

Amend.org

Financial Statements

December 31, 2019 and 2018



AMEND.ORG
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December 31, 2019 and 2018:

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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, 2019 and 2018, 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, 2019, 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, 2019 and 2018, 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 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 2, 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.

PDR CPAs + Advisors

Oldsmar, Florida
July 30, 2020

AMEND.ORG
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

ASSETS

	2019	2018
Current Assets		
Cash and cash equivalents	\$ 616,064	\$ 207,267
Grants receivable	217,000	-
Employee advances	3,140	1,875
Prepaid expenses and other current assets	13,824	16,450
Total current assets	850,028	225,592
Property and Equipment, Net	3,819	4,224
Total Assets	\$ 853,847	\$ 229,816

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ -	\$ 19,198
Accrued expenses	25,674	6,122
Deferred revenue	149,900	85,832
Total liabilities	175,574	111,152
Net assets without donor restrictions	678,273	118,664
Total Liabilities and Net Assets	\$ 853,847	\$ 229,816

See accompanying notes to financial statements

AMEND.ORG
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Operating Support and Revenue		
Grant revenue	\$ 1,178,600	\$ 981,496
Donations	274,717	6,831
Special events	143,087	134,118
Other revenues	1,254	662
Total operating support and revenue	1,597,658	1,123,107
Operating Expenses		
Program services	870,942	867,854
Supporting services - administrative expenses	167,107	159,231
Total operating expenses	1,038,049	1,027,085
Change in Net Assets	559,609	96,022
Net Assets, Beginning of Year	118,664	22,642
Net Assets, End of Year	\$ 678,273	\$ 118,664

See accompanying notes to financial statements

AMEND.ORG
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	<u>Program Services</u>	<u>Administration</u>	<u>2019</u>	<u>2018</u>
Personnel	\$ 322,882	\$ 58,644	\$ 381,526	\$ 304,581
Travel	89,620	11,340	100,960	109,790
Professional fees	74,470	27,432	101,902	152,745
Program materials	195,190	710	195,900	209,343
Payroll taxes	25,090	4,428	29,518	24,801
Occupancy	-	30,106	30,106	28,219
Office expenses	17,068	17,264	34,332	42,803
Telephone	598	9,284	9,882	5,194
Event expenses	144,374	749	145,123	139,945
Dues	-	774	774	729
Taxes and fees	-	6,376	6,376	6,757
Depreciation	1,650	-	1,650	2,178
Total Functional Expenses	<u>\$ 870,942</u>	<u>\$ 167,107</u>	<u>\$ 1,038,049</u>	<u>\$ 1,027,085</u>

See accompanying notes to financial statements

AMEND.ORG
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Cash Flows from Operating Activities:		
Change in net assets	\$ 559,609	\$ 96,022
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	1,650	2,178
Changes in operating assets and liabilities:		
Grants receivable	(217,000)	-
Employee advances	(1,265)	3,935
Prepaid expenses and other current assets	2,626	(14,978)
Accounts payable	(19,198)	(18,915)
Accrued expenses	19,552	3,252
Deferred revenue	64,068	85,832
Net cash provided by operating activities	410,042	157,326
Cash Flows from Investing Activities:		
Purchase of property and equipment	(1,245)	(1,637)
Net Increase in Cash	408,797	155,689
Cash and Cash Equivalents at Beginning of Year	207,267	51,578
Cash and Cash Equivalents at End of Year	\$ 616,064	\$ 207,267

See accompanying notes to financial statements

AMEND.ORG
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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, another office in Ghana in 2016, and an office in France in 2019. 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, 2019 and 2018.

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.

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, 2019 AND 2018

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, 2019 and 2018, 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 \$1,000 and \$22,000 at December 31, 2019 and 2018, respectively. The uninsured Ghana balance approximates \$3,600 and \$14,000 at December 31, 2019 and 2018, respectively. The uninsured Mozambique balance approximates \$6,800 and \$4,200 at December 31, 2019 and 2018, respectively.

Grants Receivable

Grants receivable represent amounts due from various multi-national organizations for purposes specified by each grant. Receivables are stated at the amount management expects to collect from outstanding balances. Management monitors the collection status of its receivable balances on an ongoing basis. The Organization provides for probable uncollectible amounts through a charge to earnings and credit to the allowance for doubtful accounts based on its assessment of the current status of individual accounts. Receivables are written off as a charge to the allowance for doubtful accounts when, in management's estimation, it is probable that the receivable is worthless. Based on management's analysis of possible bad debts, an allowance for doubtful accounts was not deemed necessary at December 31, 2019.

AMEND.ORG
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenue Recognition

Grants from multi-national organizations are considered conditional contributions since the grant agreements require the Organization to perform services, incur expenses or meet contract objectives in order to earn the grant funding. Payments received under these grants is deferred until earned. Revenue is earned and recognized in the financial statements when eligible expenses are incurred, services performed or grant objectives met.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence or nature of any donor restrictions. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Unconditional promises to give are reported at present value at the date the promise is received to the extent estimated to be collected by the Organization. Other conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire during the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

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

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.

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.

AMEND.ORG
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

Foreign Operations

Operations outside the United States consist of offices in Tanzania, Ghana, Mozambique and France. 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, 2018, from which the summarized information was derived.

New Accounting Pronouncement

In June 2018, the FASB issued ASU 2018-08, Not for Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The ASU provides a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. The guidance also helps determine whether a contribution is conditional and better distinguishes a donor-imposed condition from a donor imposed restriction. The Organization adopted ASU 2018-08 effective January 1, 2019 and determined that the adoption will not result in a material change to how it accounts for revenue from contributions and grants.

AMEND.ORG
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE C - AVAILABILITY AND LIQUIDITY

Financial assets available to meet general expenditures over the next twelve months consist of cash and cash equivalents of \$616,064 and \$207,267 at December 31, 2019 and 2018, respectively and grants receivable of \$217,000 and \$0 at December 31, 2019 and 2018, respectively. The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses.

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Computer equipment	\$ 9,694	\$ 8,449
Furniture and fixtures	<u>2,434</u>	<u>2,434</u>
	12,128	10,883
Less accumulated depreciation	<u>(8,309)</u>	<u>(6,659)</u>
	<u>\$ 3,819</u>	<u>\$ 4,224</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, 2019, 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 commencing December 20, 2019. Future obligations relating to this lease are \$5,727.

The Organization leases an office in The Republic of Ghana under a one-year lease agreement commencing June 30, 2019, in which rent was paid in advance.

Rent and other charges related to these leases amounted to \$30,106 and \$28,219 for the years ended December 31, 2019 and 2018, respectively.

AMEND.ORG
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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, 2019 and 2018, this accounted for approximately 47% and 58% of total revenues, respectively.

NOTE G - SUBSEQUENT EVENTS

On January 30, 2020, the World Health Association (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization's financial condition, liquidity, and future results of operations. Management is actively monitoring the situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the year ended December 31, 2020.

The Organization has evaluated all subsequent events through July 30, 2020, the date the financial statements were available to be issued. Other than as described above, the Organization is not aware of any subsequent events which would require recognition or disclosure in the financial statements.