

Amend.org

Financial Statements

December 31, 2018 and 2017



AMEND.ORG
TABLE OF CONTENTS

INDEPENDENT AUDITOR’S REPORT3 - 4

Financial Statements for the Years Ended
December 31, 2018 and 2017:

 Statements of Financial Position 5

 Statements of Activities 6

 Statement of Functional Expenses 7

 Statements of Cash Flows 8

 Notes to Financial Statements9 - 13



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Amend.org

We have audited the accompanying financial statements of Amend.org (the Organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, the statement of functional expenses for the year ended December 31, 2018, 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 accounting principles generally accepted in the United States of America; this includes 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 audits. We conducted our audits 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.

CONTINUED

INDEPENDENT AUDITOR'S REPORT - CONTINUED

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Amend.org as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 22, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

PDR CPAs + Advisors

Oldsmar, Florida
August 2, 2019

AMEND.ORG
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

ASSETS

	<u>2018</u>	<u>2017</u>
Current Assets		
Cash and cash equivalents	\$ 207,267	\$ 51,578
Employee advances	1,875	5,810
Prepaid expenses and other current assets	16,450	1,472
	<hr/>	<hr/>
Total current assets	225,592	58,860
Property and Equipment, Net	4,224	4,765
	<hr/>	<hr/>
Total Assets	<u>\$ 229,816</u>	<u>\$ 63,625</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 19,198	\$ 38,113
Accrued expenses	6,122	2,870
Deferred revenue	85,832	-
	<hr/>	<hr/>
Total liabilities	111,152	40,983
Net assets without donor restrictions	118,664	22,642
	<hr/>	<hr/>
Total Liabilities and Net Assets	<u>\$ 229,816</u>	<u>\$ 63,625</u>

See accompanying notes to financial statements

AMEND.ORG
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2018 AND 2017

	Total	
	2018	2017
Operating Support and Revenue		
Grant revenue	\$ 981,496	\$ 762,955
Donations	6,831	10,056
Special events	134,118	-
Other revenues	662	245
	1,123,107	773,256
Operating Expenses		
Program services	867,854	642,537
Supporting services - administrative expenses	159,231	165,353
	1,027,085	807,890
Loss on disposal of assets	-	89
	96,022	(34,723)
Change in Net Assets		
Net Assets, Beginning of Year	22,642	57,365
Net Assets, End of Year	\$ 118,664	\$ 22,642

See accompanying notes to financial statements

AMEND.ORG
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

	Program		Total Expenses	
	Services	Administration	2018	2017
Personnel	\$ 234,672	\$ 69,909	\$ 304,581	\$ 295,710
Travel	98,836	10,954	109,790	87,388
Professional fees	131,852	20,893	152,745	185,122
Program materials	208,270	1,073	209,343	154,428
Payroll taxes	21,081	3,720	24,801	20,782
Occupancy	1,066	27,153	28,219	24,314
Office expenses	29,112	13,691	42,803	27,708
Telephone	1,143	4,051	5,194	4,310
Event expenses	139,644	301	139,945	-
Dues	-	729	729	-
Taxes and fees	-	6,757	6,757	6,767
Interest expense	-	-	-	184
Depreciation	2,178	-	2,178	1,177
Total Functional Expenses	\$ 867,854	\$ 159,231	\$ 1,027,085	\$ 807,890

See accompanying notes to financial statements

AMEND.ORG
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
Cash Flows from Operating Activities:		
Change in net assets	\$ 96,022	\$ (34,723)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	2,178	1,177
Loss on disposal of assets	-	89
Changes in operating assets and liabilities:		
Employee advances	3,935	(4,427)
Prepaid expenses and other current assets	(14,978)	(288)
Accounts payable	(18,915)	19,911
Accrued expenses	3,252	1,442
Deferred revenue	85,832	-
Net cash provided by (used in) operating activities	157,326	(16,819)
Cash Flows from Investing Activities:		
Purchase of property and equipment	(1,637)	(3,672)
Net Increase (Decrease) in Cash	155,689	(20,491)
Cash and Cash Equivalents at Beginning of Year	51,578	72,069
Cash and Cash Equivalents at End of Year	\$ 207,267	\$ 51,578

See accompanying notes to financial statements

AMEND.ORG
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE A - NATURE OF OPERATIONS

Amend.org (the Organization) is a charitable not-for-profit corporation under section 501(c)(3) of United States IRS tax code. The Organization is registered as a non-governmental organization (NGO) in Tanzania. The Organization opened an office in Mozambique in late 2015 and another office in Ghana in 2016. Its mission is to develop, implement, and evaluate evidenced-based interventions to reduce the incidence of road traffic injury among the most vulnerable road users in Africa today while working to help create an environment for long-term, sustainable injury reduction.

The Organization runs its own programs and partners with governments, companies, development agencies, and others on projects that target specific aspects of road traffic injury.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

- *Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.
- *Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. There are no net assets with donor restrictions at December 31, 2018 and 2017.

Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Grants and donations from multi-national organizations are considered exchange transactions and are recorded as unrestricted revenue when earned. Revenue under these contracts is deferred until earned. Revenue is earned and recognized in the financial statements when eligible expenses are incurred or services performed.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenue of the net assets without donor restrictions class. Contributions are recognized when the donor makes a promise to give to the Organization, that is, in substance, unconditional.

AMEND.ORG
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Measure of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing services. Nonoperating activities, if any, are limited to other activities considered to be of a more unusual or nonrecurring nature.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant estimates included in the financial statements include the allocation of expenses by function and the estimate of useful lives of depreciable assets.

Cash and Cash Equivalents

Operating cash primarily consists of amounts held on deposit at a commercial bank. For the purposes of the cash flow statement, management considers all cash, checking and savings accounts, and investments with an original maturity of three months or less to be cash and cash equivalents.

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash held in financial institutions in excess of federally-insured limits. From time to time throughout the years ended December 31, 2018 and 2017, the Organization's cash balance may have exceeded the federally insured limit. However, the Organization has not experienced and does not expect to incur any losses in such accounts. The uninsured Tanzania balance approximates \$22,000 and \$3,300 at December 31, 2018 and 2017, respectively. The uninsured Ghana balance approximates \$14,000 and \$5,200 at December 31, 2018 and 2017, respectively. The uninsured Mozambique balance approximates \$4,200 and \$800 at December 31, 2018 and 2017, respectively.

AMEND.ORG
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Property and Equipment

Property and equipment are recorded at cost when acquired. Depreciation is provided by charges to operations using the straight-line method over the estimated useful lives of the assets. The lives used in computing depreciation are as follows:

	<u>Years</u>
Computer equipment	3
Furniture and fixtures	8
Vehicles	5

Expenditures for maintenance, repairs, minor renewals, and betterments which do not improve or extend the useful life of the respective asset are expensed. All other expenditures for renewals and betterments over \$500 are capitalized. The assets and related depreciation accounts are adjusted for property retirements and disposals with the resulting gain or loss included in income. Fully depreciated assets remain in the accounts until retired from service.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been recorded.

Uncertain Tax Positions

The Organization accounts for the effect of any uncertain tax positions based on a “more likely than not” threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a “cumulative probability assessment” that aggregates the estimated tax liability for all uncertain tax positions. The Organization has identified its tax status as a tax-exempt entity as its only significant tax position; however, the Organization has determined that such tax position does not result in an uncertainty requiring recognition. The Organization is not currently under examination by any taxing jurisdiction. The Organization’s federal returns are generally open for examination for three years following the date filed.

AMEND.ORG
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Functional Expenses

The costs of providing various program and supporting services have been summarized on a functional basis in the statement of functional expenses. Expenses are allocated among program and management and general on management's estimate of the time and expense spent for each of the functions. All expenses are allocated using time and effort in the statement of functional expenses.

Foreign Operations

Operations outside the United States consist of offices in Tanzania, Ghana, and Mozambique. Foreign operations are subject to risks inherent in operating under different legal systems and various political and economic environments. Among the risks are changes in existing tax laws, possible limitations on foreign investment and income repatriation, government price or foreign exchange controls, and restrictions on currency exchange.

Summarized Comparative Information

The accompanying financial statements include certain prior year summarized comparative total amounts. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

Reclassifications

Certain reclassifications have been made to the 2017 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

New Accounting Pronouncement

On August 18, 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly.

NOTE C - AVAILABILITY AND LIQUIDITY

Financial assets available to meet general expenditures over the next twelve months consist of cash and cash equivalents of \$207,267 and \$51,578 at December 31, 2018 and 2017, respectively. The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses.

AMEND.ORG
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Computer equipment	\$ 8,449	\$ 8,449
Furniture and fixtures	2,434	796
	<u>10,883</u>	<u>9,245</u>
Less accumulated depreciation	<u>(6,659)</u>	<u>(4,480)</u>
	<u>\$ 4,224</u>	<u>\$ 4,765</u>

NOTE E - COMMITMENTS AND CONTINGENCIES

Operating Lease Obligations:

The Organization leases an office in Dar es Salaam, Tanzania under a one-year lease agreement commencing July 25, 2018, in which the rent was paid in advance. The lease also includes a monthly service charge for the cost of security, refuse collection, and cleaning of communal areas.

The Organization leases an office in Mozambique under a one-year lease agreement payable in monthly installments of approximately \$500. The lease was renewed for one year. Future obligations relating to this lease are \$1,452.

The Organization leases an office in The Republic of Ghana under a one-year lease agreement commencing June 30, 2018, in which rent was paid in advance.

Rent and other charges related to these leases amounted to \$28,219 and \$24,314 for the years ended December 31, 2018 and 2017, respectively.

NOTE F - CONCENTRATION OF RISK

A major portion of the Organization's grants and donations revenue is derived from two separate agencies. For the years ended December 31, 2018 and 2017, this accounted for approximately 58% and 89% of total revenues, respectively.

NOTE G - SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through August 2, 2019, the date the financial statements were available to be issued. The Organization is not aware of any subsequent events which would require recognition or disclosure in the financial statements.