



Financial Statements
With Independent Auditors' Report

December 31, 2017 and 2016

AFRICAN MISSION HEALTHCARE FOUNDATION

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INDEPENDENT AUDITORS' REPORT

Board of Directors
African Mission Healthcare Foundation
Westerville, OH

We have audited the accompanying financial statements of African Mission Healthcare Foundation, which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and cash flows for the years 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 audits. We conducted our audits 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 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.

Board of Directors
African Mission Healthcare Foundation
Westerville, OH

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of African Mission Healthcare Foundation as of December 31, 2017 and 2016, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Capin Crouse LLP

Colorado Springs, Colorado
June 26, 2018

AFRICAN MISSION HEALTHCARE FOUNDATION

Statements of Financial Position

	December 31,	
	2017	2016
ASSETS:		
Cash and cash equivalents	\$ 5,797,459	\$ 3,701,916
Contributions receivable-net	42,272	98,407
Total Assets	<u>\$ 5,839,731</u>	<u>\$ 3,800,323</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 98,736	\$ 38,097
Grants payable	133,624	159,471
Loan payable	30,000	65,000
	<u>262,360</u>	<u>262,568</u>
Net assets:		
Unrestricted	811,561	373,089
Temporarily restricted	4,765,810	3,164,666
	<u>5,577,371</u>	<u>3,537,755</u>
Total Liabilities and Net Assets	<u>\$ 5,839,731</u>	<u>\$ 3,800,323</u>

See notes to financial statements

AFRICAN MISSION HEALTHCARE FOUNDATION

Statements of Activities

	Year Ended December 31,					
	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE:						
Contributions	\$ 802,166	\$ 5,050,105	\$ 5,852,271	\$ 198,687	\$ 4,258,127	\$ 4,456,814
Other income	11,388	-	11,388	7,797	-	7,797
Total Support and Revenue	813,554	5,050,105	5,863,659	206,484	4,258,127	4,464,611
NET ASSETS RELEASED:						
Purpose restrictions	3,448,961	(3,448,961)	-	3,165,358	(3,165,358)	-
EXPENSES:						
Program services	3,390,321	-	3,390,321	3,031,350	-	3,031,350
Supporting activities:						
General and administrative	323,260	-	323,260	288,322	-	288,322
Fundraising	110,462	-	110,462	125,077	-	125,077
	433,722	-	433,722	413,399	-	413,399
Total Expenses	3,824,043	-	3,824,043	3,444,749	-	3,444,749
Change in Net Assets	438,472	1,601,144	2,039,616	(72,907)	1,092,769	1,019,862
Net Assets, Beginning of Year	373,089	3,164,666	3,537,755	445,996	2,071,897	2,517,893
Net Assets, End of Year	\$ 811,561	\$ 4,765,810	\$ 5,577,371	\$ 373,089	\$ 3,164,666	\$ 3,537,755

See notes to financial statements

AFRICAN MISSION HEALTHCARE FOUNDATION

Statements of Cash Flows

	Year Ended December 31,	
	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 2,039,616	\$ 1,019,862
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Contributions receivable-net	56,135	32,270
Accounts payable and accrued expenses	60,639	34,343
Grants payable	(25,847)	12,910
Net Cash Provided by Operating Activities	<u>2,130,543</u>	<u>1,099,385</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on loan payable	<u>(35,000)</u>	<u>(35,000)</u>
Net Cash Used by Investing Activities	<u>(35,000)</u>	<u>(35,000)</u>
Net Change in Cash and Cash Equivalents	2,095,543	1,064,385
Cash and Cash Equivalents, Beginning of Year	<u>3,701,916</u>	<u>2,637,531</u>
Cash and Cash Equivalents, End of Year	<u>\$ 5,797,459</u>	<u>\$ 3,701,916</u>

See notes to financial statements

AFRICAN MISSION HEALTHCARE FOUNDATION

Notes to Financial Statements

December 31, 2017 and 2016

1. NATURE OF ORGANIZATION:

African Mission Healthcare Foundation (AMHF) operates in various countries in Africa and was organized for the purpose of assisting Christian medical missionaries and mission hospitals in their efforts to effectively treat patients, train African healthcare workers, and create sustainable systems and institutions in very difficult conditions in sub-Saharan Africa. These medical missionaries and mission hospitals frequently lack resources, capacity, or capabilities in both the near and long-term necessary to help those in greatest need. The mission of AMHF is to strengthen African mission hospitals to aid those in greatest need. Working with their healthcare partners, AMHF helps identify the resources and support needed most, develop effective solutions, mobilize resources, and achieve the desired results.

