

**ACTION AFRICA, INC.**

---

**AUDITED FINANCIAL STATEMENTS AND  
REPORT OF INDEPENDENT AUDITORS  
DECEMBER 31, 2016 AND 2015**

GEORGE F. NWABUKWU & ASSOCIATES CPAs  
7411 RIGGS ROAD, SUITE NO 400  
ADELPHI, MD 20783  
TEL: (301) 445-5088  
FAX: (301) 445-4365

**ACTION AFRICA, INC.**  
**AUDITED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**

**TABLE OF CONTENTS**

<b><u>SECTION</u></b>	<b><u>PAGE</u></b>
INDEPENDENT AUDITOR'S REPORT	1
 <b><u>FINANCIAL STATEMENTS</u></b>	
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

# GEORGE NWABUKWU & ASSOCIATES, CPA

SUITE NO.400

7411 RIGGS ROAD

ADELPHI, MARYLAND 20783

TEL: (301) 445-5088

FAX: (301) 445-4365

---

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, 2016 and 2015, 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, 2016 and 2015, 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

November 9, 2017

**ACTION AFRICA, INC.  
BALANCE SHEETS**

**DECEMBER 31,**

<b><u>ASSETS</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
<b><u>CURRENT ASSETS</u></b>		
Cash- Unrestricted (Note 3)	\$ 12,156	\$ 64,847
Investment @ Market (Note 4)	56,138	69,988
Total Current Assets	68,294	134,835
<b><u>FIXED ASSETS (Note 2b)</u></b>		
Furniture and Office Equipment	45,853	45,853
Less: Accumulated Depreciation	(27,187)	(26,042)
Net Fixed Assets	18,666	19,811
<b>TOTAL ASSETS</b>	<b>86,960</b>	<b>154,646</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b><u>LIABILITIES</u></b>		
Accounts Payable	55,438	109,940
Total Current Liabilities	55,438	109,940
<b><u>NET ASSETS</u></b>		
Unrestricted	31,522	44,706
Total Net Assets	31,522	44,706
Total Liabilities & Net Assets	\$ 86,960	\$ 154,646

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

	<u>Unrestricted</u>	<u>Temp Restricted</u>	<b>DECEMBER 31,</b>	
			<u>2016 Total</u>	<u>2015 Total</u>
Revenue collected:				
Direct Public Donations/ Pass Thru Subgrants	\$ 23,030	\$ -	\$ 23,030	\$ 61,935
Indirect Public Support	61,250		61,250	23,124
Donated Goods & Services	393,000	-	393,000	481,800
Other (loss)/ Income (Investment)	-	-	-	-
Total revenue collected	<u>477,280</u>	<u>-</u>	<u>477,280</u>	<u>566,859</u>
Expenses paid:				
Program services:				
Domestic Program Expenses	83,172	-	83,172	65,416
Non Domestic Programs- Overseas	393,000	-	393,000	481,800
Total program services	<u>476,172</u>	<u>-</u>	<u>476,172</u>	<u>547,216</u>
Supporting Services:				
Management and General	27,685		27,685	59,638
Total Supporting Services	<u>27,685</u>	<u>-</u>	<u>27,685</u>	<u>59,638</u>
Fundraising Expenses	457		457	11,645
Total Fundraising Expenses	<u>457</u>	<u>-</u>	<u>457</u>	<u>11,645</u>
Unrealized Loss in Investment	(13,850)		(13,850)	
Total expenses paid	<u>490,464</u>	<u>-</u>	<u>490,464</u>	<u>618,499</u>
Change in Net Assets	(13,184)	-	(13,184)	(51,640)
Net assets at beginning of year: As previously reported	44,706	-	44,706	96,346
Net assets at the end of the year	<u>\$ 31,522</u>	<u>\$ -</u>	<u>\$ 31,522</u>	<u>\$ 44,706</u>

