



THE LAMP FOUNDATION, INC.

FINANCIAL STATEMENTS

December 31, 2022



THE LAMP FOUNDATION, INC.
YEAR ENDED DECEMBER 31, 2022

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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

Opinion

We have audited the accompanying financial statements of The Lamp Foundation, Inc. (a nonprofit organization), which comprise the statement of Statement of Assets, Liabilities, and Net Assets – Modified Cash Basis as of December 31, 2022, and the related statements of Support, Revenue, and Expenses – Modified Cash Basis and Functional Expenses – modified cash basis for the year then ended, and the related notes to the financial statements.

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, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with the Modified Cash Basis of accounting.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Lamp Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Lamp Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Lamp Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Lamp Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited The Lamp Foundation, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 8, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, 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
August 21, 2023

THE LAMP FOUNDATION, INC.
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS –
MODIFIED CASH BASIS
AS OF DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

	<u>ASSETS</u>	
	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 500,897	\$ 426,479
Construction advance payments	-	55,844
Property and equipment:		
Land	12,282	12,282
Building and improvements	162,432	99,551
Vehicles	76,035	76,035
Equipment and fixtures	<u>99,311</u>	<u>97,023</u>
	350,060	284,891
Accumulated depreciation	<u>(185,911)</u>	<u>(156,068)</u>
Total property and equipment, net	<u>164,149</u>	<u>128,823</u>
 Total assets	 <u>\$ 665,046</u>	 <u>\$ 611,146</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Credit card payable	\$ 6,202	\$ 10,262
Payroll taxes payable	<u>3,564</u>	<u>6,456</u>
Total liabilities	<u>9,766</u>	<u>16,718</u>
Net assets:		
Without donor restrictions	641,280	594,428
With donor restrictions	<u>14,000</u>	<u>-</u>
	<u>655,280</u>	<u>594,428</u>
Total liabilities and net assets	<u>\$ 665,046</u>	<u>\$ 611,146</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, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

	Without donor restrictions	With donor restrictions	<u>2022</u>	<u>2021</u>
Support and revenue:				
Contributions	\$ 262,778	\$ -	\$ 262,778	\$ 441,759
In-kind contributions	1,353,921	-	1,353,921	157,524
Grant income	-	79,000	79,000	93,000
Investment income (loss)	(322)	-	(322)	512
Fundraising events	198,940	-	198,940	145,380
Net assets released from restrictions	<u>65,000</u>	<u>(65,000)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>1,880,317</u>	<u>14,000</u>	<u>1,894,317</u>	<u>838,175</u>
Expenses:				
Program expenses	1,658,267	-	1,658,267	501,792
Management and general	68,689	-	68,689	40,692
Fundraising	<u>106,509</u>	<u>-</u>	<u>106,509</u>	<u>94,601</u>
Total expenses	<u>1,833,465</u>	<u>-</u>	<u>1,833,465</u>	<u>637,085</u>
Change in net assets	46,852	14,000	60,852	201,090
Net assets, beginning of year	<u>594,428</u>	<u>-</u>	<u>594,428</u>	<u>393,338</u>
Net assets, end of year	<u>\$ 641,280</u>	<u>\$ 14,000</u>	<u>\$ 655,280</u>	<u>\$ 594,428</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, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

	Program <u>Expenses</u>	Management and General	Fund <u>Raising</u>	<u>2022</u>	<u>2021</u>
NGO wages	\$ 147,861	\$ -	\$ -	\$ 147,861	\$ 169,285
Executive director wages	-	15,000	-	15,000	59,077
Development wages	-	-	57,503	57,503	54,615
Payroll taxes	22,919	1,545	5,925	30,389	15,271
Employee benefits	7,035	-	-	7,035	5,411
Program services	34,079	-	-	34,079	26,666
Fundraising events	-	-	30,519	30,519	37,091
Other fundraising expenses	-	-	12,562	12,562	-
Occupancy	11,380	-	-	11,380	8,166
Vehicle and transportation	20,002	-	-	20,002	9,590
Bank and wire charges	944	2,353	-	3,297	1,292
Depreciation	29,843	-	-	29,843	26,911
Insurance expense	-	3,260	-	3,260	580
Lab supplies	6,227	-	-	6,227	9,599
Medicine and medical supplies	1,373,288	-	-	1,373,288	174,101
Office and administrative	4,689	3,195	-	7,884	8,131
Professional fees	-	29,444	-	29,444	13,819
Repairs and maintenance	-	-	-	-	2,139
Telephone and internet	-	6,433	-	6,433	11,195
Travel expenses	-	4,982	-	4,982	3,582
Permits and licenses	-	2,477	-	2,477	564
 Total expenses	 <u>\$1,658,267</u>	 <u>\$ 68,689</u>	 <u>\$ 106,509</u>	 <u>\$ 1,833,465</u>	 <u>\$ 637,085</u>

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

THE LAMP FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

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.

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.

THE LAMP FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

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.

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, 2021, 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 \$1,353,921 in noncash contributions in the form of medical supplies and equipment for the year ended December 31, 2022. 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, 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, 2022

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:

Cash and cash equivalents	<u>\$ 500,897</u>
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At December 31, 2023, \$14,000 of cash was restricted for use to the Pediatric Clinic in Haiti.

3. CONSTRUCTION ADVANCED PAYMENTS

The Organization was involved in two ongoing construction projects at the end of 2021: one, the building of a nutrition center, and the other a laboratory. Total payments on the projects amounted to \$55,844 as of December 31, 2021. Both were 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 taxes 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, amounted to \$75,000 which includes \$14,000 in penalties and interest.

Of this amount, \$45,500 was apportionable to and paid in 2020, the remaining amount due of \$29,500 was paid in 2021. It is expected regular payments will be made in a timely manner thereafter.

THE LAMP FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

5. CONTRIBUTED MATERIALS

The Organization records various types of in-kind contributions for use in its programs, fundraising and administration. Contributed services are recognized at fair value if the services received (1) create or enhance long-lived assets or (2) require specialized skills, are provided by individuals utilizing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment. None of the in-kind contributions were monetized during the year and none had donor-imposed restrictions. For the year ended December 31, 2022, contributed nonfinancial assets recognized within the statement of activities included:

Medical supplies	<u>\$ 1,353,921</u>
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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:

Nutrition Center	\$ 11,250
Pediatric Clinic	48,750
Women's Clinic	<u>5,000</u>
	<u>\$ 65,000</u>

7. NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2022, net assets with donor restrictions were available for the following purpose:

Pediatric Clinic	<u>\$ 14,000</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 assets, liabilities, and net assets – modified cash basis for general expenditures are as follows:

Cash and cash equivalents	<u>\$ 500,897</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, 2022

9. ***DATE OF MANAGEMENT REVIEW***

Management has evaluated subsequent events and transactions through August 21, 2023, which is the date on which the financial statements were available to be issued.