

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

**FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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

Opinion

We have audited the financial statements of The Foundation for Cancer Care in Tanzania, which comprise the statements of financial position as of December 31, 2021, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Foundation for Cancer Care in Tanzania as of December 31, 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 The Foundation for Cancer Care in Tanzania 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 the 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 raise substantial doubt about The Foundation for Cancer Care in Tanzania's ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS 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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

Misstatements are considered material if there is a substantial likelihood that, individually 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 GAAS, 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 The Foundation for Cancer Care in Tanzania'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 or events, considered in the aggregate, that raise substantial doubt about The Foundation for Cancer Care in Tanzania'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.

Report on Summarized Comparative Information

We have previously audited The Foundation for Cancer Care in Tanzania's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 9, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, 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 13, 2022

THE FOUNDATION FOR CANCER CARE IN TANZANIA

STATEMENTS OF FINANCIAL POSITION

December 31, 2021 and 2020

ASSETS	2021	2020
Current Assets		
Cash and cash equivalents	\$ 487,183	\$ 82,202
Grants and pledges receivable, due within one year	250,000	525,988
Prepaid expenses	4,192	5,041
Total Current Assets	741,375	613,231
Other Assets		
Grants and pledges receivable, net of current portion	-	250,000
TOTAL ASSETS	\$ 741,375	\$ 863,231
LIABILITIES AND NET ASSETS		
Current Liabilities		
Portion of long-term debt due within one year	\$ -	\$ 35,702
Accounts payable	3,500	-
Total Current Liabilities	3,500	35,702
Long-Term Debt, net	-	22,673
Total Liabilities	3,500	58,375
Net Assets		
Without donor restrictions	164,642	54,856
With donor restrictions	573,233	750,000
Total Net Assets	737,875	804,856
TOTAL LIABILITIES AND NET ASSETS	\$ 741,375	\$ 863,231

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, 2021

With Comparative Totals for the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2021	2020
Revenue and Support				
Contributions	\$ 273,809	\$ 61,055	\$ 334,864	\$ 1,043,438
In-kind contributions	3,000	-	3,000	-
Net Assets Released from Restriction	237,822	(237,822)	-	-
Total Revenue and Support	514,631	(176,767)	337,864	1,043,438
Functional Expenses				
Program services	310,879	-	310,879	539,284
General and administrative	29,882	-	29,882	26,170
Fundraising	64,084	-	64,084	45,625
Total Functional Expenses	404,845	-	404,845	611,079
Increase (Decrease) in Net Assets	109,786	(176,767)	(66,981)	432,359
NET ASSETS, BEGINNING OF YEAR	54,856	750,000	804,856	372,497
NET ASSETS, END OF YEAR	\$ 164,642	\$ 573,233	\$ 737,875	\$ 804,856

See Notes to Financial Statements

THE FOUNDATION FOR CANCER CARE IN TANZANIA

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2021

	Program Services	General and Administrative	Fundraising	Totals
KCMC and related contributions	\$ 302,449	\$ -	\$ -	\$ 302,449
Contract services	1,500	13,500	15,000	30,000
Professional fees	-	13,397	14,400	27,797
Fundraising events	-	-	26,044	26,044
Program education and supplies	4,918	-	-	4,918
Communications	-	-	3,425	3,425
Office expenses	-	170	3,240	3,410
Bank and credit card fees	123	371	1,975	2,469
Travel	1,889	-	-	1,889
Insurance	-	1,562	-	1,562
Interest	-	882	-	882
TOTAL FUNCTIONAL EXPENSES	\$ 310,879	\$ 29,882	\$ 64,084	\$ 404,845

See Notes to Financial Statements

THE FOUNDATION FOR CANCER CARE IN TANZANIA

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2020

	Program Services	General and Administrative	Fundraising	Totals
KCMC and related contributions	\$ 533,364	\$ -	\$ -	\$ 533,364
Contract services	1,580	14,220	15,800	31,600
Professional fees	-	6,582	10,469	17,051
Fundraising events	-	-	18,814	18,814
Program education and supplies	-	-	-	-
Communications	-	-	-	-
Office expenses	-	679	-	679
Bank and credit card fees	-	1,853	-	1,853
Travel	4,340	542	542	5,424
Insurance	-	1,562	-	1,562
Interest	-	732	-	732
TOTAL FUNCTIONAL EXPENSES	\$ 539,284	\$ 26,170	\$ 45,625	\$ 611,079

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THE FOUNDATION FOR CANCER CARE IN TANZANIA

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ (66,981)	\$ 432,359
Adjustments to reconcile change in net assets to net cash from operations:		
(Increase) decrease in:		
Prepaid expenses	849	(3,479)
Grants and pledges receivable	525,988	(775,988)
Increase (decrease) in:		
Accounts payable	3,500	-
	<u>463,356</u>	<u>(347,108)</u>
Net Cash Provided By (Used In) Operating Activities		
Cash Flows From Financing Activities		
Proceeds from issuance of long-term debt	-	70,000
Principal payments on long-term debt	<u>(58,375)</u>	<u>(11,625)</u>
	<u>(58,375)</u>	<u>58,375</u>
Net Cash Provided By (Used In) Financing Activities		
Net Increase (Decrease) in Cash and Cash Equivalents	404,981	(288,733)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	82,202	370,935
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 487,183	\$ 82,202

See Notes to Financial Statements

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THE FOUNDATION FOR CANCER CARE IN TANZANIA

NOTES TO FINANCIAL STATEMENTS

1. Description of Foundation and Summary of Significant Accounting Policies

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.

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.

Grants and Pledges Receivable

Grants and pledges receivable 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 receivables. Balances that are still outstanding after management has used reasonable collection efforts are written off.

THE FOUNDATION FOR CANCER CARE IN TANZANIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

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.

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.

THE FOUNDATION FOR CANCER CARE IN TANZANIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

Concentration of Credit Risks

The Foundation's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and receivables. 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, 2021, there were cash balances in excess of the federally insured limit of approximately \$142,000. 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 receivable 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 13, 2022, the date the financial statements were available to be issued.

THE FOUNDATION FOR CANCER CARE IN TANZANIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Liquidity and Availability

Financial assets as of December 31, 2021 and 2020, available for general expenditure within one year of the statement of financial position date consisted of cash and cash equivalents and receivables of \$737,183 and \$608,190, 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.

3. Long-Term Debt

Long-term debt at December 31, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Variable interest rate installment note; paid in full during the year ended December 31, 2021	\$ -	\$ 58,375
Less: Current Portion	-	35,702
Long-Term Debt, net	<u>\$ -</u>	<u>\$ 22,673</u>

THE FOUNDATION FOR CANCER CARE IN TANZANIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. Net Assets

Net assets with donor restrictions as of December 31, 2021 and 2020 consisted on the following:

	<u>2021</u>	<u>2020</u>
Time restrictions	\$ 250,000	\$ 750,000
Purpose restrictions	323,233	-
Total Net Assets With Donor Restrictions	<u>\$ 573,233</u>	<u>\$ 750,000</u>

Net assets in the amount of \$237,822 and \$170,717 were released from restriction during the years ended December 31, 2021 and 2020 by meeting the donor's purpose restriction requirements.

5. Concentration

The Organization had donations from one grantor totaling approximately \$750,000 during the year ended December 31, 2020. This amount represents approximately 72% of total revenue and support in 2020.