



SAVING MOSES[®]
saving babies every day

SAVING MOSES AND AFFILIATE

Consolidated Financial Statements
With Independent Auditors' Report

December 31, 2016 and 2015

SAVING MOSES AND AFFILIATE

Table of Contents

| | <u>Page</u> |
|---|-------------|
| Independent Auditors' Report | 1 |
| Financial Statements | |
| Consolidated Statements of Financial Position | 3 |
| Consolidated Statements of Activities | 4 |
| Consolidated Statements of Cash Flows | 5 |
| Notes to Consolidated Financial Statements | 6 |

INDEPENDENT AUDITORS' REPORT

Board of Directors
Saving Moses and Affiliate
Greenwood Village, Colorado

We have audited the accompanying consolidated financial statements of Saving Moses and Affiliate, which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Saving Moses and Affiliate
Greenwood Village, Colorado

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Saving Moses and Affiliate as of December 31, 2016 and 2015, and the changes in their net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Capin Crouse LLP

Centennial, Colorado
May 12, 2017

SAVING MOSES AND AFFILIATE

Consolidated Statements of Financial Position

| | December 31, | |
|----------------------------------|-------------------|-------------------|
| | 2016 | 2015 |
| ASSETS: | | |
| Cash | \$ 528,160 | \$ 218,014 |
| Prepaid expenses | 2,875 | 3,690 |
| Total Assets | <u>\$ 531,035</u> | <u>\$ 221,704</u> |
| LIABILITIES AND NET ASSETS: | | |
| Liabilities: | | |
| Accounts payable | \$ 13,258 | \$ 20,380 |
| Accrued expenses | 13,592 | 15,099 |
| Amounts due to related party | 32,011 | 5,420 |
| | <u>58,861</u> | <u>40,899</u> |
| Net assets: | | |
| Unrestricted | 451,913 | 180,805 |
| Temporarily restricted | 20,261 | - |
| | <u>472,174</u> | <u>180,805</u> |
| Total Liabilities and Net Assets | <u>\$ 531,035</u> | <u>\$ 221,704</u> |

See notes to consolidated financial statements

SAVING MOSES AND AFFILIATE

Consolidated Statements of Activities

Year Ended December 31,

| | 2016 | | | 2015 | | |
|-------------------------------|-------------------|---------------------------|-------------------|-------------------|---------------------------|-------------------|
| | Unrestricted | Temporarily Restricted | Total | Unrestricted | Temporarily Restricted | Total |
| SUPPORT AND REVENUE: | | | | | | |
| Contributions | \$ 1,130,373 | \$ 59,917 | \$ 1,190,290 | \$ 798,497 | \$ 59,158 | \$ 857,655 |
| Program revenue | 92,753 | - | 92,753 | 76,012 | - | 76,012 |
| Total Revenue | 1,223,126 | 59,917 | 1,283,043 | 874,509 | 59,158 | 933,667 |
| NET ASSETS RELEASED: | | | | | | |
| Purpose restrictions | 39,656 | (39,656) | - | 66,980 | (66,980) | - |
| EXPENSES: | | | | | | |
| Program services | 652,044 | - | 652,044 | 659,556 | - | 659,556 |
| Supporting activities: | | | | | | |
| Fundraising | 155,315 | - | 155,315 | 212,537 | - | 212,537 |
| General and administrative | 184,315 | - | 184,315 | 155,033 | - | 155,033 |
| | <u>339,630</u> | <u>-</u> | <u>339,630</u> | <u>367,570</u> | <u>-</u> | <u>367,570</u> |
| Total Expenses | 991,674 | - | 991,674 | 1,027,126 | - | 1,027,126 |
| Change in Net Assets | 271,108 | 20,261 | 291,369 | (85,637) | (7,822) | (93,459) |
| Net Assets, Beginning of Year | 180,805 | - | 180,805 | 266,442 | 7,822 | 274,264 |
| Net Assets, End of Year | <u>\$ 451,913</u> | <u>\$ 20,261</u> | <u>\$ 472,174</u> | <u>\$ 180,805</u> | <u>\$ -</u> | <u>\$ 180,805</u> |

See notes to consolidated financial statements

SAVING MOSES AND AFFILIATE

Consolidated Statements of Cash Flows

| | Year Ended December 31, | |
|--|-------------------------|-------------------|
| | <u>2016</u> | <u>2015</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets | \$ 291,369 | \$ (93,459) |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: | | |
| Changes in operating assets and liabilities: | | |
| Prepaid expenses | 815 | (1,665) |
| Amounts due to related party | 26,591 | 33,872 |
| Accounts payable | (7,122) | 3,223 |
| Accrued expenses | (1,507) | 3,893 |
| Net Cash Provided (Used) by Operating Activities | <u>310,146</u> | <u>(54,136)</u> |
| Net Change in Cash | 310,146 | (54,136) |
| Cash, Beginning of Year | <u>218,014</u> | <u>272,150</u> |
| Cash, End of Year | <u>\$ 528,160</u> | <u>\$ 218,014</u> |

See notes to consolidated financial statements

SAVING MOSES AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2016 and 2015

1. NATURE OF ORGANIZATION:

Saving Moses is a global initiative to save babies and toddlers (5 & under) by meeting the most urgent & intense survival needs in places where help is least available. Saving Moses was founded in 2010 by Sarah Bowling as a ministry within Marilyn Hickey Ministries (MHM) and began operating as an independent ministry as of January 1, 2012.

