THE LAMP FOUNDATION, INC.

FINANCIAL STATEMENTS

December 31, 2019

Morey Nee Buck & Oswald, LLC

Certified Public Accountants and Advisors

THE LAMP FOUNDATION, INC.
YEAR ENDED DECEMBER 31, 2019

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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.
Montclair, New Jersey

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 - modified cash basis as of December 31, 2019, and the related statements of support, revenue, and expenses, and functional expenses - modified cash basis 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of The Lamp Foundation, Inc. as of December 31, 2019, and its support, revenue and expenses for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

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 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 15, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Morey, Nee, Buck & Oswald, LLC
Spring House, Pennsylvania
November 10, 2020

THE LAMP FOUNDATION, INC.
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS –
MODIFIED CASH BASIS
AS OF DECEMBER 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018

ASSETS

	2019	2018
Cash and cash equivalents	$ 226,993	$ 262,871
Investments	25,086	13,016
Advance payment	5,000	-
Property and equipment:		
Land	12,282	10,000
Building and improvements	90,201	85,047
Vehicles	76,035	70,035
Equipment and fixtures	97,023	80,801
	275,541	245,883
Accumulated depreciation	(102,114)	(77,216)
Total property and equipment, net	173,427	168,667
Total assets	$ 430,506	$ 444,554

LIABILITIES AND NET ASSETS

	2019	2018
Liabilities:		
Credit card payable	$ 3,352	$ -
Due to pass thru organization	4,475	500
Payroll taxes payable	2,664	-
Total liabilities	10,491	500
Net assets:		
Without donor restrictions	390,595	422,874
With donor restrictions	29,420	21,180
	420,015	444,054
Total liabilities and net assets	$ 430,506	$ 444,554

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, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018

	Without donor restrictions	With donor restrictions	2019	2018
Support and revenue:				
Contributions	$ 242,787	$ -	$ 242,787	$ 259,218
In-kind contributions	144,746	-	144,746	736,799
Grant income	20,000	40,000	60,000	104,931
Investment income	4,867	-	4,867	309
Loss on disposition of asset	-	-	-	(433)
Fundraising events	160,213	-	160,213	181,765
Net assets released from restrictions	31,760	(31,760)	-	-
Total support and revenue	604,373	8,240	612,613	1,282,589
Expenses:				
Program expenses	514,687	-	514,687	1,091,030
Management and general	32,014	-	32,014	33,308
Fundraising	89,951	-	89,951	99,688
Total expenses	636,652	-	636,652	1,224,026
Change in net assets	(32,279)	8,240	(24,039)	58,563
Net assets, beginning of year	422,874	21,180	444,054	385,491
Net assets, end of year	$ 390,595	$ 29,420	$ 420,015	$ 444,054

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, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018

	Program Expenses	Management and General	Fund Raising	2019	2018
NGO wages	$ 162,632	$ -	$ -	$ 162,632	$ 124,445
Payroll taxes	12,854	1,564	6,204	20,622	9,555
Employee benefits	886	-	-	886	2,125
Program services	21,080	-	-	21,080	55,781
Fundraising events	-	-	29,389	29,389	34,542
Occupancy	6,429	-	-	6,429	7,720
Executive director wages	41,250	13,750	-	55,000	45,833
Development wages	-	-	54,358	54,358	58,000
Vehicle expense	6,964	-	-	6,964	14,170
Bank and wire charges	806	604	-	1,410	5,792
Depreciation	24,898	-	-	24,898	21,519
Insurance expense	-	2,578	-	2,578	2,452
Lab supplies	19,925	-	-	19,925	22,125
Medicine and medical supplies	177,546	-	-	177,546	760,219
Office and administrative	6,020	2,686	-	8,706	18,655
Professional fees	-	5,500	-	5,500	5,500
Repairs and maintenance	11,852	-	-	11,852	13,609
Telephone and internet	2,112	5,332	-	7,444	11,320
Travel expenses	11,194	-	-	11,194	10,664
Permits and licenses	8,239	-	-	8,239	-
Total expenses	$ 514,687	$ 32,014	$ 89,951	$ 636,652	$1,224,026

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

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. (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.

Adoption of New Accounting Pronouncement - For the year ended December 31, 2019, the Organization adopted the Financial Accounting Standards Board's Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers: Topic 606. This update requires new qualitative and quantitative disclosures, including disaggregation of revenues and descriptions of performance obligations. The Organization adapted the provisions of this guidance on January 1, 2019. The Organization has not identified any material changes to the timing or amount of its revenue recognition under ASU 2014-09. The Organization's accounting policies did not change materially as a result of applying the principles of revenue recognition from ASU 2014-09 and are largely consistent with existing guidance and current practices applied by the Organization. As a result, prior periods have not been adjusted and, based on our implementation assessment, no retrospective or cumulative-effect adjustment was required to net assets.

