

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

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**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 statements of American Friends of the School of St. Jude, Tanzania, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, cash flows, and functional expenses 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 above present fairly, in all material respects, the financial position of the American Friends of the School of St. Jude, Tanzania, Inc. as of December 31, 2018, 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.

*Schiavi, Wallace & Rowe, PC*

August, 28, 2019

**AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2018**

ASSETS

Cash and cash equivalents	\$ 732,864
Prepaid expenses	2,286
Pledges receivable	<u>10,500</u>
TOTAL ASSETS	<u><u>\$ 745,650</u></u>

LIABILITIES

\$ -

NET ASSETS

Net assets without donor restrictions	735,150
Net assets with donor restrictions	<u>10,500</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 745,650</u></u>

See accompanying notes.

**AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**For the Year Ended December 31, 2018**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES</b>			
Contributions	\$ 234,518	\$ -	\$ 234,518
Grants	501,000	10,500	511,500
Fees collected for SOSJ	5,999	-	5,999
Loss on sale of marketable securities	<u>(4)</u>	<u>-</u>	<u>(4)</u>
 TOTAL revenues	 741,513	 10,500	 752,013
 <b>EXPENSES:</b>			
Programs services	600,000	-	600,000
 Management and general	 <u>44,701</u>	 <u>-</u>	 <u>44,701</u>
 TOTAL expenses	 <u>644,701</u>	 <u>-</u>	 <u>644,701</u>
 CHANGES IN NET ASSETS	 96,812	 10,500	 107,312
 NET ASSETS AT BEGINNING OF YEAR	 <u>638,338</u>	 <u>-</u>	 <u>638,338</u>
 NET ASSETS END OF YEAR	 <u><u>\$ 735,150</u></u>	 <u><u>\$ 10,500</u></u>	 <u><u>\$ 745,650</u></u>

See accompanying notes.

**AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2018**

<b>CASH FLOWS FROM OPERATING ACTIVITES</b>	
Change in net assets	\$ 107,312
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Increase in contributions receivable	(10,500)
Decrease in prepaid expenses	<u>1,509</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>98,321</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<u>-</u>
<b>NET INCREASE/(DECREASE) IN CASH/CASH EQUIVALENTS</b>	98,321
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>634,543</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 732,864</u></u>

See accompanying notes.

**AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2018**

	Program Services	Supporting Services	Total
Grants to School of St. Jude	\$ 594,001	\$ -	\$ 594,001
Advertising and marketing	-	530	530
Bank charges	-	178	178
Database conversion and service	-	1,963	1,963
Fees and licenses	-	5,229	5,229
Professional fees	-	33,111	33,111
Office supplies and expense	-	581	581
Postage	-	554	554
Reimbursement of fees collected for SOSJ	5,999	-	5,999
Travel	-	1,654	1,654
Website design and maintenance	-	901	901
<b>TOTAL Expenses</b>	<b>\$ 600,000</b>	<b>\$ 44,701</b>	<b>\$ 644,701</b>

See accompanying notes.

**AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2018**

**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.

**Financial Statement Presentation**

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net assets with donor restrictions are those assets that are restricted by donor-imposed stipulations. As such, donors have the ability to indicate how and or when their contributions are to be used.

Net assets without donor restrictions are those assets that are not restricted by donor-imposed stipulations. These are resources available to support general operations.

**Contributions and Revenue**

Contributions received and pledges receivable are classified depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets with donor restrictions. The only donor restricted assets for the year ended December, 31, 2018, relate to a pledge receivable to be used specifically for a teacher's salary. All other support is reported as without donor restrictions as no restrictions have been imposed by donors.

**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, 2018.

**Date of Management's Review**

Management has evaluated subsequent events through August 28, 2019, 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, 2018**

**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. As of December 31, 2018, the uninsured portion of cash and investment balances was \$478,568.

**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 \$530 at December 31, 2018.

**Functional Expenses**

All expenses are directly allocated to program or supporting services.

**New Accounting Pronouncement**

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly.

**NOTE B - AVAILABILITY AND LIQUIDITY**

Financial assets available for general expenditure within one year of the balance sheet date include the total assets of \$745,650.

As of December 31, 2018, the Organization was in compliance with all regulatory and grant agencies and agreements.

**AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2018**

**NOTE C - 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 returns for 2017, 2016 and 2015 are subject to examination by the Internal Revenue Service, generally for three years after the return is filed.

**NOTE D - REVENUE CONCENTRATION**

The Organization received 75% of its charitable gifts from the three largest donors for the year ended December 31, 2018.