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

**DECEMBER 31,**

	<b><u>2016</u></b>	<b><u>2015</u></b>
<b>Cash Flows from Operating activities:</b>		
Change in net assets	\$ (13,184)	\$ (51,640)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	1,145	1,400
Decrease/(Increase) in Current Assets	13,850	-
(Decrease)/Increase in Payable	(54,502)	105,378
 Net cash provided by operating activities	 (52,691)	 55,138
 <b>Cash flows from investing activities:</b>		
Asset Acquisitions	-	-
Proceeds from Sale of Marketable Securities (Net)	-	-
Net cash used/provided by investing activities	-	-
 <b>Cash flows from financing activities:</b>		
Note Payment/Proceeds	-	-
Net cash used/provided by financing activities	-	-
 Net Increase/decrease in cash and cash equivalents	 (52,691)	 55,138
 Cash and cash equivalents at beginning of year	 64,847	 9,709
 Cash and cash equivalents at end of year	 \$ 12,156	 \$ 64,847

**ACTION AFRICA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**

**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, 2016 and 2015.

**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.

<b>Asset Description</b>	<b><u>01/01/2016</u></b>	<b><u>Additions</u></b>	<b><u>Disposal</u></b>	<b><u>12/31/2015</u></b>
Furniture, Equip. & Books	\$ <u>45,853</u>	\$	\$ -	\$ <u>45,853</u>
Total Fixed Asset	45,853		-	45,853
Less: Accum. Depreciation	<u>(26,042)</u>	(1,145)	-	(27,187)
Net Fixed Asset	<u>\$ 19,811.</u>	<u>\$ (1,145)</u>	<u>\$ - .</u>	<u>\$ 18,666.</u>

**ACTION AFRICA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016 AND 2015**

- 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, 2016 and 2015.

<b><u>UNRESTRICTED</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
E & P FCU Operating Account	\$ 11,161	\$ 64,608
E & P FCU Children's Account	426	72
E & P FCU Health Account	230	37
OLGA Account	339	130
Total Cash	<u>\$12,156</u>	<u>\$64,847</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.

	<b><u>MKT. VALUE</u></b> <b><u>@01/01/2016</u></b>	<b><u>ADD/ (WITHDRAW)</u></b>	<b><u>MKT. VALUE</u></b> <b><u>@12/31/2016</u></b>
Mutual Fund & Other Investments	\$ 69,988	\$ (13,850)	\$ 56,138
Total Current Invest.	<u>\$ 69,988</u>	<u>\$ (13,850)</u>	<u>\$ 56,138</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.



**GEORGE F. NWABUKWU & ASSOCIATES, CPAs**  
**7411 RIGGS ROAD, SUITE # 400**  
**ADELPHI, MD 20783**

**TEL: (301) 445-5088**

**FAX: (301) 445-4365**

---

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, 2016 and 2015 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

November 9, 2017

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

	<u>PROGRAM SUPPORTS</u>	<u>DONATED SERVICES &amp; SUPPLIES</u>	<u>MANAGEMENT &amp; GENERAL</u>	<u>DECEMBER 31,</u>	
				<u>2016 TOTAL</u>	<u>2015 TOTAL</u>
GRANTS & ASSISTANCE		\$ -		\$ -	\$ 20,203
COMPENSATION	51,020			51,020	45,213
HEALTH & EDUCATION		393,000		393,000	481,800
OCCUPANCY & UTILITY	16,800		3,446	20,246	17,570
CONFERENCE/TRAVEL			162	162	2,799
INSURANCE			15,333	15,333	10,721
LICENSE & PERMITS					463
OFFICE SUPPLIES & EXPENSES			400	400	1,865
TELEPHONE					409
PROFESSIONAL SERVICES	15,352		3,400	18,752	16,860
DEPRECIATION			1,145	1,145	1,308
ADVERTISING					-
REPAIR & MAINTENANCE/EQUIP. RENTAL			1,440	1,440	2,120
REAL ESTATE TAXES			1,757	1,757	4,668
MISCELLANEOUS/ DUES			602	602	-
FUNDRAISING					11,645
COMPUTERS					540
DONATION					237
PENALTIES					78
<b>TOTAL</b>	<b>\$ 83,172</b>	<b>\$ 393,000</b>	<b>\$ 27,685</b>	<b>\$ 503,857</b>	<b>\$ 618,499</b>