

**AMERICAN FRIENDS OF THE SCHOOL  
OF ST. JUDE, TANZANIA, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**

**AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
American Friends of the School of St. Jude, Tanzania, Inc.  
Louisville, Kentucky

We have audited the accompanying financial statement of the American Friends of the School of St. Jude, Tanzania, Inc. (a nonprofit organization), which comprise the statement of cash receipts and disbursements as of December 31, 2016 and the related notes to the financial statement.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note A; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 this financial statement 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 statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement in order to design audit procedures that are appropriate in the circumstances, but not for the purposes 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 statement referred to above presents fairly, in all material respects, the financial position of the American Friends of the School of St. Jude, Tanzania, Inc. as of December 31, 2016 and the changes in cash receipts and disbursements during the year in accordance with cash basis of accounting described in Note A.

**Basis of Accounting**

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

*Schiavi, Wallace & Rowe, PC*

November 13, 2017

**AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS – CASH BASIS**  
**Year Ended December 31, 2016**

	<b>2016</b>
<b>CASH RECEIPTS</b>	
Contributions	\$ 607,602
 <b>CASH DISBURSEMENTS</b>	
Donations	560,805
Bank and service fees	368
Fees and licenses	121
Postage	49
Website design	1,814
Loss on investments	15
	563,172
INCREASE IN CASH AND CASH EQUIVALENTS	44,430
BEGINNING CASH AND CASH EQUIVALENTS	52,624
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<b>\$ 97,054</b>

See accompanying notes.

**AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2016**

**NOTE A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

American Friends of the School of St. Jude, Tanzania, Inc. (the Organization) was incorporated on February 3, 2015 in the State of Maryland. The Organization is a 501(c)(3) corporation that provides financial assistance with the daily operations of the School of St. Jude in Tanzania, East Africa.

**Basis of Accounting**

The Organization's policy is to prepare its financial statements on the cash basis of accounting; consequently, contributions and other revenues are recognized when received rather than when promised or earned, and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

**Financial Statement Presentation**

The accompanying financial statement has been prepared on the cash receipts and disbursements basis of accounting, also known as the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Under that basis, the only asset recognized is cash, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and non-cash transactions are not recognized in the financial statement. The cash basis differs from accounting principles generally accepted in the United States of America primarily because the effects of outstanding dues at the date of the financial statement are not included in the financial statement.

**Contributions and Revenue**

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

**Donated Services**

The Organization recognizes donated services which create or enhance nonfinancial assets or that require specialized skills which are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. There were no donated services for the year ended December 31, 2016.

**Date of Management's Review**

Management has evaluated subsequent events through November 13, 2017, the date on which the financial statements were available to be issued.

**AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2016**

**NOTE A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Cash and Cash Equivalents**

The Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000.

**Fair Value of Financial Instruments**

The carrying amounts of cash and cash equivalents approximate fair value because of the short-term maturity of those instruments.

**Advertising**

The Organization expenses all advertising and promotional costs as incurred. Advertising and promotional expense was \$0 at December 31, 2016.

**NOTE B - INCOME TAXES**

The Organization is exempt from income tax under Section 501(c)(3) of the U. S. Internal Revenue Code (Code) and comparable State law, and contributions to it are tax deductible within the limitations prescribed by the Code. The Organization has been classified as a publicly supported organization which is not a private foundation under Section 509(a) of the Code.

The Organization has not taken any questionable tax positions with respect to unrelated business income tax or anything that would jeopardize its 501(c)(3) status.

The Organization's federal tax return for 2015 (first years of operation) is subject to examination by the Internal Revenue Service, generally for three years after the return is filed.

**NOTE C - REVENUE CONCENTRATION**

The Organization received 82% of its charitable gifts from one donor for the year ended December 31, 2016.

**NOTE D - MANAGEMENT, GENERAL AND FUNDRAISING EXPENSES**

There were no management, general and fundraising expenses for the year ended December 31, 2016.