

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

FINANCIAL STATEMENTS

Years Ended December 31, 2022 and 2021

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

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR’S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Cash Flows	5
Statements of Functional Expenses	6
Notes to Financial Statements	7-9



INDEPENDENT AUDITOR'S REPORT

Board of Directors
American Friends of the School of St. Jude, Tanzania, Inc.
Louisville, Kentucky

Opinion

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, 2022 and 2021, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

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, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of American Friends of the School of St. Jude, Tanzania, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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 and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raised substantial doubt about American Friends of the School of St. Jude, Tanzania, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individual or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 American Friends of the School of St. Jude, Tanzania, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions of events, considered in the aggregate, that raise substantial doubt about American Friends of the School of St. Jude, Tanzania, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Schiavi, Wallace & Rowe, PC

May 25, 2022

AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2022 and 2021

ASSETS	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 540,892	\$ 667,745
Prepaid expenses	3,016	2,211
Inventory	<u>3,089</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 546,997</u>	<u>\$ 669,956</u>
LIABILITIES		
Accrued Expenses	<u>\$ -</u>	<u>\$ 2,750</u>
NET ASSETS		
Net assets without donor restrictions	<u>546,997</u>	<u>667,206</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 546,997</u>	<u>\$ 669,956</u>

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, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES						
Contributions	\$ 560,152	\$ -	\$ 560,152	\$ 702,476	\$ -	\$ 702,476
Grants	500,000	-	500,000	-	-	-
Fees collected for SOSJ	5,035	-	5,035	2,767	-	2,767
Sale of promotional products	1,526	-	1,526	-	-	-
Interest income	10	-	10	-	-	-
TOTAL revenues	1,066,723	-	1,066,723	705,243	-	705,243
EXPENSES						
Programs services	1,120,325	-	1,120,325	1,000,841	-	1,000,841
Management and general	66,607	-	66,607	34,218	-	34,218
TOTAL expenses	1,186,932	-	1,186,932	1,035,059	-	1,035,059
CHANGES IN NET ASSETS	(120,209)	-	(120,209)	(329,816)	-	(329,816)
NET ASSETS AT BEGINNING OF YEAR	667,206		667,206	997,022	-	997,022
NET ASSETS END OF YEAR	\$ 546,997	\$ -	\$ 546,997	\$ 667,206	\$ -	\$ 667,206

See accompanying notes.

AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (120,209)	\$ (329,816)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
(Increase) decrease in prepaid expenses	(805)	300
(Increase) decrease in inventory	(3,089)	-
Increase (decrease) in accrued expenses	(2,750)	2,750
NET CASH (USED)/PROVIDED BY OPERATING ACTIVITIES	(126,853)	(326,766)
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	(126,853)	(326,766)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	667,745	994,511
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 540,892	\$ 667,745

See accompanying notes.

AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2022 and 2021

	2022			2021		
	Program Services	Supporting Services	Total	Program Services	Supporting Services	Total
Grants to School of St. Jude	\$ 1,114,965	\$ -	\$ 1,114,965	\$ 997,233	\$ -	\$ 997,233
Advertising and marketing	-	-	-	-	-	-
Bank charges	-	1,813	1,813	-	1,731	1,731
Conferences & Meetings	-	-	-	-	-	-
Contractors	-	1,425	1,425	-	2,188	2,188
Database maintenance	-	1,384	1,384	-	891	891
Dues and subscriptions	-	930	930	-	916	916
Event Expenses	-	31,713	31,713	-	-	-
Fees and licenses	-	145	145	-	3,904	3,904
Information technology	-	1,142	1,142	-	1,000	1,000
Insurance	-	1,274	1,274	-	1,274	1,274
Professional fees	-	24,380	24,380	-	20,466	20,466
Office supplies and expense	-	1,145	1,145	-	1,215	1,215
Postage	-	598	598	-	426	426
Reimbursement of fees collected for SOSJ	5,035	-	5,035	2,767	-	2,767
Miscellaneous	-	-	-	-	101	101
Utilities	-	-	-	-	106	106
Travel	-	-	-	-	-	-
University student mentoring	325	-	325	841	-	841
Cost of promotional products	-	658	658	-	-	-
TOTAL Expenses	\$ 1,120,325	\$ 66,607	\$ 1,186,932	\$ 1,000,841	\$ 34,218	\$ 1,035,059

See accompanying notes.

AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2022 and 2021

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.

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, 2022 and 2021, the uninsured portion of cash and investment balances was \$290,892 and \$408,879, 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.

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, 2022 and 2021.

Revenue and Revenue Recognition

Revenue is recognized when earned. Revenue consists primarily of contributions and grants which are recognized as described in the preceding note "Contributions and Grants." Any fee or sale revenue collected in advance is deferred to the applicable period in which the services are performed or expenses are incurred, 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)

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, 2022 and 2021.

Advertising

The Organization expenses all advertising and promotional costs as incurred. Advertising and promotional expense was \$-0- at December 31, 2022 and 2021.

Functional Expenses

All expenses are directly allocated to program or supporting services.

Accounting Standard Changes

In February 2016, FASB issued ASU No. 2016-02, *Leases*. The goal of this standard is 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 were 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 Organization has implemented the provision in the accompanying financial statements. There was no effect on net assets in connection with the implementation of ASU 2016-02 and ASU 2020-05.

Date of Management's Review

Management has evaluated subsequent events through May 25, 2023, the date on which the financial statements were available to be issued.

NOTE B - AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditure within one year of the balance sheet date include the total cash of \$540,892 and \$667,745 for the years ended December 31, 2022 and 2021, 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.

AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2022 and 2021

NOTE C - INCOME TAXES (Continued)

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 2021, 2020 and 2019 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 53% and 47% of its charitable gifts from the three largest donors for the years ended December 31, 2022 and 2021, respectively.

COVID-19 Pandemic

In March 2020, the World Health Organization characterized a novel strain of coronavirus (COVID-19) as a pandemic, and multiple jurisdictions in the U.S. declared a state of emergency. Based on current COVID-19 trends, HHS is planning for the federal Public Health Emergency to expire at the end of the day on May 11, 2023.