



AFRICAN MISSION HEALTHCARE  
FOUNDATION DBA AFRICAN  
MISSION HEALTHCARE  
AND AFFILIATE

Consolidated Financial Statements  
With Independent Auditors' Report

December 31, 2020 and 2019

**AFRICAN MISSION HEALTHCARE FOUNDATION  
DBA AFRICAN MISSION HEALTHCARE  
AND AFFILIATE**

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
African Mission Healthcare Foundation  
dba African Mission Healthcare and Affiliate  
DeLand, FL

We have audited the accompanying consolidated financial statements of African Mission Healthcare Foundation dba African Mission Healthcare and Affiliate, which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors  
African Mission Healthcare Foundation  
dba African Mission Healthcare and Affiliate  
DeLand, FL

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of African Mission Healthcare Foundation dba African Mission Healthcare and Affiliate as of December 31, 2020 and 2019, and the changes in its consolidated net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Capin Crouse LLP*

Colorado Springs, Colorado  
July 20, 2021

**AFRICAN MISSION HEALTHCARE FOUNDATION  
DBA AFRICAN MISSION HEALTHCARE  
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**Consolidated Statements of Financial Position**

	December 31,	
	2020	2019
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 14,034,419	\$ 10,696,232
Investments	464,835	253,251
Contributions and other receivables–net	1,413,536	460,230
Prepaid expenses	26,529	1,710
Furniture and equipment–net	52,215	58,103
	<u>\$ 15,991,534</u>	<u>\$ 11,469,526</u>
<b>LIABILITIES AND NET ASSETS:</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 152,132	\$ 48,785
Grants payable	720,116	397,473
	<u>872,248</u>	<u>446,258</u>
<b>Net assets:</b>		
Without donor restrictions	2,053,167	1,909,680
With donor restrictions	13,066,119	9,113,588
	<u>15,119,286</u>	<u>11,023,268</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 15,991,534</u>	<u>\$ 11,469,526</u>

See notes to consolidated financial statements

**AFRICAN MISSION HEALTHCARE FOUNDATION**  
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**Consolidated Statements of Activities**

	Year Ended December 31,					
	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>						
Contributions	\$ 1,505,618	\$ 11,742,696	\$ 13,248,314	\$ 746,040	\$ 9,242,237	\$ 9,988,277
Contributions of net assets from new affiliate	-	-	-	486,946	-	486,946
Gifts-in-kind	-	-	-	30,000	-	30,000
Interest and other income	19,248	-	19,248	115,783	-	115,783
<b>Total Support and Revenue</b>	<b>1,524,866</b>	<b>11,742,696</b>	<b>13,267,562</b>	<b>1,378,769</b>	<b>9,242,237</b>	<b>10,621,006</b>
<b>NET ASSETS RELEASED:</b>						
Purpose and time restrictions	7,790,165	(7,790,165)	-	6,871,894	(6,871,894)	-
<b>EXPENSES:</b>						
Program services	8,184,598	-	8,184,598	6,129,260	-	6,129,260
Supporting activities:						
General and administrative	676,487	-	676,487	908,775	-	908,775
Fundraising	310,459	-	310,459	452,139	-	452,139
	986,946	-	986,946	1,360,914	-	1,360,914
<b>Total Expenses</b>	<b>9,171,544</b>	<b>-</b>	<b>9,171,544</b>	<b>7,490,174</b>	<b>-</b>	<b>7,490,174</b>
Change in Net Assets	143,487	3,952,531	4,096,018	760,489	2,370,343	3,130,832
Net Assets, Beginning of Year	1,909,680	9,113,588	11,023,268	1,149,191	6,743,245	7,892,436
Net Assets, End of Year	<b>\$ 2,053,167</b>	<b>\$ 13,066,119</b>	<b>\$ 15,119,286</b>	<b>\$ 1,909,680</b>	<b>\$ 9,113,588</b>	<b>\$ 11,023,268</b>

See notes to consolidated financial statements

**AFRICAN MISSION HEALTHCARE FOUNDATION  
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**Consolidated Statements of Functional Expenses**

