

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

**FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**



THE FOUNDATION FOR CANCER CARE IN TANZANIA

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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, 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.

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, 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.

Report on Summarized Comparative Information

We have previously audited The Foundation for Cancer Care in Tanzania's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 3, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Smith, Schopf and Associates, Ltd.

Minneapolis, Minnesota
July 14, 2017

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THE FOUNDATION FOR CANCER CARE IN TANZANIA

STATEMENTS OF FINANCIAL POSITION

December 31, 2016 and 2015

ASSETS	2016	2015
Current Assets		
Cash and cash equivalents	\$ 60,720	\$ 199,265
Investments (Note 2)	1,903	-
Precious stones held for sale	-	7,300
Portion of unconditional promises to give due within one year (Note 4)	5,000	29,983
Prepaid expenses	6,302	6,302
TOTAL ASSETS	\$ 73,925	\$ 242,850
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 45,154	\$ -
Net Assets		
Unrestricted net assets	23,771	209,867
Temporarily restricted net assets (Note 5)	5,000	32,983
Total Net Assets	28,771	242,850
TOTAL LIABILITIES AND NET ASSETS	\$ 73,925	\$ 242,850

See Notes to Financial Statements

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THE FOUNDATION FOR CANCER CARE IN TANZANIA

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended December 31, 2016

With Comparative Totals for the Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Totals	
			2016	2015
Revenue and Support				
Contributions	\$ 365,228	\$ 5,000	\$ 370,228	\$ 292,777
Donated materials and services	35,592	-	35,592	22,648
Exhibitor fees	2,750	-	2,750	3,750
Unrealized gain on investments	12	-	12	-
Realized (loss) on sale of investments	(116)	-	(116)	-
Net Assets Released from Restriction	32,983	(32,983)	-	-
Total Revenue and Support	436,449	(27,983)	408,466	319,175
Functional Expenses				
Program services	519,492	-	519,492	164,779
General and administrative	44,072	-	44,072	25,555
Fundraising	58,981	-	58,981	71,204
Total Functional Expenses	622,545	-	622,545	261,538
Increase (Decrease) in Net Assets	(186,096)	(27,983)	(214,079)	57,637
NET ASSETS, BEGINNING OF YEAR	209,867	32,983	242,850	185,213
NET ASSETS, END OF YEAR	\$ 23,771	\$ 5,000	\$ 28,771	\$ 242,850

See Notes to Financial Statements

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THE FOUNDATION FOR CANCER CARE IN TANZANIA

STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2016

With Comparative Totals for the Year Ended December 31, 2015

	Program Services	General and Administrative	Fundraising	Totals	
				2016	2015
Clinic	\$ 296,421	\$ -	\$ -	\$ 296,421	\$ -
Contributions	107,000	-	-	107,000	-
Fundraising	-	-	58,981	58,981	71,204
Travel	33,437	606	-	34,043	42,311
Professional fees	2,348	21,132	-	23,480	20,145
Medical equipment	23,168	-	-	23,168	13,315
Payroll and payroll taxes	15,347	6,577	-	21,924	39,923
Housing repairs	20,113	-	-	20,113	2,285
Office expenses	1,345	12,105	-	13,450	15,097
Nursing	6,117	-	-	6,117	-
Contract services	4,774	842	-	5,616	34,020
Symposium	4,755	-	-	4,755	18,290
Tuition	4,640	-	-	4,640	-
Insurance	-	2,562	-	2,562	1,478
Miscellaneous	27	248	-	275	194
Training	-	-	-	-	3,150
Research	-	-	-	-	126
TOTAL FUNCTIONAL EXPENSES	\$ 519,492	\$ 44,072	\$ 58,981	\$ 622,545	\$ 261,538

See Notes to Financial Statements

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THE FOUNDATION FOR CANCER CARE IN TANZANIA

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2016 and 2015

	2016	2015
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ (214,079)	\$ 57,637
Adjustments to reconcile change in net assets to net cash from operations:		
Realized loss on sale of investments	116	-
Unrealized (gain) on investments	(12)	-
(Increase) decrease in:		
Precious stones held for sale	7,300	12,000
Unconditional promises to give	17,005	41,588
Due from related party	-	3,340
Prepaid expenses	-	(5,084)
Increase (decrease) in:		
Accounts payable	45,154	-
Net Cash Provided By (Used In) Operating Activities	(144,516)	109,481
Cash Flows From Investing Activities		
Proceeds from sale of investments	5,971	-
Net Increase (Decrease) in Cash and Cash Equivalents	(138,545)	109,481
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	199,265	89,784
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 60,720	\$ 199,265

See Notes to Financial Statements

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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, 2016 and 2015.

Basis of Accounting and Revenue and Support 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.

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 \$35,592 and \$22,648 of donated materials and services for the years ended December 31, 2016 and 2015, 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 are subject to examination by the IRS, generally for three years after they were filed.

Fair Value of Financial Instruments

The carrying amount for substantially all assets and liabilities approximates fair value due to the immediate or short-term maturity of these financial instruments. See Note 3 for discussion of fair value regarding the Foundation's investments.

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, 2016 and 2015, 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, 2015, from which the summarized information was derived.

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through July 14, 2017, the date the financial statements were available to be issued.

2. Investments

Investments, carried at fair value as determined on an open market, as of December 31, 2016 and 2015, consisted of the following:

	2016		2015	
	Cost	Market	Cost	Market
Common stock	\$ 1,891	\$ 1,903	\$ -	\$ -

Unrealized gains of \$12 were recognized in the financial statements related to investments for the year ended December 31, 2016.

3. Fair Value Measurement

Accounting standards establish a framework for measuring fair value. That framework provides a 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 three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

THE FOUNDATION FOR CANCER CARE IN TANZANIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. Fair Value Measurement (Continued)

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specific (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's 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.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2016 and 2015.

Common stocks: Common stocks are reported at fair value based on the quoted market price of the stock, as reported by the Foundation's brokerage firm.

The methods described above may produce fair values that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are 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 following table reflects the Foundation's investments within the fair value hierarchy at December 31, 2016:

Description	As of December 31, 2016			
	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Common stock	\$ 1,903	\$ 1,903	\$ -	\$ -

THE FOUNDATION FOR CANCER CARE IN TANZANIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. Unconditional Promises to Give

Unconditional promises to give as of December 31, 2016 and 2015 consisted of the following:

Receivable in:	2016	2015
Less than on year	\$ 5,000	\$ 30,913
One to five years	-	-
Total	5,000	30,913
Less: Discount to present value	-	930
Total Unconditional Promises to Give	5,000	29,983
Less: Current portion	5,000	29,983
Unconditional Promises to give, net of current portion	\$ -	\$ -

5. Net Assets

Temporarily restricted net assets as of December 31, 2016 and 2015 consisted of the following:

	2016	2015
Time restrictions	\$ 5,000	\$ 29,983
Purpose restrictions	-	3,000
Total Temporarily Restricted Net Assets	\$ 5,000	\$ 32,983

Net assets in the amount of \$27,983 and \$41,588 were released from restriction for the years ended December 31, 2016 and 2015 by meeting the donor's time restriction requirements.