

ACTION AFRICA, INC.

**AUDITED FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT AUDITORS
DECEMBER 31, 2015 AND 2014**

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ACTION AFRICA, INC.
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
<u>FINANCIAL STATEMENTS</u>	
BALANCE SHEETS	2
STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS	3
STATEMENTS OF CASH FLOWS	4
NOTES TO FINANCIAL STATEMENTS	5-6
SCHEDULE OF PROGRAM SERVICES	7

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

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Action Africa, Inc. which comprise the Balance Sheet, Statements of Income, Expenses and Retained Earnings as of December 31, 2015 and 2014, and Cash Flows for the period 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 controls 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with audit 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 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Financial Statement referred to above present fairly, in all material respects, the financial position of Action Africa, Inc. as of December 31, 2015 and 2014, the statement of Income, Expenses and Retained Earnings and its cash flows for the period ended in accordance with accounting principles generally accepted in the United States of America.

George F. Nwabukwu & Associates, CPAs

George F. Nwabukwu & Associates, CPAs
May 13, 2016

**ACTION AFRICA, INC.
BALANCE SHEETS**

DECEMBER 31,

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
<u>CURRENT ASSETS</u>		
Cash- Unrestricted (Note 3)	\$ 64,847	\$ 9,709
Investment @ Market (Note 4)	69,988	69,988
	-	-
Total Current Assets	134,835	79,697
<u>FIXED ASSETS (Note 2b)</u>		
Furniture and Office Equipment	45,853	45,853
Less: Accumulated Depreciation	(26,042)	(24,642)
Net Fixed Assets	19,811	21,211
TOTAL ASSETS	154,646	100,908
<u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Accounts Payable	109,940	4,562
Total Current Liabilities	109,940	4,562
<u>NET ASSETS</u>		
Unrestricted	44,706	96,346
Temporary Restricted	-	-
Total Net Assets	44,706	96,346
Total Liabilities & Net Assets	\$ 154,646	\$ 100,908

ACTION AFRICA, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

	<u>Unrestricted</u>	<u>Temp Restricted</u>	<u>DECEMBER 31,</u>	
			<u>2015 Total</u>	<u>2014 Total</u>
Revenue collected:				
Direct Public Donations/ Pass Thru Subgrants	\$ 61,935	\$ -	\$ 61,935	\$ 20,022
Indirect Public Support	23,124	-	23,124	71,378
Donated Goods & Services	481,800	-	481,800	5,972,500
Other (loss)/ Income (Investment)	-	-	-	(29,417)
			-	
Total revenue collected	<u>566,859</u>	<u>-</u>	<u>566,859</u>	<u>6,034,483</u>
Expenses paid:				
Program services:				
Domestic Program Expenses	65,416	-	65,416	65,182
Non Domestic Programs- Overseas	481,800	-	481,800	5,969,429
			-	
Total program services	<u>547,216</u>	<u>-</u>	<u>547,216</u>	<u>6,034,611</u>
Supporting Services:				
Management and General	59,638	-	59,638	28,843
Total Supporting Services	<u>59,638</u>	<u>-</u>	<u>59,638</u>	<u>28,843</u>
Fundraising Expenses	11,645	-	11,645	12,936
Total Fundraising Expenses	<u>11,645</u>	<u>-</u>	<u>11,645</u>	<u>12,936</u>
Total expenses paid	<u>618,499</u>	<u>-</u>	<u>618,499</u>	<u>6,076,390</u>
			-	
Change in Net Assets	(51,640)	-	(51,640)	(41,907)
Net assets at beginning of year: As previously reported	96,346	-	96,346	138,253
	-			
Net assets at the end of the year	<u>\$ 44,706</u>	<u>\$ -</u>	<u>\$ 44,706</u>	<u>\$ 96,346</u>

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

DECEMBER 31,

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating activities:		
Change in net assets	\$ (51,640)	\$ (41,907)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	1,400	1,400
Decrease/(Increase) in Current Assets	-	47,649
(Decrease)/Increase in Payable	105,378	2,667
Net cash provided by operating activities	<u>55,138</u>	<u>9,809</u>
Cash flows from investing activities:		
Asset Acquisitions	-	-
Proceeds from Sale of Marketable Securities (Net)	-	-
Net cash used/provided by investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities:		
Note Payment/Proceeds	-	-
Net cash used/provided by financing activities	<u>-</u>	<u>-</u>
Net Increase/decrease in cash and cash equivalents	55,138	9,809
Cash and cash equivalents at beginning of year	9,709	(100)
Cash and cash equivalents at end of year	<u>\$ 64,847</u>	<u>\$ 9,709</u>

ACTION AFRICA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

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(c)(3) status in 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 assists 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 marketable securities, supplies and services during the years ended December 31, 2015 and 2014.

