

**THE FOUNDATION FOR CANCER CARE IN TANZANIA  
EDINA, MINNESOTA**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**



**THE FOUNDATION FOR CANCER CARE IN TANZANIA**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
**The Foundation for Cancer Care in Tanzania**  
Edina, Minnesota

We have audited the accompanying financial statements of The Foundation for Cancer Care in Tanzania (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020, and the related statements of activities and changes in net assets, functional expenses and cash flows 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 on the previous page present fairly, in all material respects, the financial position of The Foundation for Cancer Care in Tanzania as of December 31, 2020, 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.

### **Report on Summarized Comparative Information**

We have previously audited The Foundation for Cancer Care in Tanzania's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 13, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Smith, Schepf and Associates, Ltd.*

Minneapolis, Minnesota  
September 9, 2021



**THE FOUNDATION FOR CANCER CARE IN TANZANIA**

**STATEMENTS OF FINANCIAL POSITION**

**December 31, 2020 and 2019**

<b>ASSETS</b>	<b>2020</b>	<b>2019</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 82,202	\$ 370,935
Portion of unconditional promises to give due within one year	525,988	-
Prepaid expenses	5,041	1,562
Total Current Assets	613,231	372,497
<b>Other Assets</b>		
Unconditional promises to give, net of current portion	250,000	-
<b>TOTAL ASSETS</b>	<b>\$ 863,231</b>	<b>\$ 372,497</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Portion of long-term debt due within one year	\$ 35,702	\$ -
<b>Long-Term Debt, net</b>	22,673	-
Total Liabilities	58,375	-
<b>Net Assets</b>		
Without donor restrictions	54,856	201,780
With donor restrictions	750,000	170,717
Total Net Assets	804,856	372,497
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 863,231</b>	<b>\$ 372,497</b>

**See Notes to Financial Statements**

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**THE FOUNDATION FOR CANCER CARE IN TANZANIA**

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

**For the Year Ended December 31, 2020**

**With Comparative Totals for the Year Ended December 31, 2019**

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2020	2019
<b>Revenue and Support</b>				
Contributions	\$ 293,438	\$ 750,000	<b>\$ 1,043,438</b>	\$ 687,663
Net investment return	-	-	-	2,144
<b>Net Assets Released from Restriction</b>				
	170,717	(170,717)	-	-
Total Revenue and Support	464,155	579,283	<b>1,043,438</b>	689,807
<b>Functional Expenses</b>				
Program services	539,284	-	<b>539,284</b>	553,549
General and administrative	26,170	-	<b>26,170</b>	37,563
Fundraising	45,625	-	<b>45,625</b>	72,950
Total Functional Expenses	611,079	-	<b>611,079</b>	664,062
<b>Increase (Decrease) in Net Assets</b>	(146,924)	579,283	<b>432,359</b>	25,745
<b>NET ASSETS, BEGINNING OF YEAR</b>				
	201,780	170,717	<b>372,497</b>	346,752
<b>NET ASSETS, END OF YEAR</b>				
	\$ 54,856	\$ 750,000	<b>\$ 804,856</b>	\$ 372,497

See Notes to Financial Statements

**THE FOUNDATION FOR CANCER CARE IN TANZANIA**

**STATEMENT OF FUNCTIONAL EXPENSES**

**For the Year Ended December 31, 2020**

	<b>Program Services</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Totals</b>
KCMC and related contributions	\$ 533,364	\$ -	\$ -	<b>\$ 533,364</b>
Contract services	1,580	14,220	15,800	<b>31,600</b>
Fundraising events	-	-	18,814	<b>18,814</b>
Professional fees	-	6,582	10,469	<b>17,051</b>
Travel	4,340	542	542	<b>5,424</b>
Office expenses	-	2,532	-	<b>2,532</b>
Insurance	-	1,562	-	<b>1,562</b>
Interest	-	732	-	<b>732</b>
Marketing	-	-	-	-
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 539,284</b>	<b>\$ 26,170</b>	<b>\$ 45,625</b>	<b>\$ 611,079</b>

**See Notes to Financial Statements**

**THE FOUNDATION FOR CANCER CARE IN TANZANIA**

**STATEMENT OF FUNCTIONAL EXPENSES**

**For the Year Ended December 31, 2019**

	<b>Program Services</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Totals</b>
KCMC and related contributions	\$ 529,234	\$ -	\$ -	<b>\$ 529,234</b>
Contract services	2,052	18,467	20,519	<b>41,038</b>
Fundraising events	-	-	41,984	<b>41,984</b>
Professional fees	-	9,944	-	<b>9,944</b>
Travel	22,263	2,783	2,783	<b>27,829</b>
Office expenses	-	4,807	-	<b>4,807</b>
Insurance	-	1,562	-	<b>1,562</b>
Interest	-	-	-	<b>-</b>
Marketing	-	-	7,664	<b>7,664</b>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 553,549</b>	<b>\$ 37,563</b>	<b>\$ 72,950</b>	<b>\$ 664,062</b>

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**THE FOUNDATION FOR CANCER CARE IN TANZANIA**

**STATEMENTS OF CASH FLOWS**

**For the Years Ended December 31, 2020 and 2019**

	<b>2020</b>	2019
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$ 432,359	\$ 25,745
Adjustments to reconcile change in net assets to net cash from operations:		
(Increase) decrease in:		
Prepaid expenses	(3,479)	-
Unconditional promises to give	(775,988)	-
Increase (decrease) in:		
Deferred revenues	-	(5,250)
Net Cash Provided By (Used In) Operating Activities	<u>(347,108)</u>	<u>20,495</u>
<b>Cash Flows From Investing Activities</b>		
Proceeds from sale of investments	-	9,088
<b>Cash Flows From Financing Activities</b>		
Proceeds from issuance of long-term debt	70,000	-
Principal payments on long-term debt	(11,625)	-
Net Cash Provided By Financing Activities	<u>58,375</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(288,733)</b>	<b>29,583</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>370,935</b>	<b>341,352</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b><u>\$ 82,202</u></b>	<b><u>\$ 370,935</u></b>

