



LAMP FOUNDATION, INC.

FINANCIAL STATEMENTS

December 31, 2015



LAMP FOUNDATION, INC.
YEAR ENDED DECEMBER 31, 2015

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Morey, Nee, Buck & Oswald, LLC

Certified Public Accountants and Advisors

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of LAMP FOUNDATION, INC. (a nonprofit organization), which comprise the statement of Assets, Liabilities, and Net Assets as of December 31, 2015, and the related statements of Support, Revenue, and Expenses, Functional Expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of LAMP FOUNDATION, INC. as of December 31, 2015, and the changes in its net assets for the year then ended in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Prior Period Summarized Financial Statements

The summarized December 31, 2014 financial statements were reviewed by us, and our report thereon, dated December 2, 2015, stated we were not aware of any material modifications that should be made to those financial statements for them to be in accordance with the modified cash basis of accounting. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements.

Morey, Nee, Buck & Oswald, LLC

Morey Nee Buck & Oswald, LLC
Spring House, Pennsylvania
September 2, 2016

LAMP FOUNDATION, INC.
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS –
MODIFIED CASH BASIS
AS OF DECEMBER 31, 2015
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014

ASSETS

	<u>2015</u>	<u>2014</u>
Cash and cash equivalents	\$ 116,634	\$ 157,384
Property and equipment:		
Land	10,000	10,000
Building and improvements	52,635	32,749
Vehicles	117,223	74,412
Equipment and fixtures	<u>85,760</u>	<u>84,323</u>
	265,618	201,484
Accumulated depreciation	<u>(90,825)</u>	<u>(60,505)</u>
Total property and equipment, net	<u>174,793</u>	<u>140,979</u>
Total assets	<u>\$ 291,427</u>	<u>\$ 298,363</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Credit card payable	\$ <u>1,408</u>	\$ <u>-</u>
Total liabilities	<u>1,408</u>	<u>-</u>
Net assets:		
Unrestricted	261,049	270,847
Temporarily restricted	<u>28,970</u>	<u>27,516</u>
	<u>290,019</u>	<u>298,363</u>
Total liabilities and net assets	<u>\$ 291,427</u>	<u>\$ 298,363</u>

The accompanying notes are an integral part of the audited financial statements.

LAMP FOUNDATION, INC.
STATEMENT OF SUPPORT, REVENUE, AND EXPENSES –
MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>2015</u>	<u>2014</u>
Support and revenue:				
Contributions	\$ 199,594	\$ -	\$ 199,594	\$ 146,556
School sponsorship donations	8,278	-	8,278	10,155
In-kind contributions	128,002	-	128,002	942,819
Grant income	52,116	57,121	109,237	120,348
Investment income	40	-	40	53
Fundraising events	6,492	-	6,492	69,131
Net assets released	<u>55,667</u>	<u>(55,667)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>450,189</u>	<u>1,454</u>	<u>451,643</u>	<u>1,289,062</u>
Expenses:				
Program expenses	425,798	-	425,798	1,154,369
Management and general	17,658	-	17,658	9,135
Fundraising	<u>16,531</u>	<u>-</u>	<u>16,531</u>	<u>20,079</u>
Total expenses	<u>459,987</u>	<u>-</u>	<u>459,987</u>	<u>1,183,583</u>
Change in net assets	(9,798)	1,454	(8,344)	105,479
Net assets, beginning of year	<u>270,847</u>	<u>27,516</u>	<u>298,363</u>	<u>192,884</u>
Net assets, end of year	<u>\$ 261,049</u>	<u>\$ 28,970</u>	<u>\$ 290,019</u>	<u>\$ 298,363</u>

The accompanying notes are an integral part of the audited financial statements.

LAMP FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES –
MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2014

