



Explanatory notes to the financial statements closed on August 31st, 2017

Premise

General information

The Italian-American culture and study association Luciano Finelli Friends of the Johns Hopkins University was established on January 28th, 2002 in the form of a Social Promotion Association pursuant to Law 383/2000.

On December 17th, 2003, with determination no. 213636/2003, it was registered in the Provincial Register of the Social Promotion Associations established in compliance with Regional Law 34/2002.

The association is registered in the Registry of Legal Entities of the Emilia Romagna Region at no. 719.

The statutory purpose of the Association is the promotion and support of cultural activities in Italy and abroad, encouraging the development, among Members and citizens, of initiatives aimed at their cultural and social education, through the use of all possible means of information. To achieve its goal, the Association carries out the following activities:

1. Study, research, debate, editorial initiatives, training and updating in the fields of culture, economics, social issues, international relations and political sciences;
2. Organization of language courses;
3. Promotion, through the establishment of scholarships and / or research prizes, of the access to advanced studies of worthy and capable people.

Particular attention is given to the activities and initiatives of the Bologna Center School of Advanced International Studies of the Johns Hopkins University.

The Association is registered in the list of recipients of the division of 5 per thousand of the IRPEF held by the Revenue Agency.

The present financial statement was submitted to the examination and revision of the Board of Statutory Auditors.

The financial statements closed on August 31st, 2017 shows an operating surplus of € 3,968.00.

Balance sheet form and content

The submitted budget was drawn up according to the model recommended by the Non-profit Association Committee of the National Council of Chartered Accountants with reference, in general terms and as applicable, to the Civil Code,

to the regulation of non-commercial entities and non-profit organizations Leg. Decree no. 460/97, and on the basis of the accounting principles issued by the National Council of Chartered Accountants, also taking into account the recommendations and guidelines of the Agency for non-profit organizations.

The main feature of the adopted balance sheet is the presentation of individual uses and sources in order of increasing liquidity.

The financial statement report has the main purpose of informing about the activity carried out in fulfilling the institutional mission, and its objects are the methods by which the resources were acquired and used in carrying out such activity. Therefore, the applied model informs about the acquisition and use of resources with reference to the so-called "management areas", i.e. the institutional activity mainly linked to cultural activities, the fundraising activity necessary for the pursuit of institutional purposes and general operation expenses.

However, in order to provide a more complete and exhaustive information on the performance of the association management, on the context in which it operates, it was deemed appropriate to accompany it with the Report on Operations.

Evaluation criteria

The criteria used in the preparation of the financial statements as at August 31st, 2017 do not differ from those used for the preparation of the financial statements of the previous year, in particular in the valuations and continuity of the same principles.

The evaluation of the financial statement items was based on general criteria of prudence and competence with a view to continuing the activity.

The application of the principle of prudence has led to the individual evaluation of the elements composing the individual items or assets or liabilities items, to avoid compensation between losses that had to be recognized and profits not to be recognized as not realized.

In compliance with the accrual basis, the effect of the transactions and other events was recorded in the accounts and attributed to the year to which these transactions and events refer, and not to the year in which the relative cash movements take place (collections and payments).

The application continuity of evaluation criteria over time is a necessary element for the purposes of comparability of the association financial statements in the various financial years.

The assessment takes into account the economic function of the considered asset or liability element, expressing the principle of substance prevalence over form - compulsory if not explicitly contrary to other specific rules on the financial statements. Such assessment allows the representation of transactions according to the economic reality underlying the formal aspects.

In particular, the evaluation criteria adopted in the preparation of the financial statements were as follows.

Fixed assets

Intangible and tangible fixed assets

They were recorded at purchase cost and adjusted by the corresponding amortization funds.

In the budgeting value the extra charges and the costs incurred for the use of the

fixed asset were taken into account. Such values have never been subject to revaluations, neither those provided for by special laws, nor those carried out on voluntary basis.

The amortization values, entered in profit or loss, were calculated considering the use, destination and economic-technical duration of the assets, based on the criterion of the residual possibility of use.

Credits

They were recorded to the presumable realizable value.

Debts

They were recorded to their face value.

Income taxes

Taxes were set aside according to the accrual principle. Therefore, they represent the provisions for taxes paid or to be settled for the year, determined according to the rates and regulations in force.

