



# **THE LAMP FOUNDATION, INC.**

FINANCIAL STATEMENTS

December 31, 2016



THE LAMP FOUNDATION, INC.  
YEAR ENDED DECEMBER 31, 2016

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# Morey, Nee, Buck & Oswald, LLC

Certified Public Accountants and Advisors

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The Lamp Foundation, Inc.  
Jenkintown, Pennsylvania

We have audited the accompanying financial statements of The Lamp Foundation, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets as of December 31, 2016, 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 THE LAMP FOUNDATION, INC. as of December 31, 2016, 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**

We have previously audited The Lamp Foundation, Inc.'s 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 2, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Morey, Nee, Buck & Oswald, LLC*

Morey Nee Buck & Oswald, LLC  
Spring House, Pennsylvania  
June 26, 2017

THE LAMP FOUNDATION, INC.  
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS –  
MODIFIED CASH BASIS  
AS OF DECEMBER 31, 2016  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2015

ASSETS

	<u>2016</u>	<u>2015</u>
Cash and cash equivalents	\$ 221,164	\$ 116,634
Investments	2,305	-
Property and equipment:		
Land	10,000	10,000
Building and improvements	65,022	52,635
Vehicles	117,223	117,223
Equipment and fixtures	<u>87,481</u>	<u>85,760</u>
	279,726	265,618
Accumulated depreciation	<u>(123,186)</u>	<u>(90,825)</u>
Total property and equipment, net	<u>156,540</u>	<u>174,793</u>
Total assets	<u>\$ 380,009</u>	<u>\$ 291,427</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Credit card payable	<u>\$ 1,365</u>	<u>\$ 1,408</u>
Total liabilities	<u>1,365</u>	<u>1,408</u>
Net assets:		
Unrestricted	357,813	261,049
Temporarily restricted	<u>20,831</u>	<u>28,970</u>
	<u>378,644</u>	<u>290,019</u>
Total liabilities and net assets	<u>\$ 380,009</u>	<u>\$ 291,427</u>

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

THE LAMP FOUNDATION, INC.  
STATEMENT OF SUPPORT, REVENUE, AND EXPENSES –  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2015

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>2016</u>	<u>2015</u>
Support and revenue:				
Contributions	\$ 180,304	\$ 50,000	\$ 230,304	\$ 199,594
School sponsorship donations	7,220	-	7,220	8,278
In-kind contributions	1,308,159	-	1,308,159	128,002
Grant income	109,639	-	109,639	109,237
Investment income	43	-	43	40
Fundraising events	104,398	-	104,398	6,492
Net assets released	<u>58,139</u>	<u>(58,139)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>1,767,902</u>	<u>(8,139)</u>	<u>1,759,763</u>	<u>451,643</u>
Expenses:				
Program expenses	1,625,754	-	1,625,754	425,798
Management and general	15,541	-	15,541	17,658
Fundraising	<u>29,843</u>	<u>-</u>	<u>29,843</u>	<u>16,531</u>
Total expenses	<u>1,671,138</u>	<u>-</u>	<u>1,671,138</u>	<u>459,987</u>
Change in net assets	96,764	(8,139)	88,625	(8,344)
Net assets, beginning of year	<u>261,049</u>	<u>28,970</u>	<u>290,019</u>	<u>298,363</u>
Net assets, end of year	<u>\$ 357,813</u>	<u>\$ 20,831</u>	<u>\$ 378,644</u>	<u>\$ 290,019</u>

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

THE LAMP FOUNDATION, INC.  
STATEMENT OF FUNCTIONAL EXPENSES –  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2015

	<u>Program</u> <u>Expenses</u>	<u>Management</u> <u>and General</u>	<u>Fund-</u> <u>Raising</u>	<u>2016</u>	<u>2015</u>
NGO wages	\$ 102,390	\$ -	\$ -	\$ 102,390	\$ 98,054
Payroll taxes	2,826	741	602	4,169	3,945
Education program	-	-	-	-	13,392
Program services	20,276	-	-	20,276	8,448
Fundraising events	-	-	24,753	24,753	10,730
Occupancy	6,686	-	-	6,686	6,547
Exec. Director wages	33,375	11,125	-	44,500	40,000
Vehicle expense	11,381	-	-	11,381	14,269
Bank and wire charges	4,143	-	-	4,143	2,613
Continuing education	-	-	-	-	63
Depreciation	32,361	-	-	32,361	30,320
Insurance expense	1,423	2,452	-	3,875	2,452
Lab supplies	4,301	-	-	4,301	5,423
Medical supplies	1,320,526	-	-	1,320,526	135,649
Office expense	4,762	1,223	-	5,985	4,810
Printing expense	-	-	4,165	4,165	4,012
Postage and shipping	-	-	323	323	1,359
Professional fees	-	-	-	-	3,750
Repairs and maintenance	4,211	-	-	4,211	4,743
Telephone and internet	10,365	-	-	10,365	7,084
Travel expenses	8,589	-	-	8,589	7,512
Temporarily restricted releases:					
Peace garden	2,500	-	-	2,500	1,500
Solar Panels	11,000	-	-	11,000	5,000
Women’s Clinic	<u>44,639</u>	<u>-</u>	<u>-</u>	<u>44,639</u>	<u>48,312</u>
 Total expenses	 <u>\$1,625,754</u>	 <u>\$ 15,541</u>	 <u>\$ 29,843</u>	 <u>\$1,671,138</u>	 <u>\$ 459,987</u>

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

THE LAMP FOUNDATION, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

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

**Nature of Organization** - Through the provision of quality cost-effective medical care and humanitarian assistance, The Lamp Foundation, Inc. a/k/a Lamp for Haiti (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.

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

The Lamp Foundation, Inc. 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 Foundation, Inc. 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, 2016

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 \$1,308,159 in noncash contributions in the form of medical supplies and equipment for the year ended December 31, 2016. 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 \$32,361 for the year ended December 31, 2016.

**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.

THE LAMP FOUNDATION, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**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. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are comprised of the following:

Business checking	\$ 220,944
Savings	<u>220</u>
Total cash	<u>\$ 221,164</u>

The balance of cash and cash equivalents at December 31, 2016 includes \$20,831 of restricted monies.

**5. 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.

**6. 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 spent for Solar Panels	\$ 11,000
Monies spent for Peace Garden	2,500
Monies spent on Women's Clinic	<u>44,639</u>
Total net assets released	<u>\$ 58,139</u>

THE LAMP FOUNDATION, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

7. **NET ASSETS**

Net assets are available for the following purposes:

<u>Unrestricted cumulative net assets:</u>	
Unrestricted operating fund	<u>\$ 357,813</u>
Total unrestricted net assets	<u>357,813</u>
<u>Temporarily restricted net assets:</u>	
Monies for Women's Clinic	<u>20,831</u>
Total temporarily restricted net assets	<u>20,831</u>
Total net assets	<u>\$ 378,644</u>

8. **CONCENTRATIONS**

During the year ended December 31, 2016, there was two donors whose contributions to the Organization was approximately 32% of total contributions received during the year.

9. **DATE OF MANAGEMENT REVIEW**

Management has evaluated subsequent events and transactions through, June 26, 2017, 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.