

**THE FOUNDATION FOR CANCER CARE IN TANZANIA
EDINA, MINNESOTA**

**FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**



THE FOUNDATION FOR CANCER CARE IN TANZANIA

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-11

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Foundation for Cancer Care in Tanzania
Edina, Minnesota

We have audited the accompanying financial statements of The Foundation for Cancer Care in Tanzania (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, 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.

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 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.

Opinion

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the financial position of The Foundation for Cancer Care in Tanzania as of December 31, 2015, 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.

Report on Summarized Comparative Information

We have previously audited The Foundation for Cancer Care in Tanzania's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 4, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Smith, Schopf and Associates, Ltd.

Minneapolis, Minnesota
November 3, 2016

THIS PAGE LEFT BLANK INTENTIONALLY

THE FOUNDATION FOR CANCER CARE IN TANZANIA

STATEMENTS OF FINANCIAL POSITION

December 31, 2015 and 2014

ASSETS	2015	2014
Current Assets		
Cash and cash equivalents	\$ 199,265	\$ 89,784
Precious stones held for sale	7,300	19,300
Portion of unconditional promises to give due within one year (Note 2)	29,983	41,325
Due from related party (Note 4)	-	3,340
Prepaid expenses	6,302	1,218
Total Current Assets	242,850	154,967
Other Assets		
Unconditional promises to give, net of current portion (Note 2)	-	30,246
TOTAL ASSETS	\$ 242,850	\$ 185,213
NET ASSETS		
Unrestricted net assets	\$ 209,867	113,642
Temporarily restricted net assets (Note 3)	32,983	71,571
TOTAL NET ASSETS	\$ 242,850	\$ 185,213

See Notes to Financial Statements

THIS PAGE LEFT BLANK INTENTIONALLY

THE FOUNDATION FOR CANCER CARE IN TANZANIA

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended December 31, 2015

With Comparative Totals for the Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Totals	
			2015	2014
Support				
Contributions	\$ 289,777	\$ 3,000	\$ 292,777	\$ 275,727
Donated materials and services	22,648	-	22,648	28,139
Exhibitor fees	3,750	-	3,750	-
Donated precious stones held for sale	-	-	-	19,300
Total Support	316,175	3,000	319,175	323,166
Net Assets Released from Restriction				
	41,588	(41,588)	-	-
Total Support	357,763	(38,588)	319,175	323,166
Functional Expenses				
Program services	164,779	-	164,779	110,987
General and administrative	25,555	-	25,555	13,075
Fundraising	71,204	-	71,204	13,891
Total Functional Expenses	261,538	-	261,538	137,953
Increase (Decrease) in Net Assets	96,225	(38,588)	57,637	185,213
NET ASSETS, BEGINNING OF YEAR	113,642	71,571	185,213	-
NET ASSETS, END OF YEAR	\$ 209,867	\$ 32,983	\$ 242,850	\$ 185,213

See Notes to Financial Statements

THIS PAGE LEFT BLANK INTENTIONALLY

THE FOUNDATION FOR CANCER CARE IN TANZANIA

STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2015

With Comparative Totals for the Year Ended December 31, 2014

	Program Services	General and Administrative	Fundraising	Totals	
				2015	2014
Fundraising	\$ -	\$ -	\$ 71,204	\$ 71,204	\$ 13,891
Travel	41,558	753	-	42,311	32,048
Payroll and payroll taxes	33,935	5,988	-	39,923	-
Contract services	28,917	5,103	-	34,020	45,514
Professional fees	20,145	-	-	20,145	31,496
Symposium	18,290	-	-	18,290	-
Office expenses	3,019	12,078	-	15,097	5,603
Medical equipment	13,315	-	-	13,315	-
Training	3,150	-	-	3,150	-
Housing	2,285	-	-	2,285	3,350
Insurance	-	1,478	-	1,478	344
Miscellaneous	39	155	-	194	707
Research	126	-	-	126	5,000
TOTAL FUNCTIONAL EXPENSES	\$ 164,779	\$ 25,555	\$ 71,204	\$ 261,538	\$ 137,953

See Notes to Financial Statements

THIS PAGE LEFT BLANK INTENTIONALLY

THE FOUNDATION FOR CANCER CARE IN TANZANIA

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2015 and 2014

	2015	2014
Cash Flows From Operating Activities		
Increase in net assets	\$ 57,637	\$ 185,213
Adjustments to reconcile change in net assets to net cash from operations:		
Noncash precious stones held for sale contributions	-	(19,300)
(Increase) decrease in:		
Precious stones held for sale	12,000	-
Unconditional promises to give	41,588	(71,571)
Due from related party	3,340	(3,340)
Prepaid expenses	(5,084)	(1,218)
Net Increase in Cash and Cash Equivalents	109,481	89,784
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	89,784	-
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 199,265	\$ 89,784

See Notes to Financial Statements

THIS PAGE LEFT BLANK INTENTIONALLY

THE FOUNDATION FOR CANCER CARE IN TANZANIA

NOTES TO FINANCIAL STATEMENTS

1. Description of Foundation and Summary of Significant Accounting Policies

Description of Foundation

The Foundation for Cancer Care in Tanzania (the Foundation) is a nonprofit organization. Its mission is to enhance cancer care through education prevention and screening programs, treatment and palliative services to improve the lives of the citizens of Tanzania.

