340,000	61,167	273,146
Expenses paid:				
Program services:				
Health, Education & Economic Program	17,415	340,000	17,415	141,590
Donated Supplies and Services	-	-	-	-
Total program services	17,415	340,000	17,415	141,590
Supporting Services:				
Management and General	50,665	-	50,665	26,830
Total supporting services	50,665	-	50,665	26,830
Total supporting services paid	68,080	340,000	68,080	168,420
Change in Net Assets	(6,913)	-	(6,913)	104,726
Net assets at beginning of year:				
As previously reported	154,766	-	154,766	50,040
Net assets at December 31, 2009 & 2008	\$ 147,853	\$ -	\$ 147,853	\$ 154,766

The accompanying notes are an integral part of the financial statement

**ACTION AFRICA, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED**

**DECEMBER 31,**

	<b><u>2009</u></b>	<b><u>2008</u></b>
Cash Flows from Operating activities:		
Change in net assets	\$ (6,913)	\$ 104,726
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	3,246	900
Decrease in Payables	(1,810)	(13,190)
Net cash provided by operating activities	<u>(5,477)</u>	<u>92,436</u>
 Cash flows from investing activities:		
Sales of Assets/Asset Acquisition	-	(14,986)
Investments	(26,993)	(52,611)
Net cash used/provided by investing activities	<u>(26,993)</u>	<u>(67,597)</u>
 Cash flows from financing activities:		
Net cash used/provided by financing activities	<u>-</u>	<u>-</u>
 Net decrease in cash and cash equivalents	(32,470)	24,839
 Cash and cash equivalents at beginning of year	39,023	14,184
 Cash and cash equivalents at end of year	<u>\$ 6,553</u>	<u>\$ 39,023</u>

The accompanying notes are an integral part of the financial statements

**ACTION AFRICA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009 AND 2008**

Note 1. Organization

Action Africa, Inc. is a District of Columbia non-profit corporation, incorporated in 2000. The corporation was granted its non-profit 501© (3) status on April 28, 2004. The corporation's programs serve children and families in rural sub-Saharan African Villages. Action Africa meets villagers at the intersection of health, education and micro-enterprise to promote grassroots development.

The corporation also provides free health medical clinics with volunteer medical practitioners and donated supplies and assist villages with no local medical facilities. Malaria and HIV/AIDS prevention education is ongoing. The Corporation also provides educational outreach centers to combine distribution of much-needed donated classroom textbooks and HIV/AIDS programs.

The Corporation relies on grant funding and donated supplies and services to support its activities and has received huge donated supplies and services during the years ended December 31, 2009 and 2008.

Note 2. Summary of Significant Accounting Policies

- a. Basis of Accounting - The Corporation maintains its books using accrual basis of accounting for financial reporting. Financial statements have been presented under the provisions of SFAS No. 117. The two classes of assets presented are program funds (temporarily restricted), and general operating funds (temporarily restricted), and general operating fund (unrestricted).
- b. Depreciation – Equipment and software are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.
- c. Expenses – Expenses are either directly charged to one or more programs or support activity or allocated to all program or support activities based on the value of labor employed on behalf of each activity.

Note 3. Income Tax Status

The Corporation is exempt from taxation under Internal Revenue Code Section 501(C)(3). Accordingly, the accompanying financial statements do not include a provision for federal and state income taxes.

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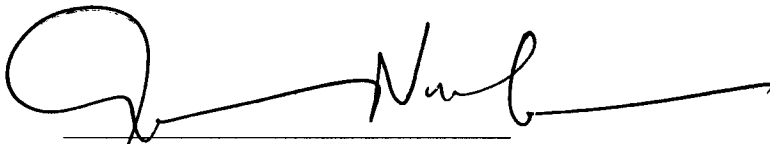
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To the Board of Directors,  
Action Africa, Inc.  
Washington, D.C.

**REPORT OF INDEPENDENT AUDITORS ON ADDITIONAL INFORMATION**

Our audit of the financial statements of Action Africa, Inc. for the years ended December 31, 2009 and 2008 was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying information on Schedule of Program Services Paid is presented for purposes of additional analysis and is not a required part of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



GEORGE F. NWABUKWU, CPA  
ADELPHI, MARYLAND

June 30, 2010

**ACTION AFRICA, INC.**  
**SCHEDULE OF PROGRAM SERVICES**  
**FOR THE TWELVE (12) MONTHS ENDED**

	PROGRAM & HEALTH EDUCATION	DONATED SERVICES	MANAGEMENT & GENERAL	<u>DECEMBER 31,</u>	
				<u>2009</u> TOTAL	<u>2008</u> TOTAL
GRANTS & ASSISTANCE	\$ 17,415	\$ -	\$ -	\$ 17,415	\$ -
COMPENSATION	11,319	-	4,800	16,119	-
HEALTH, EDUCATION	-	340,000	-	340,000	90,960
CONFERENCE & TRAVEL	400	-	-	400	7,372
DEPRECIATION	-	-	3,246	3,246	1,800
DONATION & GIFTS	-	-	-	-	1,164
LICENSE & PERMITS	-	-	303	303	-
OCCUPANCY & UTILITY	8,400	-	3,650	12,050	11,236
OFFICE EXPENSES	5,993	-	7,781	13,774	31,138
POSTAGE & PRINTING	-	-	1,358	1,358	-
PROFESSIONAL FEES	400	-	1,500	1,900	24,750
REPAIR & MAINTENANCE	-	-	1,515	1,515	-
	<u>\$ 43,927</u>	<u>\$ 340,000</u>	<u>\$ 24,153</u>	<u>\$ 408,080</u>	<u>\$ 168,420</u>

The accompanying notes are an integral part of the financial statements