

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

**FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

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 statement of financial position as of December 31, 2023, 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, 2023, 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 audit 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 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 27, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Smith, Schafu and Associates, Ltd.

Minneapolis, Minnesota
November 14, 2024

THE FOUNDATION FOR CANCER CARE IN TANZANIA

STATEMENTS OF FINANCIAL POSITION

December 31, 2023 and 2022

ASSETS	2023	2022
Current Assets		
Cash and cash equivalents	\$ 588,842	\$ 772,262
Contract receivable	305,142	-
Prepaid expenses	92,262	10,762
TOTAL ASSETS	\$ 986,246	\$ 783,024
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 77,627	\$ -
Deferred revenue	81,840	-
Total Current Liabilities	159,467	-
Net Assets		
Without donor restrictions	387,386	229,835
With donor restrictions	439,393	553,189
Total Net Assets	826,779	783,024
TOTAL LIABILITIES AND NET ASSETS	\$ 986,246	\$ 783,024

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, 2023

With Comparative Totals for the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2023	2022
Revenue and Support				
Contract and contributions	\$ 666,338	\$ 11,501	\$ 677,839	\$ 343,965
In-kind contributions	48,310	-	48,310	47,725
Net Assets Released from Restriction	125,297	(125,297)	-	-
Total Revenue and Support	839,945	(113,796)	726,149	391,690
Functional Expenses				
Program services	493,446	-	493,446	183,769
Fundraising	133,353	-	133,353	115,517
General and administrative	55,595	-	55,595	47,255
Total Functional Expenses	682,394	-	682,394	346,541
Increase (Decrease) in Net Assets	157,551	(113,796)	43,755	45,149
NET ASSETS, BEGINNING OF YEAR	229,835	553,189	783,024	737,875
NET ASSETS, END OF YEAR	\$ 387,386	\$ 439,393	\$ 826,779	\$ 783,024

See Notes to Financial Statements

THE FOUNDATION FOR CANCER CARE IN TANZANIA

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2023

	Program Services	General and Administrative	Fundraising	Totals
KCMC and related contributions	\$ 455,114	\$ -	\$ -	\$ 455,114
Professional fees	-	46,126	34,400	80,526
Fundraising events	-	-	78,752	78,752
Contract services	15,000	7,500	7,500	30,000
Travel	23,172	-	-	23,172
Communications	-	-	8,462	8,462
Office expenses	-	151	2,873	3,024
Bank and credit card fees	85	256	1,366	1,707
Insurance	-	1,562	-	1,562
Program education and supplies	75	-	-	75
TOTAL FUNCTIONAL EXPENSES	\$ 493,446	\$ 55,595	\$ 133,353	\$ 682,394

See Notes to Financial Statements

THE FOUNDATION FOR CANCER CARE IN TANZANIA

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2022

	Program Services	General and Administrative	Fundraising	Totals
KCMC and related contributions	\$ 179,827	\$ -	\$ -	\$ 179,827
Professional fees	-	31,683	34,400	66,083
Fundraising events	-	-	56,045	56,045
Contract services	1,500	13,500	15,000	30,000
Travel	1,348	-	-	1,348
Communications	-	-	5,158	5,158
Office expenses	-	162	3,056	3,218
Bank and credit card fees	116	348	1,858	2,322
Insurance	-	1,562	-	1,562
Program education and supplies	978	-	-	978
TOTAL FUNCTIONAL EXPENSES	\$ 183,769	\$ 47,255	\$ 115,517	\$ 346,541

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THE FOUNDATION FOR CANCER CARE IN TANZANIA

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities		
Increase in net assets	\$ 43,755	\$ 45,149
Adjustments to reconcile change in net assets to net cash from operations:		
(Increase) decrease in:		
Contract receivable	(305,142)	-
Grants and pledges receivable	-	250,000
Prepaid expenses	(81,500)	(6,570)
Increase (decrease) in:		
Accounts payable	77,627	(3,500)
Deferred revenue	81,840	-
Net Increase (Decrease) in Cash and Cash Equivalents	(183,420)	285,079
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	772,262	487,183
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 588,842	\$ 772,262

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).

