



# **LAMP FOUNDATION, INC.**

FINANCIAL STATEMENTS

December 31, 2012



LAMP FOUNDATION, INC.  
YEAR ENDED DECEMBER 31, 2012

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# Morey, Nee, Buck & Oswald, LLC

Certified Public Accountants and Advisors

## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors  
LAMP FOUNDATION, INC.  
Jenkintown, PA

We have reviewed the accompanying statement of assets, liabilities, and net assets – modified cash basis of Lamp Foundation, Inc. (a nonprofit corporation) as of December 31, 2012, and the related statements of support, revenue, and expenses, and functional expenses – cash basis for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the cash basis of accounting, the cash basis differs from generally accepted accounting principles in the United States of America primarily because revenues are recognized when received rather than when earned and expenses are recognized when paid rather than when the obligation is incurred.

*Morey, Nee, Buck & Oswald, LLC*

Morey Nee Buck & Oswald, LLC  
Spring House, PA  
September 25, 2013

LAMP FOUNDATION, INC.  
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS –  
MODIFIED CASH BASIS  
AS OF DECEMBER 31, 2012

ASSETS

Cash and cash equivalents	\$ <u>143,197</u>
Property and equipment:	
Land	10,000
Vehicles	66,292
Equipment and fixtures	<u>16,134</u>
	92,426
Accumulated depreciation	<u>(20,236)</u>
Total property and equipment	<u>72,190</u>
Total assets	\$ <u>215,387</u>

LIABILITIES AND NET ASSETS

Net assets:	
Unrestricted	\$ <u>215,387</u>
Total liabilities and net assets	\$ <u>215,387</u>

See independent accountant's review report and accompanying notes.

LAMP FOUNDATION, INC.  
STATEMENT OF SUPPORT, REVENUE, AND EXPENSES –  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

Support and revenues:	
Contributions	\$ 68,984
In-kind contributions	303,512
Grant income	29,250
Investment income	481
Fundraising events	<u>3,473</u>
Total support and revenues	<u>405,700</u>
Expenses:	
Program expenses	553,371
Management and general	18,858
Fundraising	<u>4,929</u>
Total operating expenses	<u>577,158</u>
Change in operating net assets	(171,458)
Non-operating:	
Loss on disposal of property and equipment	<u>(4,843)</u>
Change in net assets	(176,301)
Net assets, beginning of year	<u>391,688</u>
Net assets, end of year	<u>\$ 215,387</u>

See independent accountant's review report and accompanying notes.

LAMP FOUNDATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES –  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Program Expenses</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Education program	\$ 6,720	\$ -	\$ -	\$ 6,720
Program services	9,926	-	-	9,926
Rent	1,500	-	-	1,500
Director wages – Haiti	13,700	-	-	13,700
Lab wages	9,100	-	-	9,100
Medical wages	76,080	-	-	76,080
Driver wages	3,200	-	-	3,200
Other wages	30,000	10,000	-	40,000
Payroll taxes	3,428	1,142	-	4,570
Auto expense	8,096	-	-	8,096
Bank and wire charges	990	-	-	990
Continuing education	3,500	-	-	3,500
Depreciation	12,406	-	-	12,406
Insurance expense	-	3,439	-	3,439
Lab supplies	11,900	-	-	11,900
Medical supplies	330,866	-	-	330,866
Office expense	3,731	-	-	3,731
Printing expense	-	-	4,552	4,552
Postage and shipping	-	-	377	377
Professional fees	-	4,277	-	4,277
Repairs and maintenance	11,904	-	-	11,904
Telephone and internet	4,353	-	-	4,353
Travel expenses	<u>11,971</u>	<u>-</u>	<u>-</u>	<u>11,971</u>
 Total expenses	 <u>\$ 553,371</u>	 <u>\$ 18,858</u>	 <u>\$ 4,929</u>	 <u>\$ 577,158</u>

See independent accountant's review report and accompanying notes.