	Year Ended December 31, 2020			
	Program Services	General and Administrative	Fundraising	Total Expenses
Grant expense	\$ 7,461,765	\$ 257	\$ 517	\$ 7,462,539
Salaries and benefits	651,124	407,786	215,035	1,273,945
Office and other expenses	17,690	109,515	1,631	128,836
Professional services	38,201	78,798	-	116,999
Donor development	-	-	86,082	86,082
Travel	13,190	31,740	2,738	47,668
Information technology	2,628	24,394	4,456	31,478
Financial expense	-	23,997	-	23,997
	<u>\$ 8,184,598</u>	<u>\$ 676,487</u>	<u>\$ 310,459</u>	<u>\$ 9,171,544</u>
	<u>90%</u>	<u>7%</u>	<u>3%</u>	<u>100%</u>
	Year Ended December 31, 2019			
	Program Services	General and Administrative	Fundraising	Total
Grant expense	\$ 5,434,693	\$ -	\$ -	\$ 5,434,693
Salaries and benefits	555,906	396,621	250,912	1,203,439
Office and other expenses	66,972	243,812	-	310,784
Professional services	2,991	85,717	-	88,708
Donor development	-	29,194	193,193	222,387
Travel	62,159	97,172	5,602	164,933
Information technology	6,346	12,577	2,432	21,355
Financial expense	193	43,682	-	43,875
	<u>\$ 6,129,260</u>	<u>\$ 908,775</u>	<u>\$ 452,139</u>	<u>\$ 7,490,174</u>
	<u>82%</u>	<u>12%</u>	<u>6%</u>	<u>100%</u>

See notes to consolidated financial statements

**AFRICAN MISSION HEALTHCARE FOUNDATION  
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**Consolidated Statements of Cash Flows**

	Year Ended December 31,	
	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 4,096,018	\$ 3,130,832
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	15,469	15,778
Impairment loss on investment	73,197	-
Foreign currency translation adjustment	17,852	2,291
Forgiveness of Paycheck Protection Program loan	(96,340)	-
Donated affiliate furniture and equipment	-	(33,834)
Changes in operating assets and liabilities:		
Contributions and other receivables–net	(901,503)	(382,762)
Prepaid expenses	(24,819)	990
Accounts payable and accrued expenses	103,347	34,393
Grants payable	322,643	285,951
Net Cash Provided by Operating Activities	3,605,864	3,053,639
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of investments	(337,639)	(253,251)
Purchases of furniture and equipment	(13,591)	(42,338)
Reinvestment of interest	(12,787)	-
Net Cash Used by Investing Activities	(364,017)	(295,589)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from Paycheck Protection Program loan	96,340	-
Net Cash Provided by Financing Activities	96,340	-
Net Change in Cash and Cash Equivalents	3,338,187	2,758,050
Cash and Cash Equivalents, Beginning of Year	10,696,232	7,938,182
Cash and Cash Equivalents, End of Year	\$ 14,034,419	\$ 10,696,232
<b>SUPPLEMENTAL DISCLOSURE:</b>		
Forgiveness of Paycheck Protection Program loan	\$ 96,340	\$ -
Investments reclassified to contributions and other receivables	\$ 51,803	\$ -

See notes to consolidated financial statements



**AFRICAN MISSION HEALTHCARE FOUNDATION  
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**Notes to Consolidated Financial Statements**

December 31, 2020 and 2019

1. NATURE OF ORGANIZATION:

African Mission Healthcare Foundation dba African Mission Healthcare exists to strengthen African mission hospitals to aid those in greatest need. Mission hospitals frequently lack important resources, capacity, or capabilities. In response, African Mission Healthcare works closely with selected mission hospitals in various countries in Africa to identify the resources and support needed most, develop effective solutions, mobilize resources, and achieve the desired results. Solutions involve providing support for critically needed infrastructure and equipment, training and medical education, clinical care, and management advisory services.

These consolidated statements include the activities of African Mission Healthcare-Kenya (AMH Kenya), a tax exempt non-governmental organization in Kenya. AMH Kenya's activities were consolidated into African Mission Healthcare's financial statements beginning January 1, 2019.

