

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

FINANCIAL STATEMENTS

Years Ended December 31, 2023 and 2022

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

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, 2023 and 2022, 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, 2023 and 2022, 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

August 9, 2024

AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2023 and 2022

ASSETS	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 479,180	\$ 540,892
Prepaid expenses	3,016	3,016
Inventory	<u>3,871</u>	<u>3,089</u>
TOTAL ASSETS	<u>\$ 486,067</u>	<u>\$ 546,997</u>
LIABILITIES		
Accrued Expenses	<u>\$ -</u>	<u>\$ -</u>
NET ASSETS		
Net assets without donor restrictions	<u>486,067</u>	<u>546,997</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 486,067</u>	<u>\$ 546,997</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, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES						
Contributions	\$ 556,699	\$ -	\$ 556,699	\$ 560,152	\$ -	\$ 560,152
Grants	510,000	-	510,000	500,000	-	500,000
Fees collected for SOSJ	15,417	-	15,417	5,035	-	5,035
Sale of promotional products	4,011	-	4,011	1,526	-	1,526
Interest income	32	-	32	10	-	10
Miscellaneous	5	-	5	-	-	-
TOTAL REVENUES	1,086,164	-	1,086,164	1,066,723	-	1,066,723
EXPENSES						
Programs services	1,102,282	-	1,102,282	1,120,325	-	1,120,325
Management and general	44,812	-	44,812	66,607	-	66,607
TOTAL EXPENSES	1,147,094	-	1,147,094	1,186,932	-	1,186,932
CHANGES IN NET ASSETS	(60,930)	-	(60,930)	(120,209)	-	(120,209)
NET ASSETS AT BEGINNING OF YEAR	546,997		546,997	667,206	-	667,206
NET ASSETS END OF YEAR	\$ 486,067	\$ -	\$ 486,067	\$ 546,997	\$ -	\$ 546,997

See accompanying notes.

AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (60,930)	\$ (120,209)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
(Increase) decrease in prepaid expenses	-	(805)
(Increase) decrease in inventory	(782)	(3,089)
Increase (decrease) in accrued expenses	-	(2,750)
NET CASH (USED)/PROVIDED BY OPERATING ACTIVITIES	<u>(61,712)</u>	<u>(126,853)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(61,712)	(126,853)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>540,892</u>	<u>667,745</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 479,180</u></u>	<u><u>\$ 540,892</u></u>

See accompanying notes.

AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2023 and 2022

	2023			2022		
	Program Services	Supporting Services	Total	Program Services	Supporting Services	Total
Grants to School of St. Jude	\$ 1,086,865	\$ -	\$ 1,086,865	\$ 1,114,965	\$ -	\$ 1,114,965
Advertising and marketing	-	3,267	3,267	-	-	-
Bank charges	-	3,724	3,724	-	1,813	1,813
Conferences & Meetings	-	139	139	-	-	-
Contractors	-	2,630	2,630	-	1,425	1,425
Database maintenance	-	1,992	1,992	-	1,384	1,384
Dues and subscriptions	-	1,447	1,447	-	930	930
Event Expenses	-	-	-	-	31,713	31,713
Fees and licenses	-	10	10	-	145	145
Information technology	-	1,197	1,197	-	1,142	1,142
Insurance	-	1,360	1,360	-	1,274	1,274
Professional fees	-	25,141	25,141	-	24,380	24,380
Office supplies and expense	-	265	265	-	1,145	1,145
Postage	-	704	704	-	598	598
Reimbursement of fees collected for SOSJ	15,417	-	15,417	5,035	-	5,035
Miscellaneous	-	196	196	-	-	-
Utilities	-	-	-	-	-	-
State regulatory fees	-	2,089	2,089	-	-	-
University student mentoring	-	-	-	325	-	325
Cost of promotional products	-	651	651	-	658	658
	\$ 1,102,282	\$ 44,812	\$ 1,147,094	\$ 1,120,325	\$ 66,607	\$ 1,186,932

See accompanying notes.

AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2023 and 2022

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, 2023 and 2022, the uninsured portion of cash and investment balances was \$229,180 and \$290,892, 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.

Inventory

Inventory, which consists of promotional items, is valued at the lower of cost or market, using the first-in, first-out (FIFO) method.

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, 2023 and 2022.

AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2023 and 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2023 and 2022.

Advertising

The Organization expenses all advertising and promotional costs as incurred. Advertising and promotional expense was \$3,267 and \$0 at December 31, 2023 and 2022, respectively.

Functional Expenses

All expenses are directly allocated to program or supporting services.

Date of Management's Review

Management has evaluated subsequent events through August 9, 2024, 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 \$479,180 and \$540,892 for the years ended December 31, 2023 and 2022, 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 are subject to examination by the Internal Revenue Service, generally for three years after the return is filed.

AMERICAN FRIENDS OF THE SCHOOL OF ST. JUDE, TANZANIA, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2023 and 2022

NOTE D – CERTAIN SIGNIFICANT RISKS AND UNCERTAINTIES

Revenue Concentration

The Organization received 57% and 53% of its charitable gifts from the three largest donors for the years ended December 31, 2023 and 2022, respectively.

NOTE E – NEW ACCOUNTING GUIDANCE IMPLEMENTATION

Effective January 1, 2022, the Organization adopted ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of the standard did not have an impact on the financial statements.