LAMP FOUNDATION, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization** - Through the provision of quality free medical care and humanitarian assistance, the Lamp for Haiti works with and for the people of Haiti to improve the lives of some of the most marginalized persons in Haitian society. Our work is done in collaboration with local residents, other Haitian professionals, and both governmental and nongovernmental partners.

Lamp for Haiti is non-profit, non-sectarian and apolitical. Transparency to the community, patients, donors, and governing bodies is a *sine qua non*.

Lamp for Haiti envisions a time when the communities we serve will meet their basic health and humanitarian needs on a self-sustaining basis.

To that end the Lamp for Haiti develops and empowers local professional and nonprofessional staff to carry out its mission, aligns its activities with the needs and interests of the local community, and cooperates in mutually beneficial and sustainable ways with Haiti's broader network of health organizations.

**Basis of Accounting** - The accompanying financial statements of the Lamp Foundation, Inc. have been prepared on the modified cash basis of accounting. The modified cash basis differs from generally accepted accounting principles in the United States of America primarily because revenues are recognized when received rather than when earned and expenses are recognized when paid rather than when the obligation is incurred.

**Financial Statement Preparation** - The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, which represents the expendable resources that are available for operations at the Board's discretion; temporarily restricted net assets, which represent resources restricted by donors as to purpose or by the passage of time; and permanently restricted net assets, which represents resources whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

The Organization does not have temporarily or permanently restricted net assets.

**Use of Estimates** - The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

LAMP FOUNDATION, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012

1. ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued***

**Cash and Cash Equivalents** - Cash, certificates of deposit and other highly liquid investments purchased with original maturities of three months or less are considered to be cash equivalents.

**Donated Services** - Contributions of noncash goods are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

The Organization received \$303,512 in noncash contributions in the form of medical supplies and equipment in the year ended December 31, 2012. The noncash contributions are recorded as contribution income and related expense in the statement of support, revenue and expenses.

**Allocated Expenses** - The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses.

**Income Taxes** - The Organization is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b) (1) (A) and has been classified as an Organization that is not a private foundation under Section 509(a) (2).

**Property and Equipment** - Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method. The Organization's capitalization policy is to capitalize amounts spent for the purchase and construction of new fixed assets or to replace old ones, or to expand and modernize long-term operating assets.

**Revenue Recognition** - Revenue is recognized when received.

2. ***COMMITMENTS AND CONTINGENCIES***

The Organization's operations are run abroad in Haiti. Accordingly, the Organization has employees that are paid to run the operations located there. The Organization has not yet registered with the taxing authority in Haiti and is currently not paying payroll taxes on the amounts paid to its employees abroad. However, the Organization is currently in the process of the registration process and their registration documents are being reviewed by the Haitian government.



LAMP FOUNDATION, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012

2. ***COMMITMENTS AND CONTINGENCIES (continued)***

It is reasonably possible that the taxing authority in Haiti may require the Organization to begin remitting payroll taxes. In addition, they may require that the Organization pay back taxes for prior periods, including the period covered by the accompanying financial statements. Management has yet to determine the effect, if any, of this contingency on the financial statements.

3. ***ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES***

The Organization adopted the additional disclosure requirements relating to accounting for uncertainty in income taxes which includes nonpublic entities. Organizations are required to disclose positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within 12 months of the reporting date. A nonprofit organization's exposure to the additional disclosure requirement could relate to tax positions taken which would affect their tax-exempt status and / or the reporting of unrelated business income.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2009.

The Organization's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.

4. ***CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS***

During the fiscal year ended December 31, 2012, the Organization had the following concentrations of risk arising from contributors: The Organization received approximately \$303,000 of their contributions in the form of medical supplies and equipment from one donor.

5. ***SUBSEQUENT EVENTS***

The Organization has evaluated subsequent events through August 27, 2013 which is the date the consolidated financial statements were available to be issued.