For contracts that are within the scope FASB ASC 606, *Revenue from Contracts with Customers*, the Foundation performs the following steps: (1) identify the contract(s) with customers; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when (or as) the Foundation satisfies a performance obligation.

Revenue is based on considerations specified with a customer, and excludes any sales incentive and amounts collected on behalf of third parties. The Foundation recognized revenue when it satisfies a performance obligation by transferring control over a service to a customer.

For performance obligations related to the Foundation's safari registration, control transfers to the customer and revenue is recognized when the event occurs. The payment terms and conditions in customer contracts require payments as performance obligations are completed, therefore the Foundation does not have any significant financing components.

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 FOR CANCER CARE IN TANZANIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

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.

Contract Receivable

Contract receivable is stated at the amount management expects to collect from balances outstanding at year end. Based on management's assessment of the credit history with 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. All contracts receivable are expected to be collected within one year of the statement of financial position date.

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.

Donated Services and Materials

The Foundation recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed.

Donated materials and services are recorded as contributions at their estimated fair value on the date received. The value of the contribution of the rental space and services is recognized as both revenue and an expense to the Foundation.

The value of the contribution of services, by professional service volunteers, is recognized as both revenue and expense to the Foundation at the rates paid to equivalent individuals hired by the Foundation.

THE FOUNDATION FOR CANCER CARE IN TANZANIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

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.

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, 2023 and 2022, there were cash balances in excess of the federally insured limit of approximately \$321,000 and \$519,000, respectively.

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.

THE FOUNDATION FOR CANCER CARE IN TANZANIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through November 14, 2024, the date the financial statements were available to be issued.

2. Liquidity and Availability

Financial assets as of December 31, 2023 and 2022, available for general expenditure within one year of the statement of financial position date consisted of cash and cash equivalents and receivables of \$893,984 and \$772,262, 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. Net Assets

Net assets with donor restrictions for specific programs as of December 31, 2023 and 2022 consisted of \$439,393 and \$553,189, respectively.

Net assets in the amount of \$125,297 and \$86,340 were released from restriction during the years ended December 31, 2023 and 2022, respectively, by meeting the donor's purpose restriction requirements.

4. Functional Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. All expenses are allocated on the basis of estimates of time and effort.

THE FOUNDATION FOR CANCER CARE IN TANZANIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

5. In-kind Contributions

The Foundation's financial statements include the following in-kind contributions revenue and support and associated expense:

Professional Fees – The Foundation receives donated professional fees that would typically be paid directly if not provided as an in-kind contribution. These services, which require specialized skills, are recognized as in-kind contributions at fair value and expensed as services are rendered. The estimated fair value of these professional fees is provided by the service provider, who estimates the fair value based on the date, time and market in which the services are rendered.

Fundraising events – The Foundation receives donated professional fees and materials that would typically be paid directly if not provided as an in-kind contribution. These services, which require specialized skills, are recognized as in-kind contributions at fair value and expensed as services are rendered. The estimated fair value of these professional fees is provided by the service provider, who estimates the fair value based on the date, time and market in which the services are rendered. The Foundation values materials at either face value or fair value on the date received.

The Foundation did not monetize any contributed non-financial assets and contributed non-financial assets did not have donor restrictions during the years ended December 31, 2023 and 2022

In-kind contributions included in statement of activities for the years ended December 31, 2023 and 2022 consisted of the following:

	2023	2022
General and Administrative		
Professional fees	\$ 22,760	\$ 22,175
Fundraising		
Professional fees	20,000	20,000
Fundraising events	5,550	5,550
Total	<u>\$ 48,310</u>	<u>\$ 47,725</u>

6. Revenue and Contract Balances

Contract liabilities include deferred revenue for a special event that took place in a subsequent year. Contract liabilities totaled \$81,840 as of December 31, 2023.

The Foundation typically recognizes contract liabilities as revenue in the following fiscal year.

THE FOUNDATION FOR CANCER CARE IN TANZANIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

7. Concentrations

During the year ended December 31, 2023 the Foundation received approximately 42%, approximately \$305,000 of contract and contribution support from one grantor. This amount was also 100% of contract receivables as of December 31, 2023.