DETERMINED TO DEVELOP

FINANCIAL STATEMENTS

DECEMBER 31, 2016 and 2015

WSSR

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June 28, 2017

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Determined to Develop

We have audited the accompanying financial statements of Determined to Develop (a nonprofit corporation) (the Organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, functional expenses, 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.

Auditor's 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 Organization’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 Organization’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 the Organization as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Respectfully submitted,

WHITED SEIGNEUR SAMS & RAHE CPAs, LLP
Whited Seigneur Sams & Rahe

DETERMINED TO DEVELOP
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

ASSETS

Current Assets	2016	2015
Cash and Cash Equivalents	$ 210,072	$ 129,653
Other Assets	-	712
Total Current Assets	210,072	130,365
Property & Equipment, Net	139,860	16,558
Total Assets	$ 349,932	$ 146,923

LIABILITIES AND NET ASSETS

Net Assets		
Temporarily Restricted Net Assets	$ 96,004	$ -
Unrestricted Net Assets	253,928	146,923
Total Net Assets	349,932	146,923
Total Liabilities and Net Assets	$ 349,932	$ 146,923

DETERMINED TO DEVELOP
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2016 AND 2015

Revenues and Support	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL 2016	TOTAL 2015
Support				
Direct Contributions	$ 206,669	$ -	$ 206,669	$ 178,111
Gifts In-Kind	8,779	-	8,779	4,263
Total Support	215,448	-	215,448	182,374
Grants	-	218,000	218,000	36,282
Other Income	100	-	100	27
Net Assets Released from Restrictions				
Satisfaction of Restrictions	121,996	(121,996)	-	-
Total Revenues and Support	337,544	96,004	433,548	218,683
Expenses				
Program Expense	211,716	-	211,716	143,564
Fundraising Expense	9,580	-	9,580	10,680
Management and General Expense	15,633	-	15,633	3,574
Total Operating Expenses	236,929	-	236,929	157,818
Change in Net Assets				
Profit/(Loss) from Operations	100,615	96,004	196,619	60,865
Change in Exchange Rate Equity	6,390	-	6,390	(4,697)
Total Change in Net Assets	107,005	96,004	203,009	56,168
Net Assets, Beginning of Year	146,923	-	146,923	90,755
Net Assets, End of Year	$ 253,928	$ 96,004	$ 349,932	$ 146,923

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

DETERMINED TO DEVELOP
STATEMENT OF FUNCTIONAL EXPENSE
YEAR ENDED DECEMBER 31, 2016

	Program	Fundraising	Management & General	Total
Feeding Expense	$ 54,581	$ -	$ -	$ 54,581
Construction Expense	27,133	-	-	27,133
Education and Upkeep Expense	66,089	-	-	66,089
Other Project Expenses	36,841	407	247	37,495
Salaries	11,457	-	-	11,457
Depreciation	2,174	-	-	2,174
Financial Processing Fees	204	-	11,272	11,476
Travel Expenses	5,905	6,415	213	12,533
Miscellaneous Expense	7,332	2,758	3,901	13,991
Total	$ 211,716	$ 9,580	$ 15,633	$ 236,929

DETERMINED TO DEVELOP
STATEMENT OF FUNCTIONAL EXPENSE
YEAR ENDED DECEMBER 31, 2015

	Program	Fundraising	Management & General	Total
Feeding Expense	$ 39,005	$ -	$ -	$ 39,005
Construction Expense	17,400	-	-	17,400
Education and Upkeep Expense	52,734	-	-	52,734
Other Project Expenses	19,387	-	-	19,387
Salaries	5,954	-	-	5,954
Depreciation	2,082	-	-	2,082
Financial Processing Fees	635	-	3,426	4,061
Travel Expenses	5,216	9,786	-	15,002
Miscellaneous Expense	1,151	894	148	2,193
Total	$ 143,564	$ 10,680	$ 3,574	$ 157,818

DETERMINED TO DEVELOP
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
Cash Flows From Operating Activities		
Change in Net Assets	$ 196,619	$ 60,865
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	2,174	2,082
Changes in Operating Assets & Liabilities		
(Increase) Decrease in Accounts Receivable	-	5,000
(Increase) Decrease in Related Party Receivable	-	20,004
(Increase) Decrease in Other Assets	712	(712)
Net Cash Flows Provided (Used) by Operating Activities	199,505	87,239
Cash Flows From Investing Activities		
Acquisition of Fixed Assets	(125,681)	(9,445)
Net Cash Flows (Used) by Investing Activities	(125,681)	(9,445)
Effect of Exchange Rate Changes on Cash	6,595	(4,697)
Net Increase (Decrease) in Cash and Cash Equivalents	80,419	73,097
Cash and Cash Equivalents, Beginning of Year	129,653	56,556
Cash and Cash Equivalents, End of Year	$ 210,072	$ 129,653

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- **Program Activity**

The purpose of the U.S. based Organization is to empower the people of Malawi, Africa to implement sustainable, community-driven solutions that promote human advancement. Their focus of operation is based in the rural community of Chilumba, in the Karonga district of northern Malawi and work side-by-side with members of the community to address their needs and provide assistance in the overall development of the wider region. Their program focus in Malawi is to support the four cornerstones of their development model – Education & Youth, Health & Nutrition, Women's Empowerment, and Environment. The Organization's projects are deeply influenced and infused with the crosscutting issues of orphan care, gender equality and social justice. Education and youth support, especially for the girl child, is the number one focus area, reflecting the priorities of the community.