Saving Moses Cambodia (SMC) was incorporated in 2015, to provide loving shelter to the babies (ages 0-5) of sex workers at night when they are most vulnerable to abuse, neglect, and exploitation. SMC is operated as a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Code, and is not a private foundation under Section 509(a) of the Code. Saving Moses controls SMC through economic dependence and board control.

Saving Moses and SMC are referred to collectively as SM.

SM addresses baby (age 0-5) specific needs worldwide when help is most needed but least available. To date, SM has worked in Costa Rica, Cambodia, Haiti, Albania, Ukraine, Romania, Thailand, China, Guinea-Bissau, Senegal, Madagascar, Kenya, Malawi, Namibia, South Africa, Zambia, Liberia, Tanzania, Ghana, Mozambique, Uganda, Sudan, Botswana, Afghanistan, Sierra Leone, India, Nepal, Angola, and Syria with more places to come.

SM is operated as a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), and is not a private foundation under Section 509(a) of the Code. Contributions are SM's primary source of support and revenue.

2. SUMMARY OF ACCOUNTING POLICIES:

SM maintains its accounts and prepares its consolidated financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of any contingent assets and liabilities at the date of the consolidated financial statements, and the reported revenues and expenses during the reporting period. Actual results could differ from the estimates. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements include the accounts of SM and SMC. All significant intercompany transactions have been eliminated in consolidation.

SAVING MOSES AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2016 and 2015

2. SUMMARY OF ACCOUNTING POLICIES, continued:

CASH

Cash includes checking accounts, of which \$8,937 and \$9,305 was held in a foreign bank account as of December 31, 2016 and 2015, respectively. Additionally, U.S. bank accounts of SM at times may exceed federally insured limits. SM has not experienced any losses on these accounts and does not believe it is exposed to any significant credit risks.

AMOUNTS DUE TO RELATED PARTY

Amounts due to related party for services provided consists of amounts payable to MHM.

NET ASSETS

The consolidated financial statements report amounts separately by class of net assets as follows:

Unrestricted net assets are those resources that are currently available for operations.

Temporarily restricted net assets are those resources which are stipulated by donors for various ministry projects and programs. As of December 31, 2016, \$20,261 was restricted for projects in Syria. As of December 31, 2015, all temporarily restricted funds had been released.

SUPPORT AND REVENUE

Contributions are recorded when made, which may be when cash or other assets are received or unconditionally promised. Contributions restricted by the donor for a specific purpose are recorded as income in the temporarily restricted class of net assets until funds have been expended by SM for the purposes specified. Upon satisfaction of the restriction, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from purpose restrictions. All contributions are considered available for unrestricted use unless specifically restricted by the donor. All donations postmarked by the end of the fiscal year are recognized as support and revenue in that fiscal year.

Program revenue consists of sales, registration revenue, and honorariums, which are recorded when earned.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing various program services and supporting activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs, such as salaries and benefits, have been allocated among the program services and supporting activities benefited.

ADVERTISING COSTS

Advertising costs for the years ended December 31, 2016 and 2015, of \$13,406 and \$21,765, respectively, are expensed as incurred and included in the consolidated statements of activities.

SAVING MOSES AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2016 and 2015

2. SUMMARY OF ACCOUNTING POLICIES, continued:

UNCERTAIN TAX POSITIONS

The consolidated financial statement effects of a tax position taken or expected to be taken are recognized in the consolidated financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in expenses in the consolidated statements of activities. As of December 31, 2016, SM had no uncertain tax positions that qualify for recognition or disclosure in the consolidated financial statements.

SM is generally no longer subject to U.S. federal and state income tax examinations by tax authorities for years prior to 2013.

3. RELATED PARTY TRANSACTIONS:

During the years ended December 31, 2016 and 2015, SM incurred expenses to MHM for shared services of \$165,548 and \$158,465, respectively. This accounted for approximately 17% and 15% of total expenses during the years ended December 31, 2016 and 2015, respectively. These expenses are determined by a shared services agreement between SM and MHM and include executive planning services, operations support services, broadcasting time, web related services, and fundraising consulting services. SM owed MHM \$32,011 and \$5,420 as of December 31, 2016 and 2015, respectively. SM and MHM are considered related parties under U.S. GAAP due to their shared board members resulting in MHM's ability to influence SM's operating decisions.

4. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through the report date, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.