Basis of Presentation

Financial statement presentation follows FASB ASC 958. Under FASB ASC 958, the Foundation 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. There were no permanently restricted net assets as of December 31, 2015 and 2014.

Basis of Accounting and Revenue Recognition

The Foundation keeps its books on the accrual basis of accounting. All income and expenses are recorded as they are earned or incurred.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Unconditional Promises to Give

Unconditional promises to give are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with donors having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial. Therefore, no valuation allowance is maintained for these unconditional promises to give. Balances that are still outstanding after management has used reasonable collection efforts are written off.

Unconditional promises to give due more than one year from the Foundation's statement of financial position date are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be recorded.

THE FOUNDATION FOR CANCER CARE IN TANZANIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

1. Description of Foundation and Summary of Significant Accounting Policies (Continued)

Donated Precious Stones Held for Sale

Donated precious stones held for sale are recorded as contributions at the estimated fair value on the date received. The value of the contribution of precious stones held for sale is recognized as both revenue and an asset to the Foundation. The Foundation recognized \$19,300 in donated precious stones held for sale for the year ended December 31, 2014.

Donated Materials and Services

Donated materials and services are recorded as contributions at their estimated fair value on the date received. The value of the contribution of materials and services is recognized as both revenue and an expense to the Foundation. The Foundation recognized \$22,648 and \$28,139 of donated materials and services for the years ended December 31, 2015 and 2014, respectively.

The Foundation recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. The Foundation receives services from a large number of volunteers who give significant amounts of their time to the Foundation's programs and fundraising campaigns but which do not meet the criteria for financial statement recognition.

Contributions

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

All other contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

THE FOUNDATION FOR CANCER CARE IN TANZANIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

1. Description of Foundation and Summary of Significant Accounting Policies (Continued)

Income Taxes

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. As a result, the Foundation doesn't pay federal income tax. Therefore, no provision or liability for federal income taxes has been included in the financial statements.

Management has determined that the Foundation does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures.

The Foundation's federal informational returns for 2014 and 2015 are subject to examination by the IRS, generally for three years after they were filed.

Fair Value of Financial Instruments

The carrying amount for cash and cash equivalents, due from related party and prepaid expenses approximates fair value due to the immediate or short-term maturity of these financial instruments.

Concentration of Credit Risks

The Foundation's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents. The Foundation keeps its cash with high quality financial institutions. At times, balances maintained at these financial institutions may exceed the federally insured limit. As of December 31, 2015 and 2014, there were no cash balances in excess of the federally insured limit.

Management routinely assesses the financial strength of its donors and as a consequence, believes that the promises to give credit risk exposure is limited.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

THE FOUNDATION FOR CANCER CARE IN TANZANIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

1. Description of Foundation and Summary of Significant Accounting Policies (Continued)

Prior Year Comparative Totals

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2014, from which the summarized information was derived.

Reclassifications

Certain reclassifications have been made to the 2014 financial statements to conform to those used in the 2015 financial statements.

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through November 3, 2016, the date the financial statements were available to be issued.

2. Unconditional Promises to Give

Unconditional promises to give as of December 31, 2015 and 2014 consisted of the following:

Receivable in:	2015	2014
Less than on year	\$ 30,913	\$ 44,087
One to five years	-	30,913
Total	30,913	75,000
Less: Discount to present value	930	3,429
Total Unconditional Promises to Give	29,983	71,571
Less: Current portion	29,983	41,325
Unconditional Promises to give, net of current portion	\$ -	\$ 30,246

THE FOUNDATION FOR CANCER CARE IN TANZANIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. Net Assets

Temporarily restricted net assets as of December 31, 2015 and 2014 consisted of the following:

	2015	2014
Time restrictions	\$ 29,983	\$ 71,571
Purpose restrictions	3,000	-
Total Temporarily Restricted Net Assets	<u>\$ 32,983</u>	<u>\$ 71,571</u>

Net assets in the amount of \$41,588 were released from restriction for the year ended December 31, 2015 by meeting the donor's time restriction requirements.

4. Related Party Transactions

The Foundation is affiliated with another organization, East Africa Medical Assistance Foundation (EAMAF). Some of the Foundation's directors are also directors on the EAMAF board. The Foundation had a management agreement with EAMAF that allowed the EAMAF to accept donations on behalf of the Foundation until it received their 501(c)(3) designation. The agreement called for a five percent fee of donations to be retained by the Foundation. The Foundation paid \$2,657 in fees for the year ended December 31, 2014.

The Foundation and EAMAF share the cost of housing for personal located in Tanzania. EAMAF owed the Foundation \$3,340 for their portion of the housing costs as of December 31, 2014, which was paid during the year ended December 31, 2015.