- **Financial Statement Presentation**

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

- **Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

- **Cash and Cash Equivalents**

The Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents for purposes of the Statement of Cash Flows. Cash equivalents are stated at cost, which approximates market value.

- **Federal Income Tax**

No provisions are made for federal, state or local income tax because the non-profit charity is tax exempt from most federal, state and local taxes under the provisions of the Internal Revenue Code for 501(c)(3) entity. All IRS Form 990, Return of Organization Exempt from Income Tax, have been timely filed and are subject to examination by the IRS, generally for three years after they are filed.

- **Accounts Receivable**

Accounts receivable are stated at unpaid balances. Receivables are considered impaired if full principal payments are not received in a timely manner. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

- **Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- **Property and Depreciation**

Expenditures for major renewals and betterments that extend the useful lives of equipment, furniture and leasehold improvements are capitalized if the cost exceeds $500 individually or as part of a group purchase. Expenditures for maintenance and repairs are charged to expense as incurred. Assets are recorded on the financial statements at cost. Costs incurred for major projects, such as the purchase and repairs of a facility, are accumulated in the construction in progress until project completion and reclassified as a depreciable asset.

Depreciation of depreciable assets is determined by the individual asset on a straight-line basis. Estimated useful lives for office equipment and furniture is 5- 7 years.

- **Contributed Services & Facilities**

A substantial number of unpaid volunteers, including the executive director, have made significant contributions of their time. In addition, the Organization does not pay for facilities for their African project. The value of these contributed items is not reflected in these statements since it is not susceptible to objective measurement or valuation.

- **Operation**

The Organization considers support revenue and expense for the direct operation of the Organization's activities to be a change in net assets from operations.

- **Restricted and Unrestricted Revenue**

Contributions and gains that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

- **Advertising**

The Organization expenses advertising costs as they are incurred.

- **Date of Management's Review of Subsequent Events**

Management has evaluated subsequent events and transactions for potential recognition through June 28, 2017, the date the financial statements were available to be issued.

2. CONCENTRATIONS

Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

The Organization has deposits at various banks. Currently, $250,000 of insurance is provided at each bank through FDIC. The Organization's deposits held at U.S. banks are fully covered by FDIC for the years ended December 31, 2016 and 2015. The Organization's deposits at the banks in Africa are not covered by FDIC.

3. CUMULATIVE EXCHANGE RATE EQUITY

The Organization is based in the United States as a non-profit charity under IRS Code 501(c)(3) corporation and has opted to report its financial statements in U.S. dollars. The Organization has project operations in Malawi, Africa. Transactions occurring during the year are converted utilizing the current market exchange rates between the U.S. dollar and the Malawi kwacha at the time of the transaction. Certain estimates and valuations utilized in the preparation of the financial statements are valued as of the exchange rates at December 31, 2016 and 2015. A variance may exist during the reporting process between the ending exchange rates and the historic exchange rate recorded at the time of the transaction. This creates cumulative exchange rate equity.

At December 31, 2016 and 2015, the Organization has accumulated $6,390 and ($205) in rate exchange equity. The gains and losses on these transactions are not to be accounted for on the statement of activities but will remain an equity account until the foreign operation is closed. The Organization is not involved in hedging activities nor does the equity transactions effect income taxes. The reported balance of the cumulative rate exchange was $6,595 and ($4,697) for fiscal years 2016 and 2015, respectively. The ending exchange rate was approximately k715.77 for every $1 as compared to k717.51 as of the date of this report.

4. PROPERTY AND EQUIPMENT, NET

At December 31, 2016 and 2015, property and equipment are comprised of the following:

	2016	2015
Office Equipment	$ 12,224	$ 10,410
Total Depreciable Assets	12,224	10,410
Accumulated Depreciation	(5,470)	(3,297)
Net Depreciable Assets	6,754	7,113
Land	12,655	9,445
Construction-in-Progress	120,451	-
	$139,860	$ 16,558

Depreciation expense was $2,174 and $2,082 for fiscal years 2016 and 2015, respectfully.

5. INVESTMENTS

On December 23, 2015, the Organization received a donation of stocks. Long-term investments are stated at fair value and are summarized by fund in the statement of financial position. They are comprised of stocks with fair market value of $487 and a FDIC insured deposit of $50 as of December 31, 2015. The stocks were sold in 2016.

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

FASB ASC 820, *Fair Value Measurements*, provides a framework for measuring fair value that requires an entity to determine fair value based on exit price in the principle market for the asset or liability being measured. Fair value is defined as the exchange price that would be received on the measurement date to sell an asset or the price paid to transfer a liability in the principle or most advantageous market available to the entity in an orderly transaction between market participants. The guidance also establishes a three level value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 asset and liability fair values are based on quoted prices in active markets for identical assets and liabilities.
- Level 2 asset and liability fair values are based on observable inputs that include: quoted market prices for similar assets and liabilities; quoted market prices that are not in an active market; or other inputs that are observable in the market and can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 assets and liabilities are financial instruments whose value is calculated by the use of pricing models and/or discounted cash flow methodologies, as well as financial instruments for which the determination of fair value requires significant management judgment or estimation.

The investments held by the organization are considered Level 1 assets.

7. RESTRCITIONS ON NET ASSETS

The Organization received restricted funding from the University of Dayton for the purpose of constructing a high school in the amount of $218,000. As of December 31, 2016, the Organization had spent $121,996 on the project leaving a balance of $96,004.