African Mission Healthcare is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state laws. However, African Mission Healthcare is subject to federal income tax on any unrelated business taxable income. In addition, African Mission Healthcare is not classified as a private foundation within the meaning of Section 509(a) of the IRC.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

African Mission Healthcare maintains its accounts and prepares its consolidated financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The preparation of consolidated 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 reported amounts of assets and liabilities, disclosures of any contingent assets and liabilities at the date of the consolidated financial statements, and the reported revenues and expenses during the reporting period. Actual results could differ from the estimates. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

**PRINCIPLES OF CONSOLIDATION**

Due to board control, AMH Kenya is a controlled entity of African Mission Healthcare for the purposes of these consolidated statements. The consolidated financial statements of AMH therefore includes the financial resources and activities of this entity. All significant intercompany balances and transactions have been eliminated. African Mission Healthcare and AMH Kenya are collectively referred to as African Mission Healthcare Foundation dba African Mission Healthcare and Affiliate (AMH) in these consolidated financial statements.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of checking and savings accounts. As of December 31, 2020 and 2019, AMH has cash and cash equivalents on deposit with financial institutions that exceed the federally insured (FDIC) balance by approximately \$12,500,000 and \$9,200,000, respectively. AMH has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

**INVESTMENTS**

All investments with readily determinable fair values are recorded at fair market value. Unrealized gains or losses in fair value are recognized in the year in which they occur and reflected on the consolidated statement of activities. Interest income is recorded on the consolidated statement of activities when it is earned. AMH's interest in a privately held equity is held at cost and evaluated for impairment if a triggering event occurs.

AMH, with the support of an existing major donor, has established plans for the AMH "Closed Reserve Fund." Periodic donations made specifically to the Closed Reserve Fund will be invested in longer-term private equity and other non-traditional investments with greater potential for above market returns. The investments are selected by management with input and oversight by the AMH Investment Committee. Current plans are to invest and reinvest these funds for an extended period (e.g., the next twenty years) in an effort to build up substantial reserves for future program needs. The objectives for the Closed Reserve Fund and the nature of planned investments present substantial risks including reduced liquidity and increased volatility. Recognizing these related risks, only funds specifically donated for the inclusion in the Closed Reserve Fund are to be invested in this manner.

**CONTRIBUTIONS AND OTHER RECEIVABLES**

Contributions and other receivables consist mainly of amounts unconditionally committed by donors. AMH records an allowance for doubtful accounts if deemed necessary, which is based on a review of outstanding receivables, historical collection information, and existing economic conditions. There is no allowance for doubtful accounts at December 31, 2020 and 2019, as outstanding balances are considered fully collectible. All amounts are collectible within one year.

**FURNITURE AND EQUIPMENT**

AMH capitalizes furniture and equipment purchases exceeding \$5,000 and expenses lesser amounts in the year purchased. Furniture and equipment are recorded at cost. Depreciation is computed on the straight-line method over the estimated useful lives. AMH furniture and equipment consists of vehicles, computers, and furniture. There was accumulated depreciation of \$86,652 and \$76,777, as of December 31, 2020 and 2019, respectively.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

**GRANTS PAYABLE**

Amounts become payable based on applicable conditions present in the agreements between AMH and partner hospitals or other organizations. Grants payable consist of amounts unconditionally owed or conditionally owed and for which relevant conditions have been met based on agreements entered into between AMH and these organizations.

**CLASSES OF NET ASSETS**

The net assets of AMH are reported in the following classes:

*Net assets without donor restrictions* are those currently available at the discretion of the board for use in AMH's operations or support of AMH's partner hospitals or other organizations, as well as those resources currently invested in furniture and equipment.

*Net assets with donor restrictions* include resources restricted by donors primarily for the support of designated partner hospitals or other organizations, or for specified projects or programs.

**SUPPORT AND REVENUE**

Contributions are recorded when made, which may be when cash and other assets are received or when unconditionally promised. AMH reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the contributed amounts. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, 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. All contributions are considered available for use without donor restrictions unless specifically restricted by the donor.

Interest and other income is recognized when earned.

**FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing program services and supporting activities have been summarized on a functional basis. Accordingly, certain costs relating to more than one function, such as payroll, travel, and facilities expenses, have been allocated among the program services, general and administrative, and fundraising activities benefited. Salaries are allocated based on the time and effort spent by each employee, and all other expenses are allocated based on the purpose of the expense.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENT

In 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*. AMH adopted the provisions of this new standard during the year ended December 31, 2020. This new standard applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Adoption of this standard had no effect on change in net assets or net assets in total.