	<u>Program</u> <u>Expenses</u>	<u>Management</u> <u>and General</u>	<u>Fund-</u> <u>Raising</u>	<u>2015</u>	<u>2014</u>
Education program	\$ 13,392	\$ -	\$ -	\$ 13,392	\$ 7,340
Program services	8,448	-	-	8,448	4,030
Fundraising events	-	-	10,730	10,730	12,954
Occupancy	6,547	-	-	6,547	7,070
Exec. Director wages	30,000	10,000	-	40,000	10,000
NGO wages	98,054	-	-	98,054	99,873
Payroll taxes	2,744	771	430	3,945	1,055
Vehicle expense	14,269	-	-	14,269	11,236
Bank and wire charges	2,613	-	-	2,613	1,191
Continuing education	63	-	-	63	656
Depreciation	30,320	-	-	30,320	22,767
Insurance expense	-	2,452	-	2,452	2,536
Lab supplies	5,423	-	-	5,423	8,400
Medical supplies	135,649	-	-	135,649	962,177
Office expense	4,125	685	-	4,810	5,478
Printing expense	-	-	4,012	4,012	5,211
Postage and shipping	-	-	1,359	1,359	1,914
Professional fees	-	3,750	-	3,750	3,500
Repairs and maintenance	4,743	-	-	4,743	3,276
Telephone and internet	7,084	-	-	7,084	3,560
Travel expenses	7,512	-	-	7,512	9,359
Temporarily restricted releases:					
Peace garden	1,500	-	-	1,500	-
Solar Panels	5,000	-	-	5,000	-
Other	<u>48,312</u>	<u>-</u>	<u>-</u>	<u>48,312</u>	<u>-</u>
Total expenses	<u>\$ 425,798</u>	<u>\$ 17,658</u>	<u>\$ 16,531</u>	<u>\$ 459,987</u>	<u>\$1,183,583</u>

The accompanying notes are an integral part of the audited financial statements.

LAMP FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Organization - Through the provision of quality free medical care and humanitarian assistance, the Lamp Foundation, Inc. (the Organization) 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, 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 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, 2015

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 \$128,002 in noncash contributions in the form of medical supplies and equipment for the year ended December 31, 2015. 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 statement 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 over the assets' estimated useful lives. 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.

Depreciation expense was \$30,320 for the year ended December 31, 2015.

Revenue Recognition – Revenue is recognized when received.

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

The preparation of the financial statements in conformity with the modified cash basis of accounting requires the Organization to report information regarding its exposure to various tax positions taken. Management has performed their evaluation and believes there are no unrecognized tax positions that are required to be disclosed.

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

LAMP FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

3. 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 documents are being reviewed by the Haitian government.

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.

4. PAYROLL

In October 2013, it was proposed that the Executive Director would not take a salary for six months due to the surplus of the 2010 Earthquake fund being exhausted. The individual suggested he could volunteer for a full year, however, the board decided that he could volunteer for six months and that the Organization's financial status would be reviewed after the first six months to decide what to do regarding the remaining six months of volunteer work. In 2014, it was decided that he would continue working on a volunteer basis for part of the year. Therefore, there are no payroll wage expenses included in the first three quarters of 2014 for the Executive Director.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of the following:

Business checking	\$ 83,324
Savings	<u>33,310</u>
Total cash	<u>\$ 116,634</u>

The balance of cash and cash equivalents at December 31, 2015 includes \$28,970 of restricted monies.

6. TEMPORARILY RESTRICTED AND UNRESTRICTED REVENUE AND SUPPORT

Support that is not restricted by the donor is reported as an increase in unrestricted net assets. If donor support is restricted to a specific purpose, the revenue is reported as an increase in temporarily restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Support, Revenue, and Expenses – modified cash basis as net assets released from restrictions.

LAMP FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015

7. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors:

Purpose restrictions accomplished:	
Monies released for Education/School Programs	\$ 855
Monies spent for Solar Panels	5,000
Monies spent for Peace Garden	1,500
Monies from Grants	<u>48,312</u>
 Total net assets released	 <u>\$ 55,667</u>

8. NET ASSETS

Net assets are available for the following purposes:

<u>Unrestricted cumulative net assets:</u>	
Unrestricted operating fund	<u>\$ 261,049</u>
 Total unrestricted net assets	 <u>261,049</u>
 <u>Temporarily restricted net assets:</u>	
Monies for Solar Panels	11,000
Monies for Peace Garden	2,500
Monies for Restricted Funds-Other	<u>15,470</u>
Total temporarily restricted net assets	<u>28,970</u>
 Total net assets	 <u>\$ 290,019</u>

9. CONCENTRATIONS

During the year ended December 31, 2015, there was one donor whose contributions to the Organization was approximately 15% of total contributions received during the year.

10. DATE OF MANAGEMENT REVIEW

Management has evaluated subsequent events and transactions through, September 2, 2016, which is the date on which the financial statements were available to be issued. No events or transactions that require disclosure or recognition were identified.