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.

Investments – The Organization carries investments in equities with readily determinable fair values and all debt instruments are recorded at their fair values in the statement of assets, liabilities, and net assets – modified cash basis. Unrealized gains and losses are included in the change in net assets in the accompanying statement of support, revenue and expenses – modified cash basis.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Financial Statement Preparation - The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, which represents the expendable resources that are available for operations at the Board's discretion; and net assets with donor restrictions, which represent resources restricted by donors as to purpose or by the passage of time, or 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.

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.

Comparative Financial Information – The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

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 $144,746 in noncash contributions in the form of medical supplies and equipment for the year ended December 31, 2019. The noncash contributions are recorded as contribution income and related expense in the statement of support, revenue and expenses - modified cash basis.

Allocated Expenses - The financial statements report certain categories of expenses that are attributable to their program service or a supporting function of management and general or fundraising. Those expenses include payroll costs, depreciation, insurance, and other various costs. Payroll costs are allocated based on time and efforts studies of the Organization's employees. Depreciation is allocated based on square footage estimates of their building of operations. Insurance is allocated based on the estimated effective usage of their policies. Other various costs are allocated based on estimates or actual use across each of the three classifications.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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 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.

Revenue Recognition – Revenue is recognized when received.

Fair Value of Financial Instruments - Fair Value Measurements defines fair value, establishes a framework for measuring fair value under accounting principles generally accepted in the United States of America, and enhances disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework measuring fair value includes a hierarchy that prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The levels of the fair value hierarchy are as follows:

Level 1- Fair value is based on unadjusted quoted prices in active markets that are accessible to the Organization for identical assets. These generally provide the most reliable evidence and are used to measure fair value whenever available.

Level 2- Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the full term of the asset through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets, quoted market prices in markets that are not active for identical or similar assets, and other observable inputs.

Level 3- Fair value is based on significant unobservable inputs. Examples of valuation methodologies that would result in Level 3 classification include option pricing models, discounted cash flows, and other similar techniques.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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.

3. *CASH AND CASH EQUIVALENTS*

Cash and cash equivalents are comprised of the following:

Business checking	$ 225,411
Savings	1,582
Total cash	$ 226,993

4. *NET ASSETS WITHOUT DONOR RESTRICTIONS REVENUE AND SUPPORT*

Support that is not restricted by the donor is reported as an increase in net assets without donor restrictions. If donor support is restricted to a specific purpose, the revenue is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a purpose or time restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of support, revenue, and expenses – modified cash basis as net assets released from restrictions.

5. *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:

Women's Clinic	$ 31,760

6. ***INVESTMENTS***

Investments consist of the following at December 31, 2019:

Cash and cash equivalents	$ 414
Equities	24,672
	$ 25,086

The Organization measures its investments on a recurring basis at fair value. These items were measured as of December 31, 2019 using the following inputs:

	Quoted Prices in Active Market (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:			
Money market	$ 414	$ -	$ -
Marketable equity securities	24,672	-	-
	$ 25,086	$ -	$ -

Marketable equity securities are valued at the closing price reported on the active market on which the individual securities are traded which are considered Level 1 inputs.

The carrying amount of money market funds approximate fair value at year-end.

Organization did not have any Level 2 and Level 3 assets during the year ended December 31, 2019.

7. ***LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS***

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	$ 226,993
Investments	25,086
	$ 252,079

The Organization's working capital and cash flows have seasonal variations during the year attributable to the annual cash receipts from revenue items.

8. *DATE OF MANAGEMENT REVIEW*

Management has evaluated subsequent events and transactions through November 10, 2020, which is the date on which the financial statements were available to be issued.

The Covid-19 outbreak in the United States and world-wide has caused business disruption through mandated and voluntary closings. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact and duration cannot be reasonably estimated at this time.

In May of 2020 the Organization received a Payroll Protection Program (PPP) loan under the CARES Act in the amount of $23,000. The SBA will forgive the entire loan if the Organization meets the spending and employee retention requirements of the Act. In part to meet the requirements, the Organization needs to maintain its full-time equivalent employees (FTE) and use the proceeds of the loan for payroll expenses (including some benefits), rent expense, or utilities.

As of the date of the report, the Organization has met all of the requirements for the loan to be forgiven. Management believes the entire PPP loan will be forgiven.