



AFRICAN MISSION HEALTHCARE
FOUNDATION DBA AFRICAN
MISSION HEALTHCARE
AND AFFILIATE

Consolidated Financial Statements
With Independent Auditors' Report

December 31, 2021 and 2020

**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

Opinion

We have audited the accompanying financial statements of African Mission Healthcare Foundation dba African Mission Healthcare and Affiliate, which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows 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 African Mission Healthcare Foundation dba African Mission Healthcare and Affiliate as of December 31, 2021 and 2020, and the changes in their net assets and their 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of African Mission Healthcare Foundation dba African Mission Healthcare and Affiliate 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 raise substantial doubt about African Mission Healthcare Foundation dba African Mission Healthcare and Affiliate's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

Auditors' 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 auditors' 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, including omissions, 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 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 African Mission Healthcare Foundation dba African Mission Healthcare and Affiliate's internal control.
- 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 African Mission Healthcare Foundation dba African Mission Healthcare and Affiliate'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 audits.

Capin Crouse LLP

Colorado Springs, Colorado
May 20, 2022

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

Consolidated Statements of Financial Position

	December 31,	
	2021	2020
ASSETS:		
Cash and cash equivalents	\$ 29,835,166	\$ 14,034,419
Investments	409,123	464,835
Contributions and other receivables–net	140,750	1,413,536
Prepaid expenses	312,530	26,529
Land, furniture, and equipment–net	76,560	52,215
Total Assets	\$ 30,774,129	\$ 15,991,534
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 243,054	\$ 152,132
Grants payable	474,543	720,116
Total liabilities	717,597	872,248
Net assets:		
Without donor restrictions	1,891,687	2,053,167
With donor restrictions	28,164,845	13,066,119
Total net assets	30,056,532	15,119,286
Total liabilities and net assets	\$ 30,774,129	\$ 15,991,534

See notes to consolidated financial statements

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

	Year Ended December 31,					
	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	\$ 950,474	\$ 23,385,478	\$ 24,335,952	\$ 1,505,618	\$ 11,742,696	\$ 13,248,314
Interest and other income	83,982	-	83,982	19,248	-	19,248
Total Support and Revenue	<u>1,034,456</u>	<u>23,385,478</u>	<u>24,419,934</u>	<u>1,524,866</u>	<u>11,742,696</u>	<u>13,267,562</u>
NET ASSETS RELEASED:						
Purpose and time restrictions	<u>8,286,752</u>	<u>(8,286,752)</u>	<u>-</u>	<u>7,790,165</u>	<u>(7,790,165)</u>	<u>-</u>
EXPENSES:						
Program services	<u>8,268,879</u>	<u>-</u>	<u>8,268,879</u>	<u>8,184,598</u>	<u>-</u>	<u>8,184,598</u>
Supporting activities:						
General and administrative	966,823	-	966,823	676,487	-	676,487
Fundraising	246,986	-	246,986	310,459	-	310,459
	<u>1,213,809</u>	<u>-</u>	<u>1,213,809</u>	<u>986,946</u>	<u>-</u>	<u>986,946</u>
Total Expenses	<u>9,482,688</u>	<u>-</u>	<u>9,482,688</u>	<u>9,171,544</u>	<u>-</u>	<u>9,171,544</u>
Change in Net Assets	(161,480)	15,098,726	14,937,246	143,487	3,952,531	4,096,018
Net Assets, Beginning of Year	<u>2,053,167</u>	<u>13,066,119</u>	<u>15,119,286</u>	<u>1,909,680</u>	<u>9,113,588</u>	<u>11,023,268</u>
Net Assets, End of Year	<u>\$ 1,891,687</u>	<u>\$ 28,164,845</u>	<u>\$ 30,056,532</u>	<u>\$ 2,053,167</u>	<u>\$ 13,066,119</u>	<u>\$ 15,119,286</u>

See notes to consolidated financial statements

**AFRICAN MISSION HEALTHCARE FOUNDATION
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Consolidated Statements of Functional Expenses

	Year Ended December 31, 2021			
	Program Services	General and Administrative	Fundraising	Total Expenses
Grant expense	\$ 7,460,138	\$ -	\$ -	\$ 7,460,138
Salaries and benefits	660,902	527,245	158,733	1,346,880
Professional services	18,500	203,615	1,573	223,688
Office and other expenses	68,366	99,737	6,210	174,313
Travel	59,477	39,094	3,364	101,935
Donor development	-	-	73,357	73,357
Financial expense	15	58,188	-	58,203
Information technology	1,481	38,944	3,749	44,174
	<u>\$ 8,268,879</u>	<u>\$ 966,823</u>	<u>\$ 246,986</u>	<u>\$ 9,482,688</u>
	<u>87%</u>	<u>10%</u>	<u>3%</u>	<u>100%</u>

	Year Ended December 31, 2020			
	Program Services	General and Administrative	Fundraising	Total
Grant expense	\$ 7,461,765	\$ 257	\$ 517	\$ 7,462,539
Salaries and benefits	651,124	407,786	215,035	1,273,945
Professional services	38,201	78,798	-	116,999
Office and other expenses	17,690	109,515	1,631	128,836
Travel	13,190	31,740	2,738	47,668
Donor development	-	-	86,082	86,082
Financial expense	-	23,997	-	23,997
Information technology	2,628	24,394	4,456	31,478
	<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>