AMHF is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state laws. However, AMHF is subject to federal income tax on any unrelated business taxable income. In addition, AMHF is not classified as a private foundation within the meaning of Section 509(a) of the IRC.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

AMHF maintains its accounts and prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of any contingent assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting period. Actual results could differ from the estimates. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist mainly of cash held in checking and savings accounts. The balances exceeded federally insured limits by approximately \$5,450,000 and \$3,200,000 as of December 31, 2017 and 2016, respectively. AMHF has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk.

CONTRIBUTIONS RECEIVABLE

Contributions receivable consist mainly of amounts due from a related organization, Hospital Support Organization (HSO), based on an annual agreement entered into between AMHF and HSO. AMHF records an allowance for doubtful accounts if deemed necessary, which is based on a review of outstanding receivables, historical collection information, and existing economic conditions. There was no allowance for doubtful accounts at December 31, 2017 and 2016 as outstanding balances were considered fully collectible. All amounts are collectible within one year and have been received subsequent to year end.

AFRICAN MISSION HEALTHCARE FOUNDATION

Notes to Financial Statements

December 31, 2017 and 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

GRANTS PAYABLE

Grants payable consist of amounts owed based on agreements entered into between AMHF and partner hospitals and other organizations. Amounts become payable based on applicable conditions present in the agreements.

CLASSES OF NET ASSETS

The net assets of AMHF are reported in the following classes:

Unrestricted net assets are those currently available at the discretion of the board for use in AMHF's operations or support of AMHF's partner hospitals or other organizations, as well as those resources currently invested in property and equipment.

Temporarily restricted net assets include resources restricted by donors primarily for the support of designated partner hospitals or other organizations, or for specified projects or programs.

SUPPORT AND REVENUE

Contributions are recorded when made, which may be when cash and other assets are received or when unconditionally promised. AMHF reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the contributed amounts. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Other income is recognized when earned.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing program services and supporting activities have been summarized on a functional basis. Accordingly, certain costs relating to more than one function, such as payroll, ministry, and facilities expenses, have been allocated among the program services, general and administrative, and fundraising activities benefited.

3. LOAN PAYABLE:

There is a loan payable entered into with a foundation on May 1, 2015 due on or before May 1, 2018. Annual interest is due in the amount of 5% of the unpaid balance to be compounded annually on the anniversary of the issue date. The loan is unsecured. Subsequent to the year ended December 31, 2017, the remainder of the balance was paid in full.

AFRICAN MISSION HEALTHCARE FOUNDATION

Notes to Financial Statements

December 31, 2017 and 2016

4. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets consists of:

	December 31,	
	2017	2016
Designated for specific hospital and clinic projects	\$ 1,622,555	\$ 945,077
Time restricted	1,000,000	-
Designated for South Sudan partners, projects, and programs	580,489	1,140,004
L'Chaim Prize award	439,847	466,096
General medical	398,418	402,037
Anesthesia program and training	324,447	195,476
Aurora Prize award	287,934	-
Designated operations	62,784	15,976
SAFE program	49,336	-
	<u>\$ 4,765,810</u>	<u>\$ 3,164,666</u>

During the year ended December 31, 2017, AMHF received a \$1 million gift which is included within time restricted assets, above. The gift was restricted by the donor to be used to match contributions benefiting AMHF and its selected hospital partners from supporters of the Christian Broadcasting Network (CBN). Subsequent to the year ended December 31, 2017, CBN successfully completed its \$1 million fundraising efforts and transferred \$1 million to AMHF. The total amount, \$2 million, will be invested in identified projects and programs at eight of AMHF's hospital partners.

5. CONCENTRATION:

During the years ended December 31, 2017 and 2016, AMHF received contributions from three donors that, when combined, total approximately \$3,730,000 and \$1,938,000, respectively. These gifts account for approximately 64% and 43% of total support and revenue for the years ended December 31, 2017 and 2016, respectively.

6. RELATED PARTY TRANSACTIONS:

During the year ended December 31, 2017, the chief executive officer of AMHF, and another employee of AMHF, sat on the Board of a partner organization. During the year ended December 31, 2016, two Board members of AMHF, one of which was the President, sat on the board of the same organization during the year ended December 31, 2016. As part of its program expenses, AMHF sent funds to this organization of approximately \$1,300,000 and \$1,350,000 during the years ended December 31, 2017 and 2016, respectively. These funds were restricted for specific activities that fall within AMHF's charitable purpose.

AFRICAN MISSION HEALTHCARE FOUNDATION

Notes to Financial Statements

December 31, 2017 and 2016

7. SUBSEQUENT EVENTS:

Subsequent events were evaluated through June 26, 2018, which is the date the financial statements were available to be issued. As discussed in note 4, above, subsequent to the year ended December 31, 2017, AMHF and CBN successfully completed a matching gift campaign.