

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

**FINANCIAL STATEMENTS**

**Years Ended December 31, 2019 and 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 statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, cash flows, and functional expenses 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.

### **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, 2019 and 2018, 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.

*Schiavi, Wallace & Rowe, PC*

July 28, 2020

**AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2019 and 2018**

ASSETS	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 887,976	\$ 732,864
Prepaid expenses	2,448	2,286
Pledges receivable	<u>-</u>	<u>10,500</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 890,424</u></b>	<b><u>\$ 745,650</u></b>
<b>LIABILITIES</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>
<b>NET ASSETS</b>		
Net assets without donor restrictions	890,424	735,150
Net assets with donor restrictions	<u>-</u>	<u>10,500</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 890,424</u></b>	<b><u>\$ 745,650</u></b>

See accompanying notes.

**AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**For the Years Ended December 31, 2019 and 2018**

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES</b>						
Contributions	\$ 326,158	\$ -	\$ 326,158	\$ 234,518	\$ -	\$ 234,518
Grants	500,000	-	500,000	501,000	10,500	511,500
Fees collected for SOSJ	12,753	-	12,753	5,999	-	5,999
Interest and dividends	8	-	8	1	-	1
Gain (loss) on investments	28	-	28	(5)	-	(5)
<b>TOTAL revenues</b>	<b>838,947</b>	<b>-</b>	<b>838,947</b>	<b>741,513</b>	<b>10,500</b>	<b>752,013</b>
<b>EXPENSES:</b>						
Programs services	639,662	10,500	650,162	600,000	-	600,000
Management and general	44,011	-	44,011	44,701	-	44,701
<b>TOTAL expenses</b>	<b>683,673</b>	<b>10,500</b>	<b>694,173</b>	<b>644,701</b>	<b>-</b>	<b>644,701</b>
<b>CHANGES IN NET ASSETS</b>	<b>155,274</b>	<b>(10,500)</b>	<b>144,774</b>	<b>96,812</b>	<b>10,500</b>	<b>107,312</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>735,150</b>	<b>10,500</b>	<b>745,650</b>	<b>638,338</b>	<b>-</b>	<b>638,338</b>
<b>NET ASSETS END OF YEAR</b>	<b>\$ 890,424</b>	<b>\$ -</b>	<b>\$ 890,424</b>	<b>\$ 735,150</b>	<b>\$ 10,500</b>	<b>\$ 745,650</b>

See accompanying notes.

**AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31, 2019 and 2018**

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 144,774	\$ 107,312
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) decrease in contributions receivable	10,500	(10,500)
(Increase) decrease in prepaid expenses	(162)	1,509
	155,112	98,321
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	155,112	98,321
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	732,864	634,543
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 887,976	\$ 732,864

See accompanying notes.

**AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**For the Years Ended December 31, 2019 and 2018**

	2019			2018		
	Program Services	Supporting Services	Total	Program Services	Supporting Services	Total
Grants to School of St. Jude	\$ 637,409	\$ -	\$ 637,409	\$ 594,001	\$ -	\$ 594,001
Advertising and marketing	-	690	690	-	530	530
Bank charges	-	954	954	-	178	178
Contractors	-	12,623	12,623	-	-	-
Database conversion and maintenance	-	2,071	2,071	-	1,963	1,963
Fees and licenses	-	3,520	3,520	-	5,229	5,229
Information technology	-	3,149	3,149	-	901	901
Professional fees	-	17,675	17,675	-	33,111	33,111
Office supplies and expense	-	1,733	1,733	-	581	581
Postage	-	512	512	-	554	554
Reimbursement of fees collected for SOSJ	12,753	-	12,753	5,999	-	5,999
Travel	-	1,084	1,084	-	1,654	1,654
<b>TOTAL Expenses</b>	<b>\$ 650,162</b>	<b>\$ 44,011</b>	<b>\$ 694,173</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.**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS – CASH BASIS**  
**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. There are no donor restricted assets for the year ended December, 31, 2019. 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.

**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 years ended December 31, 2019 and 2018.

**Reclassifications**

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. Reclassification had no effect on the previously reported net assets or change in net assets.

**AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Years Ended December 31, 2019 and 2018**

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

**Date of Management's Review**

Management has evaluated subsequent events through July 28, 2020, the date on which the financial statements were available to be issued.

**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, 2019 and 2018, the uninsured portion of cash and investment balances was \$632,052 and \$478,568, respectively.

**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 \$690 and \$530 at December 31, 2019 and 2018, respectively.

**Functional Expenses**

All expenses are directly allocated to program or supporting services.

**New Accounting Pronouncement**

In June 2018, FASB issued *ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The Organization has implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements. There was no effect on contribution revenue or net assets in connection with the implementation of ASU 2018-08.

During November 2016, FASB issued ASU No. 2016-18, *Restricted Cash*. ASU No. 2016-18 addresses classification and presentation of changes in restricted cash on the statement of cash flows. It applies to all entities that have restricted cash or restricted cash equivalents and are required to present a statement of cash flows under Topic 230. The adoption of this guidance had no impact on the Organization's financial statements.

**AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS – CASH BASIS**  
**Year Ended December 31, 2018**

**NOTE B - AVAILABILITY AND LIQUIDITY**

Financial assets available for general expenditure within one year of the balance sheet date include the total assets of \$890,424 and \$745,650 for the years ended December 31, 2019 and 2018, respectively.

As of December 31, 2019, the Organization was in compliance with all regulatory and grant agencies and agreements.

**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 2018, 2017 and 2016 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 66% and 75% of its charitable gifts from the three largest donors for the years ended December 31, 2019 and 2018, respectively.