

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

**FINANCIAL STATEMENTS**

**Years Ended December 31, 2021 and 2020**

**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, 2021 and 2020, 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, 2021 and 2020, 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*

May 25, 2022

**AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2021 and 2020**

ASSETS	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 667,745	\$ 994,511
Prepaid expenses	<u>2,211</u>	<u>2,511</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$ 669,956</u></u></b>	<b><u><u>\$ 997,022</u></u></b>
<b>LIABILITIES</b>		
Accrued Expenses	<u>\$ 2,750</u>	<u>\$ -</u>
<b>NET ASSETS</b>		
Net assets without donor restrictions	<u>667,206</u>	<u>997,022</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u><u>\$ 669,956</u></u></b>	<b><u><u>\$ 997,022</u></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, 2021 and 2020**

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES</b>						
Contributions	\$ 702,476	\$ -	\$ 702,476	\$ 450,350	\$ -	\$ 450,350
Grants	-	-	-	500,000	-	500,000
Fees collected for SOSJ	2,767	-	2,767	741	-	741
Gain (loss) on investments	-	-	-	84	-	84
<b>TOTAL revenues</b>	<b>705,243</b>	<b>-</b>	<b>705,243</b>	<b>951,175</b>	<b>-</b>	<b>951,175</b>
<b>EXPENSES</b>						
Programs services	1,000,841	-	1,000,841	800,000	-	800,000
Management and general	34,218	-	34,218	44,577	-	44,577
<b>TOTAL expenses</b>	<b>1,035,059</b>	<b>-</b>	<b>1,035,059</b>	<b>844,577</b>	<b>-</b>	<b>844,577</b>
<b>CHANGES IN NET ASSETS</b>	<b>(329,816)</b>	<b>-</b>	<b>(329,816)</b>	<b>106,598</b>	<b>-</b>	<b>106,598</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>997,022</b>		<b>997,022</b>	<b>890,424</b>	<b>-</b>	<b>890,424</b>
<b>NET ASSETS END OF YEAR</b>	<b>\$ 667,206</b>	<b>\$ -</b>	<b>\$ 667,206</b>	<b>\$ 997,022</b>	<b>\$ -</b>	<b>\$ 997,022</b>

See accompanying notes.

**AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31, 2021 and 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (329,816)	\$ 106,598
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
(Increase) decrease in prepaid expenses	300	(63)
Increase (decrease) in accrued expenses	2,750	-
<b>NET CASH (USED)/PROVIDED BY OPERATING ACTIVITIES</b>	<b>(326,766)</b>	<b>106,535</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(326,766)	106,535
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	994,511	887,976
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 667,745</b>	<b>\$ 994,511</b>

See accompanying notes.

**AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**For the Years Ended December 31, 2021 and 2020**

	2021			2020		
	Program Services	Supporting Services	Total	Program Services	Supporting Services	Total
Grants to School of St. Jude	\$ 997,233	\$ -	\$ 997,233	\$ 799,259	\$ -	\$ 799,259
Advertising and marketing	-	-	-	-	647	647
Bank charges	-	1,731	1,731	-	1,597	1,597
Conferences & Meetings	-	-	-	-	50	50
Contractors	-	2,188	2,188	-	5,855	5,855
Database maintenance	-	891	891	-	1,293	1,293
Dues and subscriptions	-	916	916	-	-	-
Event Expenses	-	-	-	-	325	325
Fees and licenses	-	3,904	3,904	-	5,489	5,489
Information technology	-	1,000	1,000	-	650	650
Insurance	-	1,274	1,274	-	1,062	1,062
Professional fees	-	20,466	20,466	-	24,515	24,515
Office supplies and expense	-	1,215	1,215	-	1,975	1,975
Postage	-	426	426	-	945	945
Reimbursement of fees collected for SOSJ	2,767	-	2,767	741	-	741
Miscellaneous	-	101	101	-	86	86
Utilities	-	106	106	-	53	53
Travel	-	-	-	-	35	35
University student mentoring	841	-	841	-	-	-
<b>TOTAL Expenses</b>	<b>\$ 1,000,841</b>	<b>\$ 34,218</b>	<b>\$ 1,035,059</b>	<b>\$ 800,000</b>	<b>\$ 44,577</b>	<b>\$ 844,577</b>

See accompanying notes.

**AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Years Ended December 31, 2021 and 2020**

**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 Grants**

Contributions received and pledges receivable are recorded as increases in net assets without donor restrictions and net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. Grants are recorded in accordance with FASB ASC 958-605 which provides that revenues are measured and recognized when barriers are substantially met which occurs when the Organization complies with the terms and conditions related to the purpose of the grant. There are no donor restricted assets for the years ended December 31, 2021 and 2020.

**Revenue and Revenue Recognition**

Contributions are recognized when cash, other assets or an unconditional promise to give is received. The Organization has no service fee revenue.

**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, 2021 and 2020.

**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, 2021 and 2020, the uninsured portion of cash and investment balances was \$408,879 and \$735,646, respectively.

**AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Years Ended December 31, 2021 and 2020**

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

**Date of Management's Review**

Management has evaluated subsequent events through May 25, 2022, the date on which the financial statements were available to be issued.

**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 \$-0- and \$647 at December 31, 2021 and 2020, respectively.

**Functional Expenses**

All expenses are directly allocated to program or supporting services.

**NOTE B - AVAILABILITY AND LIQUIDITY**

Financial assets available for general expenditure within one year of the balance sheet date include the total assets of \$667,745 and \$994,511 for the years ended December 31, 2021 and 2020, respectively.

**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 2020, 2019 and 2018 are subject to examination by the Internal Revenue Service, generally for three years after the return is filed.

**NOTE D – CERTAIN SIGNIFICANT RISKS AND UNCERTAINTIES**

**Revenue Concentration**

The Organization received 47% and 62% of its charitable gifts from the three largest donors for the years ended December 31, 2021 and 2020, respectively.

**AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Years Ended December 31, 2021 and 2020**

**NOTE D – CERTAIN SIGNIFICANT RISKS AND UNCERTAINTIES (Continued)**

**COVID-19 Pandemic**

In March 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that the impact of these events will continue for some time. Future potential impacts related to the pandemic may include disruptions to the operations of the School. The economic impact on donors may affect the ability of the Organization to raise funds. However, management believes this effect will not impede the Organization's continuing operations.

**Future Accounting Standard Changes**

Lease Accounting

In February 2016, FASB issued ASU No. 2016-02, *Leases*. It is the goal of this standard to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Nonpublic entities are required to apply the lease standard for fiscal years beginning after December 15, 2019. However, due to the global pandemic, FASB issued ASU 2020-05 which delays the effective date to fiscal years beginning after December 15, 2021. The Facility is in the process of determining the impact the adoption of ASU No. 2016-02 will have on the financial statements.