

VISION AFRICA
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2016

Vision Africa
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December 31, 2016

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of Vision Africa

We have audited the accompanying financial statements of Vision Africa (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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 control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from 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 auditors' 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 statements referred to above present fairly, in all material respects, the financial position of Vision Africa as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Salmon Sims Thomas & Associates".

Salmon Sims Thomas & Associates
A Professional Limited Liability Company
December 18, 2017

Vision Africa
Statement of Financial Position
December 31, 2016

ASSETS

Current Assets

Cash	\$	169,056
Marketable securities		17,598
Other assets		1,000

TOTAL ASSETS	\$	<u>187,654</u>
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LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$	24,000
Accrued liabilities		1,388

TOTAL LIABILITIES		<u>25,388</u>
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Net Assets

Unrestricted	87,566
Temporarily restricted	74,700
TOTAL NET ASSETS	<u>162,266</u>

TOTAL LIABILITIES AND NET ASSETS	\$	<u>187,654</u>
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The accompanying notes are an integral part of this financial statement.

Vision Africa
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and Support			
Contributions and grants	\$ 138,365	\$ 148,000	\$ 286,365
Special event revenues, net of direct donor benefit \$9,000	141,505	-	141,505
Other	1,519	-	1,519
	<u>281,389</u>	<u>148,000</u>	<u>429,389</u>
Net assets released from restriction	81,188	(81,188)	-
Total Revenues and Support	<u>362,577</u>	<u>66,812</u>	<u>429,389</u>
Expenses			
Program services	243,861	-	243,861
Supporting services	78,075	-	78,075
Fundraising services	39,779	-	39,779
Total Expenses	<u>361,715</u>	<u>-</u>	<u>361,715</u>
Increase in Net Assets	862	66,812	67,674
Net Assets, beginning of year	<u>86,704</u>	<u>7,888</u>	<u>94,592</u>
Net Assets, end of year	<u>\$ 87,566</u>	<u>\$ 74,700</u>	<u>\$ 162,266</u>

The accompanying notes are an integral part of this financial statement.

Vision Africa
Statement of Functional Expenses
For the Year Ended December 31, 2016

	<u>Program</u>	<u>Supporting</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and related expenses	\$ 42,190	\$ 27,189	\$ 24,377	\$ 93,756
Mission trips	63,827	-	-	63,827
Radio station	109,430	-	-	109,430
Bank fees	-	1,952	-	1,952
Office expenses	-	11,641	-	11,641
Professional fees	-	27,819	-	27,819
Travel	22,414	-	-	22,414
Other expenses	6,000	9,474	-	15,474
Golf tournament	-	-	3,791	3,791
Annual banquet	-	-	11,611	11,611
	<u>\$ 243,861</u>	<u>\$ 78,075</u>	<u>\$ 39,779</u>	<u>\$ 361,715</u>

The accompanying notes are an integral part of this financial statement.

Vision Africa
Statement of Cash Flows
For the Year Ended December 31, 2016

Cash Flows From Operating Activities	
Increase in Net Assets	\$ 67,674
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Donated marketable securities	(17,598)
Increase in liabilities:	
Accounts Payable	24,000
Accrued liabilities	(771)
Net Cash Provided by Operating Activities	<u>73,305</u>
 Net Increase in Cash	 73,305
 Cash, beginning of year	 <u>95,751</u>
 Cash, end of year	 <u><u>\$ 169,056</u></u>

The accompanying notes are an integral part of this financial statement.

Vision Africa
Notes to Financial Statements
December 31, 2016

NOTE 1: ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES

The summary of significant accounting policies of Vision Africa (Organization) are presented to assist in understanding the financial statements. The financial statements and notes are representations of the Organization's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Organization

Vision Africa is a nonprofit corporation formed in 1999. The Organization's goal is to develop an evangelistic mission program that will enable ministries, organizations and individuals to identify areas through which they can share God's love with Africans and the continent of Africa. Primarily in Nigeria, Vision Africa's major programs include medical outreach, church planting, education, and training. On December 7, 2004, Vision Africa launched a radio station which broadcasts educational, spiritual, and inspirational programming and music with a Christian worldview. Vision Africa's ministry is supported by donations from individuals, churches, organizations, and small groups. The Organization's United States Board of Directors' fundraising efforts and donations received provide almost all the funds necessary to fund the Organization's missions.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all investments with original maturity dates of ninety days or less to be cash equivalents. As of December 31, 2016, there were no cash equivalents. The Organization places cash, which, at times, may exceed federally-insured limits with high-credit quality financial institutions. The Organization has not experienced any losses on such assets.