3. INVESTMENTS:

Investments consist of:

	December 31,	
	2020	2019
Money markets and other	\$ 464,835	\$ 128,251
Investment on cost method	-	125,000
	<u>\$ 464,835</u>	<u>\$ 253,251</u>

During the year ended December 31, 2019, AMH invested \$125,000 contributed to the Closed Reserve Fund in a private limited liability company (LLC). During the year ended December 31, 2020, this investment was reclassified as an other receivable for \$51,803 and a loss of \$73,197 was recognized in interest and other income.

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4. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects AMH's financial assets reduced by amounts not available for general use within one year, as of December 31, 2020 and 2019, respectively. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

	December 31,	
	2020	2019
Financial assets:		
Cash and cash equivalents	\$ 14,034,419	\$ 10,696,232
Investments	464,835	253,251
Contributions and other receivables–net	1,413,536	460,230
Financial assets, at year-end	15,912,790	11,409,713
Less those unavailable for general expenditures within one year, due to:		
Restrictions due to purpose and time	(3,968,529)	(4,671,454)
Investments not expected to be liquidated within one year	-	(125,000)
Contributions receivable not due within one year	-	(200,000)
Financial assets available within one year to meet cash needs for general expenditures	\$ 11,944,261	\$ 6,413,259

AMH currently maintains substantially all of its assets in the form of cash and cash equivalents to ensure that amounts are available to pay its program and other general expenditures, liabilities, and other obligations as they come due.

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5. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions as of December 31, 2020 and 2019, consist of:

	December 31,	
	2020	2019
Gidel Mother of Mercy Hospital	\$ 3,549,690	\$ 1,938,556
Time restricted	1,354,100	446,351
Tenwek Cardio Thoracic Center	1,110,751	1,101,753
General medical	1,718,524	999,768
Restricted for specific hospital and clinic projects	1,020,363	1,086,700
Oxygen projects	971,471	-
ELWA Hospital	939,981	1,202,878
Mission Teaching Hospital Network	848,754	492,334
Restricted for South Sudan partners, projects, and programs	707,065	791,762
Anesthesia program and training	511,089	502,371
Surgical access (SAFE) program	238,388	423,036
Restricted for operations	72,776	65,691
Housing (HOPE) program	19,986	44,966
Watsi	3,181	17,422
	\$ 13,066,119	\$ 9,113,588

6. CONCENTRATION:

During the year ended December 31, 2020, AMH received contributions from three donors that total approximately \$6,240,000. During the year ended December 31, 2019, AMH received a contribution from one donor that totaled approximately \$1,260,000. These gifts account for approximately 47% and 12% of total support and revenue for the years ended December 31, 2020 and 2019.

7. RELATED PARTY TRANSACTIONS:

During the years ended December 31, 2020 and 2019, AMH received donations from board members and members of senior management totaling approximately \$131,000 and \$213,000, respectively.

During the year ended December 31, 2020, AMH paid a member of the AMH-Kenya board approximately \$24,000 for contract services. These contract services focused on supporting and improving AMH-Kenya's financial and administrative services. During 2021, this board member resigned from the AMH-Kenya board and joined AMH-Kenya as vice president of finance and administration.

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8. RISKS AND UNCERTAINTIES:

AMH's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on AMH's financial position, operations, and cash flows. Possible effects may include, but are not limited to, disruption to AMH's program services, contribution revenue, absenteeism in workforce, and a decline in value of assets held. The financial impact cannot be estimated at this time.

9. PAYCHECK PROTECTION PROGRAM LOAN:

In April 2020, due to the coronavirus pandemic, AMH obtained a Paycheck Protection Program (PPP) loan from the Small Business Administration in the amount of \$96,340. The loan is fully forgivable provided AMH meets certain spending and employment thresholds. The barrier is that PPP loans funds must be used to maintain compensations costs and employee head count, and other qualifying expenses (mortgage interest, rent and utilities) incurred following receipt of the funds. All of the conditions were met by December 31, 2020, and the amount was recognized as a contribution with donor restrictions and net assets released from restrictions in the statements of activities for the year ended December 31, 2020.

10. SUBSEQUENT EVENTS:

Subsequent to the year ended December 31, 2020, AMH received notice of forgiveness of their PPP loan.

Subsequent events were evaluated through July 20, 2021, which is the date the consolidated financial statements were available to be issued.