

AMERICAN CARE FOR SUDAN FOUNDATION, INC.

**Financial Statements as of
December 31, 2007
Together with
Independent Auditors' Report**

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

December 12, 2008

To the Executive Board of
American Care for Sudan Foundation, Inc:

We have audited the accompanying balance sheet of American Care for Sudan Foundation, Inc. (the Foundation, a New York not-for-profit organization) as of December 31, 2007, and the related statement of activities and change in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of American Care for Sudan Foundation, Inc. as of December 31, 2007, and the changes in net assets for the year then ended, in conformity with accounting principles generally accepted in the United States.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information contained in Exhibit I is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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AMERICAN CARE FOR SUDAN FOUNDATION, INC.

**BALANCE SHEET
DECEMBER 31, 2007**

ASSETS

CASH AND CASH EQUIVALENTS \$ 71,468

\$ 71,468

LIABILITIES AND NET ASSETS

ACCOUNTS PAYABLE \$ 10,276

NET ASSETS

 Unrestricted 41,617

 Temporarily restricted 19,575

61,192

\$ 71,468

The accompanying notes are an integral part of these statements.

AMERICAN CARE FOR SUDAN FOUNDATION, INC.

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
REVENUE:			
Contributions	\$ 413,657	\$ 19,575	\$ 433,232
Interest income	<u>577</u>	<u>-</u>	<u>577</u>
	<u>414,234</u>	<u>19,575</u>	<u>433,809</u>
EXPENSES:			
Program services	392,626	-	392,626
Supporting services	<u>7,389</u>	<u>-</u>	<u>7,389</u>
	<u>400,015</u>	<u>-</u>	<u>400,015</u>
CHANGE IN NET ASSETS	14,219	19,575	33,794
NET ASSETS - beginning of year	<u>27,398</u>	<u>-</u>	<u>27,398</u>
NET ASSETS - end of year	<u>\$ 41,617</u>	<u>\$ 19,575</u>	<u>\$ 61,192</u>

The accompanying notes are an integral part of these statements.

AMERICAN CARE FOR SUDAN FOUNDATION, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2007**

CASH FLOW FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 33,794
Adjustments to reconcile change in net assets to net cash flow from operating activities:	
Changes in:	
Accounts payable	<u>10,276</u>
Net cash flow from operating activities	<u>44,070</u>
CHANGE IN CASH AND EQUIVALENTS	44,070
CASH AND EQUIVALENTS - beginning of year	<u>27,398</u>
CASH AND EQUIVALENTS - end of year	<u><u>\$ 71,468</u></u>

The accompanying notes are an integral part of these statements.

AMERICAN CARE FOR SUDAN FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2007

1. THE ORGANIZATION

American Care for Sudan Foundation, Inc. (the Foundation) is sponsored by the First Presbyterian Church of Skaneateles, New York and was established in August 2005. The Foundation was created to develop and sustain health clinics in Southern Sudan. One clinic has been constructed and began operations in May 2007. The health clinic is not owned by the Foundation. The Foundation has U.S. Department of Treasury clearance for Humanitarian Aid to a United Nations Sanctioned Country and is registered with the Government of South Sudan as a humanitarian non-government organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States.

Financial Reporting

The Foundation reports its activities and the related net assets using the following net asset classifications:

- **Unrestricted**
Unrestricted net assets include funds available for the Foundation's operating activities.
- **Temporarily Restricted**
Temporarily restricted net assets include investments and other assets received with donor stipulations that limit their use. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. As of December 31, 2007, assets of \$19,575 were restricted to be used for telecommunication services.

Cash and Cash Equivalents

Cash and cash equivalents consist of bank demand deposit and money market accounts. At times, the balances in these accounts may exceed federally insured limits. The Foundation has not experienced any losses in these accounts and management believes it is not exposed to any significant credit risk with respect to cash and cash equivalents.

Contributions

Contributions are recorded based upon donor restrictions in the appropriate fund type at the time the contribution is received.

The Foundation reports gifts of cash as restricted funds if they are received with donor stipulations that limit the use of donated assets. When the donor restriction expires, that is, when a stipulated time restriction ends or purpose restrictions is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions (Continued)

During 2007, the Foundation received donations from two unaffiliated entities that represent 32% and 23% of contribution revenue, respectively.

Foreign Currency Transactions

The Foundation's functional currency is the U.S. dollar. Operations conducted in the Sudan are transacted in U. S. dollars. Therefore there are no reportable foreign currency translation gains or losses.

Donated Services

Volunteers have donated significant amounts of time in support of the Foundation's activities. However, the value of these services is not reflected in the accompanying financial statements, as they do not meet the criteria for recognition set forth under generally accepted accounting principles.

Clinic Payroll

The Foundation has no U.S. employees. The Foundation employs personnel for the operation of the clinic in the country of Sudan. The Foundation incurs significant travel expenses for the clinic's physicians and volunteers during the construction period and for the procurement of supplies.

Income Tax Status

The Foundation is a not-for-profit organization and is exempt from income taxes as an organization qualified under Section 501(c)(3) of the Internal Revenue Code. The Foundation has also been classified by the Internal Revenue Service as an entity that is not a private foundation.

3. SUBSEQUENT EVENT

On June 12, 2008 the Foundation's Board of Directors signed a joint resolution with the Board of Directors of the John Dau Sudan Foundation (JDSF), a nonprofit foundation with a similar charitable mission of developing and sustaining health clinics in Southern Sudan. Both entities' Boards of Directors resolved to combine the Boards and to work towards establishing a single operating entity. On November 11, 2008, the Boards resolved to discontinue the separate operations of the John Dau Sudan Foundation and to continue operations of the American Care for Sudan Foundation, d/b/a John Dau Foundation. The combination is intended to be finalized by December 31, 2008 and the net assets of JDSF as of December 12, 2008 that are intended to be transferred to the Foundation consist of:

Cash	\$	4,552
Other current assets		5,000
Fixed assets, net of depreciation		2,163
Less: Current liabilities		<u>(2,945)</u>
Unrestricted net assets	\$	<u><u>8,770</u></u>

AMERICAN CARE FOR SUDAN FOUNDATION, INC.**STATEMENT OF UNRESTRICTED FUNCTIONAL REVENUE AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2007**

UNRESTRICTED REVENUE:	
Contributions	\$ 413,657
Interest	<u>577</u>
Total unrestricted revenue	<u>414,234</u>
EXPENSES:	
Program Services -	
Travel	139,824
Facilities and equipment	138,732
Operations	110,621
Contract services	2,750
Miscellaneous	<u>699</u>
Total program services	<u>392,626</u>
Supporting Services -	
Management expenses	<u>7,389</u>
Total supporting services	<u>7,389</u>
Total expenses	<u>400,015</u>
EXCESS OF UNRESTRICTED REVENUE OVER EXPENSES	<u>\$ 14,219</u>

The accompanying notes are an integral part of this exhibit.