Donated Assets and Services

Donations of noncash assets are recorded as contributions at their estimated fair value. Donated services are recognized as contributions in accordance with U.S. GAAP, 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 the Organization.

Financial Statement Presentation

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time.

Unrestricted Net Assets - Net assets not subject to donor-imposed stipulations.

Vision Africa
Notes to Financial Statements
December 31, 2016

NOTE 1: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Revenues are reported as increases in unrestricted net assets unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expirations of temporarily restricted net assets (*i.e.*, the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Contributions of assets other than cash are recorded at their estimated fair value as of the date of donation.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (IRC) of 1986, as amended, as an organization described in Section 501(c)(3) of the IRC. The Organization has been classified as an organization that is not a private organization under IRC Section 509(a)(2), and as such, contributions to the Organization qualify for deductions as charitable contributions. However, income generated from activities unrelated to the Organization's exempt purpose is subject to tax under IRC Section 511.

Accounting for Uncertainty in Income Taxes

Management has concluded that any tax positions that would not meet the more-likely-than-not criterion of *Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740-10, Accounting for Income Taxes*, would be immaterial to the financial statements taken as a whole. Accordingly, the accompanying financial statements do not include any provision for uncertain tax positions, and no related interest or penalties have been recorded in the statement of activities or accrued in the statement of financial position. Federal and state tax returns of the entity are generally open to examination by the relevant taxing authorities for a period of three years from the date the returns are filed.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include those assumed in recording the functional allocation of expenses. Actual results could differ from estimates.

Functional Allocation of Expenses

The costs of providing the various program and supporting services have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the program, supporting, and fundraising services benefited.

Vision Africa
Notes to Financial Statements
December 31, 2016

NOTE 1: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Investments

Investments in marketable equity securities, bonds and mutual funds, which are held for sale, are recorded at their current fair values. Securities that have been donated are recorded at the fair value as of the date of the gift. The Organization's policy towards donated securities is to sell such securities as soon as reasonably possible upon receipt of the securities. Increases or decreases in fair value are recorded as unrealized gains and losses and reflected on the Statement of Activities in the unrestricted class of net assets.

Fair Value Measurements

FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides the fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There has been no change in the methodology used at December 31, 2016.

Marketable securities: Valued at the closing price reported in an active market in which the security is traded.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The provisions of Topic ASC 820 did not have an impact on the Organization's nonfinancial assets and nonfinancial liabilities that are not permitted or required to be measured at fair value on a recurring basis.

Date of Management's Review

The Organization has evaluated subsequent events through December 18, 2017, the date the financial statements were available to be issued.

Vision Africa
Notes to Financial Statements
December 31, 2016

NOTE 2: CONTRIBUTED SERVICES

A substantial number of volunteers have donated significant amounts of their time to the Organization and its programs; however, these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

NOTE 3: INVESTMENTS

Investments at December 31, 2016 consisted of donated marketable securities valued at \$17,598.

NOTE 4: FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table sets forth by level, within the fair value hierarchy, Organization's assets at fair value as of December 31, 2016:

<u>Fair Value Measurements at Reporting Date Using:</u>				
	<u>Fair Value</u>	Quoted Prices in Active markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Marketable securities	\$ 17,598	\$ 17,598	\$ -	\$ -

NOTE 5: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are donor restricted for the following purposes at December 31, 2016:

Radio station	\$ 72,000
Church planting	2,700
Total Temporarily Restricted Net Assets	<u>\$ 74,700</u>

Net assets released from restrictions for year ending December 31, 2016 consisted of the following amounts:

Radio station	\$ 75,188
Church planting	6,000
	<u>\$ 81,188</u>