TANZANIA EDUCATION FUND, INC.

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2016 AND 2015
Board of Directors
Tanzania Education Fund, Inc.

We have audited the accompanying financial statements of Tanzania Education Fund, Inc. (a nonprofit Organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, changes in net assets 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 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 auditors' 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 above present fairly, in all material respects, the financial position of Tanzania Education Fund, Inc. 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.

May 12, 2017
Financial Statements

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## TANZANIA EDUCATION FUND, INC.

### STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

**Years ended December 31,**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue and support:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$21,666</td>
<td>$78,336</td>
</tr>
<tr>
<td>Investment income (loss)</td>
<td>(540)</td>
<td>2,220</td>
</tr>
<tr>
<td><strong>Total revenue and support</strong></td>
<td>21,126</td>
<td>80,556</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funds sent to school</td>
<td>7,000</td>
<td>64,000</td>
</tr>
<tr>
<td>Accounting fees</td>
<td>3,000</td>
<td>1,375</td>
</tr>
<tr>
<td>Charitable contributions</td>
<td>300</td>
<td>1,100</td>
</tr>
<tr>
<td>Stationary expenses</td>
<td>-</td>
<td>375</td>
</tr>
<tr>
<td>Supplies</td>
<td>145</td>
<td>-</td>
</tr>
<tr>
<td>State corp. commission fees</td>
<td>25</td>
<td>-</td>
</tr>
<tr>
<td>Shipping expenses</td>
<td>-</td>
<td>130</td>
</tr>
<tr>
<td>Canadian transaction adjust.</td>
<td>(225)</td>
<td>-</td>
</tr>
<tr>
<td>Bank service charges</td>
<td>5</td>
<td>135</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>10,250</td>
<td>67,115</td>
</tr>
<tr>
<td><strong>Increase (decrease) in net assets</strong></td>
<td>10,876</td>
<td>13,441</td>
</tr>
<tr>
<td><strong>Net assets, beginning</strong></td>
<td>110,816</td>
<td>97,375</td>
</tr>
<tr>
<td><strong>Net assets, ending</strong></td>
<td>$121,692</td>
<td>$110,816</td>
</tr>
</tbody>
</table>

*See accompanying notes and independent auditors' report.*
# TANZANIA EDUCATION FUND, INC.

## STATEMENTS OF FINANCIAL POSITION

*Years ended December 31,*

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and savings</td>
<td>$59,829</td>
<td>$47,063</td>
</tr>
<tr>
<td>Money market funds</td>
<td>50,463</td>
<td>51,128</td>
</tr>
<tr>
<td>Securities</td>
<td>11,400</td>
<td>12,625</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>121,692</td>
<td>110,816</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>121,692</td>
<td>110,816</td>
</tr>
<tr>
<td><strong>Net Assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>121,692</td>
<td>110,816</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>121,692</td>
<td>110,816</td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>$121,692</td>
<td>$110,816</td>
</tr>
</tbody>
</table>

*See accompanying notes and independent auditors' report.*
TANZANIA EDUCATION FUND INC.

STATEMENTS OF CASH FLOWS

Years ended December 31, 2016  2015

Cash flows from operating activities:
  Change in net assets  $10,876  $13,441
  Adjustments to reconcile change in net assets to net cash used by operating activities:
    Realized (gain) loss in fair market value of investments - 1,486
    Unrealized (gain) loss in fair market value of investments 1,225 (1,145)

Net cash provided (used) by operating activities 12,101 13,782

Cash flows from investing activities:
  Purchase of investments - (20,000)
  Sales of investments 1,340 30,000
  Income reinvested (675) (2,553)

Net cash provided (used) provided by investing activities 665 7,447

Net increase (decrease) in cash 12,766 21,229

Cash, beginning of year 47,063 25,834

Cash, end of year $59,829 $47,063

See accompanying notes and independent auditors' report.
Note A  Summary of Significant Accounting Policies

Nature of Activities
Tanzania Education Fund, Inc. raises and provides the funds necessary for the construction and development of Nianjema Secondary and High School in Bagamoyo, Tanzania in order to provide a quality education.

The Internal Revenue Service has determined the Organization is a not-for-profit organization and is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

Basis of Accounting
The financial statements of the Tanzania Education Fund, Inc. have been prepared on the accrual basis of accounting in conformity with standards promulgated by the American Institute of Certified Public Accountants.

Revenue Recognition
Revenue and support for the activities of the Organization are currently derived from contributions received from organizations and community members. Revenue and support is recognized when cash or pledges are received.

Financial Statement Presentation
The Organization reports information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets: To be used for continuing operations of the Organization.

Temporarily restricted net assets: Represent resources currently available for use, but expendable only for those operating purposes specified by the donor. At the present time, the Organization has no temporarily restricted net assets.

Permanently restricted net assets: Represents contributions and investment gain and losses, which are permanently restricted by the donor. At the present time, the Organization has no permanently restricted net assets.

Cash and Cash Equivalents
For financial statement purposes, the Organization considers all investments with a maturity of three months or less, when purchased, to be cash equivalents.

Contributions
Contributions are recognized as revenue when they are received or unconditionally pledged. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any donor restrictions. When a temporary 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.
Note A  Summary of Significant Accounting Policies
(continued)

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

Functional Allocation of Expenses
The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities.

Note B  Income Taxes
The Organization is exempt from income taxes under Code Section 501(c)(3) of the Internal Revenue Code. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the Organization to report information regarding its exposure to various tax positions taken by the Organization. Management believes that the Organization has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Management is not aware of any circumstances or transactions that would jeopardize its tax-exempt status. Tax years before 2012 are no longer subject to federal tax examinations.

Note C  Contributions In-Kind
A number of people have contributed significant amounts of time to the activities of the Organization without compensation. The Organization has also been provided in-kind donations by various members of the community it serves. These items are not reflected in the financial statements. If the items were recorded as additional support received, there would be offsetting expenses recorded.
Note D
Fair Value Measurements
The Organization’s investments are valued using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy defines three levels of inputs, giving the highest priority to unadjusted quoted prices in active markets for identical assets and the lowest priority to unobservable inputs.

Investments valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Investments valued using Level 2 inputs are based on observable market-based inputs other than quoted prices for identical assets in active markets. Investments valued using Level 3 inputs are based on management’s assumptions and unobservable inputs.

The Organization’s investments in money market funds and securities are measured at fair value as of December 31, 2016 and 2015 on a recurring basis, using Level 1 inputs.

Note E
Related Party Transactions
A donation in the amount of $5,000 in 2016 and $1,100 in 2015 from Tanzania Education Fund, Inc. was remitted to Tanzania Medical Fund, Inc. Though the two entities are separate, the entities share a principal officer – Executive Director. This amount is reflected as a charitable contribution in the Statement of Activities.

Note F
Date of Management Review
These financial statements considered subsequent events through May 12, 2017, the date the financial statements were available to be issued.