



# **THE LAMP FOUNDATION, INC.**

FINANCIAL STATEMENTS

December 31, 2020



THE LAMP FOUNDATION, INC.  
YEAR ENDED DECEMBER 31, 2020

<u>TABLE OF CONTENTS</u>	<u>Page No</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS – Modified Cash Basis	
Statement of Assets, Liabilities, and Net Assets	3
Statement of Support, Revenue, and Expenses	4
Statement of Functional Expenses	5
NOTES TO THE FINANCIAL STATEMENTS	6

# 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, 2020, 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.

## **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, 2020, 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 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 10, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, 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  
December 6, 2021

THE LAMP FOUNDATION, INC.  
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS –  
MODIFIED CASH BASIS  
AS OF DECEMBER 31, 2020  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019

	<u>ASSETS</u>	
	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 265,113	\$ 226,993
Investments	-	25,086
Construction advance payments	29,029	5,000
Property and equipment:		
Land	12,282	12,282
Building and improvements	99,551	90,201
Vehicles	76,035	76,035
Equipment and fixtures	<u>97,023</u>	<u>97,023</u>
	284,891	275,541
Accumulated depreciation	<u>(129,157)</u>	<u>(102,114)</u>
Total property and equipment, net	<u>155,734</u>	<u>173,427</u>
Total assets	<u>\$ 449,876</u>	<u>\$ 430,506</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
Liabilities:		
Credit card payable	\$ 2,757	\$ 3,352
Due to pass thru organization	5,075	4,475
Payroll taxes payable	<u>48,706</u>	<u>2,664</u>
Total liabilities	<u>56,538</u>	<u>10,491</u>
Net assets:		
Without donor restrictions	374,538	390,595
With donor restrictions	<u>18,800</u>	<u>29,420</u>
	<u>393,338</u>	<u>420,015</u>
Total liabilities and net assets	<u>\$ 449,876</u>	<u>\$ 430,506</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, 2020  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019

	Without donor <u>restrictions</u>	With donor <u>restrictions</u>	<u>2020</u>	<u>2019</u>
Support and revenue:				
Contributions	\$ 316,676	\$ -	\$ 316,676	\$ 242,787
In-kind contributions	43,816	-	43,816	144,746
Grant income	65,000	25,000	90,000	60,000
Government grant	23,000	-	23,000	-
Investment income (loss)	(3,688)	-	(3,688)	4,867
Fundraising events	85,752	-	85,752	160,213
Net assets released from restrictions	<u>35,620</u>	<u>(35,620)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>566,176</u>	<u>( 10,620)</u>	<u>555,556</u>	<u>612,613</u>
Expenses:				
Program expenses	468,676	-	468,676	514,687
Management and general	30,991	-	30,991	32,014
Fundraising	<u>82,566</u>	<u>-</u>	<u>82,566</u>	<u>89,951</u>
Total expenses	<u>582,233</u>	<u>-</u>	<u>582,233</u>	<u>636,652</u>
Change in net assets	( 16,057)	( 10,620)	( 26,677)	(24,039)
Net assets, beginning of year	<u>390,595</u>	<u>29,420</u>	<u>420,015</u>	<u>444,054</u>
Net assets, end of year	<u>\$ 374,538</u>	<u>\$ 18,800</u>	<u>\$ 393,338</u>	<u>\$ 420,015</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, 2020  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2019

	<u>Program</u> <u>Expenses</u>	<u>Management</u> <u>and General</u>	<u>Fund</u> <u>Raising</u>	<u>2020</u>	<u>2019</u>
NGO wages	\$ 205,771	\$ -	\$ -	\$ 205,771	\$ 162,632
Executive director wages	45,000	15,000	-	60,000	55,000
Development wages	-	-	60,000	60,000	54,358
Payroll taxes	13,876	1,359	5,581	20,816	20,622
Employee benefits	2,369	-	-	2,369	886
Program services	30,121	-	-	30,121	21,080
Fundraising events	-	-	16,985	16,985	29,389
Occupancy	6,657	-	-	6,657	6,429
Vehicle and transportation	8,249	-	-	8,249	6,964
Bank and wire charges	1,145	468	-	1,613	1,410
Depreciation	27,043	-	-	27,043	24,898
Insurance expense	-	-	-	-	2,578
Lab supplies	18,079	-	-	18,079	19,925
Medicine and medical supplies	87,024	-	-	87,024	177,546
Office and administrative	8,353	4,712	-	13,065	8,706
Professional fees	-	2,475	-	2,475	5,500
Repairs and maintenance	5,016	-	-	5,016	11,852
Telephone and internet	2,101	6,220	-	8,321	7,444
Travel expenses	6,397	-	-	6,397	11,194
Permits and licenses	<u>1,475</u>	<u>757</u>	<u>-</u>	<u>2,232</u>	<u>8,239</u>
 Total expenses	 <u>\$ 468,676</u>	 <u>\$ 30,991</u>	 <u>\$ 82,566</u>	 <u>\$ 582,233</u>	 <u>\$ 636,652</u>

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

THE LAMP FOUNDATION, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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.

**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.

**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.



THE LAMP FOUNDATION, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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

**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, 2019, 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 \$43,816 in noncash contributions in the form of medical supplies and equipment for the year ended December 31, 2020. 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. Other various costs are allocated based on estimates or actual use across each of the three classifications.

**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.

THE LAMP FOUNDATION, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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

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

**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.

**2. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are comprised of the following:

Business checking	\$ 263,529
Savings	<u>1,584</u>
Total cash	<u>\$ 265,113</u>

**3. CONSTRUCTION ADVANCED PAYMENTS**

The Organization was involved in two ongoing construction projects at the end of 2020; one the building of a nutrition center and the other a laboratory. Total payments on the projects amounted to \$29,029 as of December 31, 2020. An additional \$25,000 has been spent in 2021. Both projects are scheduled to be completed in the first half of 2022, having suffered completion delays due to supply shortages and other local conditions.

**4. PAYROLL TAXES**

The organization was registered with the Republic of Haiti, and liable for withholding and remitting various payroll for all of 2020, as well as on a continuing basis. For various reasons regarding difficulties associated with the specific regulatory agency involved, as well as conditions involving the general state of the government, the Covid-19 virus, and a number of severe natural disasters, they have only recently received calculations of the total amount due for all of 2020, and through October 31, 2021. The total amount due, converted to \$US, amounts to \$75,000 which includes \$14,000 in penalties and interest. Of this amount, \$45,500 is apportionable to 2020, and has been accrued as of December 31, 2020. The remaining amount due of \$29,500 will be recorded as an expense in 2021. It is expected that the entire amount due of \$75,000 will be paid prior to the end of 2021, and that regular payments will be made in a timely manner thereafter.

THE LAMP FOUNDATION, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020

5. **NET ASSETS WITH AND 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.

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:

Lab construction	\$ 9,420
Women’s Clinic	20,000
Nutrition Center construction	1,200
Haiti mission	<u>5,000</u>
Total	<u>\$ 35,620</u>

7. **NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes as specified by the donors:

Nutrition Center construction	<u>\$ 18,800</u>
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8. **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	<u>\$ 265,113</u>
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The Organization’s working capital and cash flows have seasonal variations during the year attributable to the annual cash receipts from revenue items

THE LAMP FOUNDATION, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020

9.     ***SIGNIFICANT UNCERTAINTY***

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.

10.    ***DATE OF MANAGEMENT REVIEW***

Management has evaluated subsequent events and transactions through December 6, 2021, which is the date on which the financial statements were available to be issued.