Proceeds

Income from membership fees, contributions and offers received from individuals and institutions were entered to the effective collection or – if they derive from specific deeds or resolutions – based on their accrual. Other income was recorded on the accrual principle.

Expenses

The charges for the year were recorded on a temporal accrual basis.

Assets

B) Fixed assets

I. Intangible fixed assets

Balance at 08/31/2017	Balance at 08/31/2016	Variations
-	-	-

II. Tangible fixed assets

Balance at 08/31/2017	Balance at 08/31/2016	Variations
393	490	(97)

The movement of this item is indicated below.

Description	Amount
Balance at 08/31/2016	490
Acquisitions	
Amortizations	-97
Disposals	
Revaluations/Allowances	
Balance at 08/31/2017	393

C) Current assets

II. Credits

	Balance at 08/31/2017	Balance at 08/31/2016	Variations
	586	586	--

Description	Within 12 months	Beyond 12 months	Beyond 5 years	Total
To customers				
For tax credits	586			586
To others				
Rounding off				
	586			586

IV. Cash

	Balance at 08/31/2017	Balance at 08/31/2016	Variations
	34,472	41,917	(7,435)

Description	08/31/2017	08/31/2016
Bank and post-office deposits	34,300	41,735
Cheques		
Cash and other values	172	172
Rounding off		
	34,472	41,917

The balance represents the cash and cash equivalents and the existence of cash and values at the end of the year.

Liabilities

A) Net assets

	Balance at 08/31/2017	Balance at 08/31/2016	Variations
	40,436	36,468	3,968

Description	31/08/2016	Increases	Decreases	08/31/2016
Previous operations surplus	5,762	10,705		16,467
Guarantee capital fund	20,000			20,000
Reserve for conversion / rounding off in Euros	1			1
Income	10,705			3,968
Total	36,468			40,436

The net assets item contains a guarantee fund of € 20,000.00, bound by decision of the directors, for the purpose of providing the necessary capital guarantee to third parties, following the request for registration in the regional register of legal entities. The fund is unavailable for management purposes.

B) Fondi per rischi e oneri

Balance at 08/31/2017	Balance at 08/31/2016	Variations
4,000	15,500	(11,500)

It was considered appropriate to earmark the proceeds collected through the TGE (Transnational Giving Europe) network - net of expenses incurred - as "Fund for projects of the Bologna Center". This fund will be used to finance projects that will be presented from time to time by the Bologna Center in compliance with the statutory purposes of the association.

The movements of this fund are indicated below:

Description	Amount
Balance at 08/31/2016	15,500
Provision	4,000
Contributions granted	-15,500
Balance at 08/31/2017	4,000

D) Debts

Balance at 08/31/2017	Balance at 08/31/2016	Variations
1,015	1,015	-

The debts are valued at their nominal value and their expiry is subdivided (article 2427, first paragraph, no. 6, C.c.) as follows:

Description	Within 12 months	Beyond 12 months	Beyond 5 years	Total
Trade payables	1,015			1,015
Tax liabilities				
Other debts				
Rounding off				
	1,015			1,015

There are no collateralized debts on social assets.

Financial statement

A) Proceeds

Balance at 08/31/2017	Balance at 08/31/2016	Variations
30,929	30,171	758

Description	08/31/2017	08/31/2016	Variations
Proceeds from institutional activity	30,928	30,170	758
Commercial activity proceeds	-	-	-
Other proceeds	1	1	-
	30,929	30,171	758

B) Liabilities

Balance at 08/31/2017	Balance at 08/31/2016	Variations
26,961	19,456	6,737

Description	08/31/2017	08/31/2016	Variations
Commodity purchase	-	-	-
Charges for services	22,864	3,868	18,996
Staffing costs	-	-	-
Amortizations	97	97	-
Provisions	4,000	15,500	(11,000)
Extraordinary and capital expenditures	-	1	(1)
	26,961	19,456	6,737

Income and charges are analytically detailed in the financial statement report

Income taxes for the year

During the financial year the conditions for their calculation did not occur.

The present financial statements, composed of the Balance sheet, the Report of the Board of Directors and Explanatory notes, represent the financial and equity situation as well as the economic result for the year in a truthful and correct manner and correspond to the results of the accounting entries.

The Board of Directors