**See Notes to Financial Statements**

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# THE FOUNDATION FOR CANCER CARE IN TANZANIA

## NOTES TO FINANCIAL STATEMENTS

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### 1. Description of Foundation and Summary of Significant Accounting Policies

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#### Description of Foundation

The Foundation for Cancer Care in Tanzania (the Foundation) is a nonprofit organization. Its mission is to enhance cancer care through education prevention and screening programs, treatment, and palliative services to improve the lives of the citizens of Tanzania.

#### Basis of Accounting and Revenue and Support Recognition

The Foundation keeps its books on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP).

#### Basis of Presentation

Financial statement presentation follows FASB ASC 958. Under FASB ASC 958, the Foundation is required to report information regarding its financial position and activities, based on the existence or absence of donor imposed restrictions as either:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to imposed restrictions. Some imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified. Other imposed restrictions are perpetual in nature, where the restriction stipulates that resources be maintained in perpetuity. The Foundation reports contributions restricted by donors as increase in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increase in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with restrictions are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions.

#### Cash and Cash Equivalents

For purposes of the statements of cash flows, the Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

## THE FOUNDATION FOR CANCER CARE IN TANZANIA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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#### 1. Description of Foundation and Summary of Significant Accounting Policies (Continued)

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##### Unconditional Promises to Give

Unconditional promises to give are stated at the amount management expects to collect from balances outstanding at year end. Based on management's assessment of the credit history with donors and grantors having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year end will be immaterial. Therefore, no valuation allowance is maintained for these unconditional promises to give. Balances that are still outstanding after management has used reasonable collection efforts are written off.

##### Contributions

Contributions are recognized when the donor makes a promise to give to the Foundation that is nonreciprocal, does not contain a barrier that must be overcome, and there is no right of return of assets transferred or release of a promisor's obligation to transfer assets present.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

All other contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence and/or nature of any donor restrictions.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

##### Income Taxes

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. As a result, the Foundation doesn't pay federal income tax. Therefore, no provision or liability for federal income taxes has been included in the financial statements.

Management has determined that the Foundation does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures.

The Foundation's federal informational returns are subject to examination by the IRS, generally for three years after they were filed.

##### Marketing Costs

The Organization expenses marketing costs as they are incurred. Marketing expense was \$7,664 for the year ended December 31, 2019.



## THE FOUNDATION FOR CANCER CARE IN TANZANIA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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#### 1. Description of Foundation and Summary of Significant Accounting Policies (Continued)

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##### Fair Value of Financial Instruments

The carrying amount for substantially all assets and liabilities approximates fair value due to the immediate or short-term maturity of these financial instruments. The fair value of the Foundation's long-term debt approximated carrying value because the terms are equivalent to borrowing rates currently available to the Company for debt with similar terms and maturities.

##### Concentration of Credit Risks

The Foundation's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents. The Foundation keeps its cash with high quality financial institutions. At times, balances maintained at these financial institutions may exceed the federally insured limit. As of December 31, 2019, there were cash balances in excess of the federally insured limit of approximately \$121,000. There were no cash balances in excess of the federally insured limit as of December 31, 2020.

Management routinely assesses the financial strength of its donors and as a consequence, believes that the promises to give credit risk exposure is limited.

##### Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

##### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

##### Subsequent Events

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through September 9, 2021, the date the financial statements were available to be issued.

## THE FOUNDATION FOR CANCER CARE IN TANZANIA

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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#### 2. Liquidity and Availability

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Financial assets as of December 31, 2020 and 2019, available for general expenditure within one year of the statement of financial position date consisted of cash and cash equivalents and unconditional promises to give of \$608,190 and \$370,935, respectively. These amounts include financial assets available and estimated to be released for program activities within one year of the statement of financial position date.

As a part of the Foundation's liquidity management plan, financial assets are structured to be available as general expenditures, liabilities, and other obligations come due. None of the financial assets are subject to contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date.

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#### 3. Long-Term Debt

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Long-term debt at December 31, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Variable interest rate installment note; bearing interest at the bank's prime rate (3.25% at December 31, 2020; due in monthly principal and interest payments of \$3,089 through August 2022, guaranteed by six of the Foundation's board members, and secured by substantially all of the Foundation's assets	\$ 58,375	\$ -
Less: Current Portion	<u>35,702</u>	-
Long-Term Debt, net	<u>\$ 22,673</u>	<u>\$ -</u>

Maturities of long-term debt as of December 31, 2020 were as follows:

<u>For the Years Ended December 31,</u>	<u>Totals</u>
2021	\$ 35,702
2022	<u>22,673</u>
Total	<u>\$ 58,375</u>

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**THE FOUNDATION FOR CANCER CARE IN TANZANIA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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**4. Net Assets**

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Net assets with donor restrictions due to time totaled \$750,000 for the year ended December 31, 2020. Net assets with donor restrictions for the purpose of future program expenditures totaled \$170,717 for the year ended December 31, 2020.

Net assets in the amount of \$170,717 and \$318,208 were released from restriction during the years ended December 31, 2020 and 2019 by meeting the donor's purpose restriction requirements.