See notes to consolidated financial statements

**AFRICAN MISSION HEALTHCARE FOUNDATION
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Consolidated Statements of Cash Flows

	Year Ended December 31,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 14,937,246	\$ 4,096,018
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	14,472	15,469
Impairment loss on investment	-	73,197
Foreign currency translation adjustment	12,358	17,852
Forgiveness of Paycheck Protection Program loan	-	(96,340)
Loss on disposal of land, furniture, and equipment	4,927	-
Changes in operating assets and liabilities:		
Contributions and other receivables–net	1,272,786	(901,503)
Prepaid expenses	(286,001)	(24,819)
Accounts payable and accrued expenses	90,922	103,347
Grants payable	(245,573)	322,643
Net Cash Provided by Operating Activities	15,801,137	3,605,864
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(184,829)	(337,639)
Proceeds from sale of investments	241,173	-
Purchases of land, furniture, and equipment	(43,744)	(13,591)
Reinvestment of interest	(12,990)	(12,787)
Net Cash Used by Investing Activities	(390)	(364,017)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Paycheck Protection Program loan	-	96,340
Net Cash Provided by Financing Activities	-	96,340
Net Change in Cash and Cash Equivalents	15,800,747	3,338,187
Cash and Cash Equivalents, Beginning of Year	14,034,419	10,696,232
Cash and Cash Equivalents, End of Year	\$ 29,835,166	\$ 14,034,419
SUPPLEMENTAL DISCLOSURE:		
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, 2021 and 2020

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. These consolidated financial statements 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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December 31, 2021 and 2020

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, 2021 and 2020, AMH has cash and cash equivalents on deposit with financial institutions that exceed the federally insured (FDIC) balance by approximately \$26,600,000 and \$12,500,000, 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

Investments held by AMH as of December 31, 2021 and 2020 consist of money market accounts, which are held at cost. 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, 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, 2021 and 2020, as outstanding balances are considered fully collectible. All amounts are collectible within one year.

LAND, FURNITURE, AND EQUIPMENT

AMH capitalizes land, 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.

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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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3. 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, 2021 and 2020, respectively. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

	December 31,	
	2021	2020
Financial assets:		
Cash and cash equivalents	\$ 29,835,166	\$ 14,034,419
Investments	409,123	464,835
Contributions and other receivables–net	140,750	1,413,536
Financial assets, at year-end	30,385,039	15,912,790
Less those unavailable for general expenditures within one year, due to:		
Restrictions due to purpose and time	(18,015,975)	(3,968,529)
Financial assets available within one year to meet cash needs for general expenditures	\$ 12,369,064	\$ 11,944,261

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.

4. LAND, FURNITURE, AND EQUIPMENT–NET:

Land, furniture, and equipment–net consist of:

	December 31,	
	2021	2020
Land	\$ 28,865	\$ -
Vehicles	33,378	37,387
Computers and equipment	66,029	76,267
Furniture and fixtures	30,618	25,213
	158,890	138,867
Less accumulated depreciation	(82,330)	(86,652)
	\$ 76,560	\$ 52,215

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Notes to Consolidated Financial Statements

December 31, 2021 and 2020

5. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions as of December 31, 2021 and 2020, consist of:

	December 31,	
	2021	2020
Transforming Healthcare programs and projects	\$ 6,416,926	\$ -
Time restricted for closed reserve fund	6,000,000	-
Gidel Mother of Mercy Hospital	4,554,998	3,549,690
Mission Hospital Teaching Network	3,074,290	848,754
Other specified hospital and clinic projects	2,155,144	1,020,363
Oxygen projects	2,120,880	971,471
General medical projects and programs	1,402,101	1,718,524
ELWA Hospital	693,230	939,981
Anesthesia program and training	531,692	511,089
Tenwek Cardio Thoracic Center	508,273	1,110,751
South Sudan partners, projects, and programs	206,485	707,065
Surgical access (SAFE) program	170,692	241,569
Other restricted	151,727	72,776
Other time restrictions	133,442	1,354,100
Housing (HOPE) program	44,965	19,986
	\$ 28,164,845	\$ 13,066,119

6. CONCENTRATION:

During the year ended December 31, 2021, AMH received contributions from two donors that totaled approximately \$17,017,814. During the year ended December 31, 2020, AMH received a contribution from three donors that totaled approximately \$6,240,000. These gifts account for approximately 70% and 47% of total support and revenue for the years ended December 31, 2021 and 2020, respectively.

7. RELATED PARTY TRANSACTIONS:

During the years ended December 31, 2021 and 2020, AMH received donations from board members and members of senior management totaling approximately \$176,000 and \$131,000, 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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Notes to Consolidated Financial Statements

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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, sudden reductions in contribution revenue, absenteeism in workforce, and a decline in value of assets held. The financial impact cannot be estimated at this time.

9. COMMITMENTS

As of December 31, 2021, AMH entered into a joint venture agreement in Kenya related to the Maua Oxygen Project. The purpose of this project is to produce oxygen to be used at one of AMH's hospital partners and to be sold at affordable rates to benefit patients of area hospitals and other health facilities. As of December 31, 2021, AMH had incurred approximately \$200,000 to benefit future periods, which is included as prepaid expenses on the consolidated statements of financial position. Remaining commitments of up to \$720,000 are yet to be incurred for this arrangement.

10. SUBSEQUENT EVENTS:

Subsequent events were evaluated through May 20, 2022, which is the date the consolidated financial statements were available to be issued.