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 provision 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.

Asset Description	<u>01/01/2015</u>	<u>Additions</u>	<u>Disposal</u>	<u>12/31/2014</u>
Furniture, Equip. & Books	\$ 45,853	\$	\$ -	\$ 45,853
Total Fixed Asset	45,853		-	45,853
Less: Accum. Depreciation	(24,642)	(1,440)	-	(26,042)
Net Fixed Asset	<u>\$ 21,211.</u>	<u>\$ (1,440)</u>	<u>\$ - .</u>	<u>\$ 19,811 .</u>

ACTION AFRICA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

- c. Expenses -- Expenses are either directly charged to one or more programs or support activities or allocated to contracts activities based on the value of labor employed on behalf of each activity.

Note 3. Cash & Cash Equivalent

The company did not have a cash balance in excess of the Federal Deposit Insurance Corporation maximum of \$250,000 at December 31, 2015 and 2014.

<u>UNRESTRICTED</u>	<u>2015</u>	<u>2014</u>
E & P FCU Operating Account	\$ 64,608	\$ 9,470
E & P FCU Children's Account	72	72
E & P FCU Health Account	37	37
OLGA Account	<u>130</u>	<u>130</u>
Total Cash	<u>\$ 64,847</u>	<u>\$ 9,709</u>

Note 4. Marketable Securities

The Organization holds investments in money market funds and mutual funds. Current marketable securities are classified as trade securities since they have readily determinable fair value and are brought and held principally for the purpose of selling them in the near term. Trade securities are carried at market value. Unrealized holding gains and losses are included in earnings. Mutual Fund investments are classified as Available-For-Sale securities. Unrealized holdings gains and losses will be in the Net Asset section of the Balance Sheet.

	<u>MKT. VALUE</u> <u>@01/01/2015</u>	<u>ADD/ (WITHDRAW)</u>	<u>MKT. VALUE</u> <u>@12/31/2015</u>
Mutual Fund & Other Investments	\$ 69,988	\$ -	\$ 69,988
Total Current Invest.	<u>\$ 69,988</u>	<u>\$ -</u>	<u>\$ 69,988</u>

Note 5. 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.

7
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REPORT OF INDEPENDENT AUDITORS ON ADDITIONAL INFORMATION

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

Our audit of the financial statements of the Action Africa, Inc. for the years ended December 31, 2015 and 2014 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 & Associates, CPAs

GEORGE F. NWABUKWU & ASSOCIATES, CPAs
ADELPHI, MARYLAND

May 13, 2016

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

	PROGRAM SUPPORTS	DONATED SERVICES & SUPPLIES	MANAGEMENT & GENERAL	DECEMBER 31,	
				2015 TOTAL	2014 TOTAL
GRANTS & ASSISTANCE	\$ 20,203			\$ 20,203	\$ -
COMPENSATION	45,213			45,213	45,213
HEALTH & EDUCATION		481,800		481,800	5,969,429
OCCUPANCY & UTILITY			17,570	17,570	12,215
CONFERENCE/TRAVEL		-	2,799	2,799	1,171
INSURANCE		-	10,721	10,721	7,836
LICENSE & PERMITS		-	463	463	158
OFFICE SUPPLIES & EXPENSES		-	1,865	1,865	874
TELEPHONE		-	409	409	1,900
PROFESSIONAL SERVICES		-	16,860	16,860	5,500
DEPRECIATION		-	1,308	1,308	1,400
ADVERTISING		-	-	-	3,039
WEBSITE MAINTENANCE		-	-	-	3,810
REPAIR & MAINTENANCE/EQUIP. RENTAL		-	2,120	2,120	1,200
REAL ESTATE TAXES		-	4,668	4,668	2,724
MISCELLANEOUS/ DUES		-	-	-	340
FUNDRAISING		-	11,645	11,645	12,936
COMPUTERS		-	540	540	5,440
DONATION		-	237	237	750
PENALTIES			78	78	455
TOTAL	\$ 65,416	\$ 481,800	\$ 71,283	\$ 618,499	\$ 6,076,390