



FINANCIAL STATEMENTS
With Independent Auditors' Report

December 31, 2018 and 2017

SAVING MOSES

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statement of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7

INDEPENDENT AUDITORS' REPORT

Board of Directors
Saving Moses
Centennial, Colorado

We have audited the accompanying financial statements of Saving Moses, 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.

Auditors' 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.

Board of Directors
Saving Moses
Centennial, Colorado

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Saving Moses as of December 31, 2018 and 2017, 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.

Emphasis of Matter

Saving Moses has adopted Financial Accounting Standards Board Accounting Standards Update No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, as described in note 2. This has had a material effect on the presentation of the December 31, 2018 and 2017 financial statements.

Capin Crouse LLP

Centennial, Colorado
April 8, 2019

SAVING MOSES

Statements of Financial Position

	December 31,	
	<u>2018</u>	<u>2017</u>
ASSETS:		
Cash and cash equivalents	\$ 307,224	\$ 518,538
Investments	<u>427,242</u>	<u>212,675</u>
Total Assets	<u>\$ 734,466</u>	<u>\$ 731,213</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 14,220	\$ 5,900
Accrued expenses	21,393	15,315
Amounts due to related party	<u>40,721</u>	<u>92,003</u>
	<u>76,334</u>	<u>113,218</u>
Net assets:		
Without donor restrictions	657,975	617,995
With donor restrictions	<u>157</u>	<u>-</u>
	<u>658,132</u>	<u>617,995</u>
Total Liabilities and Net Assets	<u>\$ 734,466</u>	<u>\$ 731,213</u>

See notes to financial statements

SAVING MOSES

Statements of Activities

Year Ended December 31,

	2018			2017		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	\$ 1,191,604	\$ 67,335	\$ 1,258,939	\$ 1,089,523	\$ 69,304	\$ 1,158,827
Program revenue and other	55,696	-	55,696	100,288	-	100,288
Total Revenue	1,247,300	67,335	1,314,635	1,189,811	69,304	1,259,115
NET ASSETS RELEASED:						
Purpose restrictions	67,178	(67,178)	-	89,565	(89,565)	-
EXPENSES:						
Program services	899,581	-	899,581	776,603	-	776,603
Supporting activities:						
Fund-raising	206,460	-	206,460	192,738	-	192,738
General and administrative	168,457	-	168,457	143,953	-	143,953
	374,917	-	374,917	336,691	-	336,691
Total Expenses	1,274,498	-	1,274,498	1,113,294	-	1,113,294
Change in Net Assets	39,980	157	40,137	166,082	(20,261)	145,821
Net Assets, Beginning of Year	617,995	-	617,995	451,913	20,261	472,174
Net Assets, End of Year	<u>\$ 657,975</u>	<u>\$ 157</u>	<u>\$ 658,132</u>	<u>\$ 617,995</u>	<u>\$ -</u>	<u>\$ 617,995</u>

See notes to financial statements

SAVING MOSES

Statement of Functional Expenses

Year Ended December 31, 2018

(with comparable information for the year ended December 31, 2017)

	Program Activities	Supporting Activities:		Total	2017
		Fund-raising	General and Administrative		
Grants to foreign partners	\$ 452,703	\$ -	\$ -	\$ 452,703	\$ 388,945
Salary and benefits	205,854	15,962	16,574	238,390	192,306
Printing and postage	-	117,607	21,161	138,768	136,554
Airtime	98,673	-	-	98,673	107,500
Office and shared services	9,507	5,713	76,004	91,224	66,417
Travel and team trips	88,967	-	-	88,967	83,185
Advertising and promotion	-	64,168	13,168	77,336	67,561
Professional services	23,789	1,120	36,131	61,040	45,155
Occupancy	20,088	1,890	5,419	27,397	25,671
	<u>\$ 899,581</u>	<u>\$ 206,460</u>	<u>\$ 168,457</u>	<u>\$ 1,274,498</u>	<u>\$ 1,113,294</u>
2017:					
Total expenses	<u>\$ 776,603</u>	<u>\$ 192,738</u>	<u>\$ 143,953</u>		<u>\$ 1,113,294</u>

See notes to financial statements

SAVING MOSES

Statements of Cash Flows

	Year Ended December 31,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 40,137	\$ 145,821
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Net realized and unrealized loss	362	-
Changes in operating assets and liabilities:		
Prepaid expenses	-	2,875
Amounts due to related party	(51,282)	59,992
Accounts payable	8,320	(7,358)
Accrued expenses	6,078	1,723
Net Cash Provided by Operating Activities	<u>3,615</u>	<u>203,053</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(555,447)	(212,675)
Proceeds from sale of investments	340,518	-
Net Cash Used by Investing Activities	<u>(214,929)</u>	<u>(212,675)</u>
Net Change in Cash and Cash Equivalents	(211,314)	(9,622)
Cash and Cash Equivalents, Beginning of Year	<u>518,538</u>	<u>528,160</u>
Cash and Cash Equivalents, End of Year	<u>\$ 307,224</u>	<u>\$ 518,538</u>

See notes to financial statements

SAVING MOSES

Notes to Financial Statements

December 31, 2018 and 2017

1. NATURE OF ORGANIZATION:

Saving Moses (SM) 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. SM 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.

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 a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state laws. However, SM is subject to federal income tax on any unrelated business taxable income. In addition, SM is not classified as a private foundation within the meaning of Section 509(a) of the IRC. Contributions are SM's primary source of support and revenue.

2. SUMMARY OF ACCOUNTING POLICIES:

SM maintains its accounts and prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The preparation of 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 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 financial statements to the reader.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash held in checking and investment accounts. As of December 31, 2018 and 2017, SM's cash balances exceeded federally insured limits by approximately \$46,000 and \$125,000. SM has not experienced any losses on these accounts and does not believe these funds to be at substantial risk of loss due to the lack of federal insurance coverage.

INVESTMENTS

Investments consist of certificates of deposit and fixed income mutual funds, which are recorded at fair market value. Realized and unrealized gains and losses are included as revenue without donor restrictions in the statements of activities. Donated investments are recorded at the fair value on the date of donation and thereafter carried in accordance with the above provisions.

AMOUNTS DUE TO RELATED PARTY

Amounts due to related party consists of amounts payable to MHM for various services and airtime.

SAVING MOSES

Notes to Financial Statements

December 31, 2018 and 2017

2. SUMMARY OF ACCOUNTING POLICIES, continued:

NET ASSETS

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

Net assets without donor restrictions are those resources that are currently available for operations.

Net assets with donor restrictions are those resources which are stipulated by donors for various ministry projects and programs.

SUPPORT AND REVENUE

Contributions are recorded when made, which may be when cash or other assets are received or unconditionally promised. Contributions are reported as restricted contributions if they are received with donor stipulations that limit the use of the donated amounts. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. All contributions are considered available for general 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 and other consists of sales, registration revenue, and honorariums, which are recorded when earned.

FUNCTIONAL ALLOCATION OF EXPENSES

The statement of functional expenses report certain categories of expenses that are attributable to program or support activities of SM. These expenses include occupancy which are allocated based on square footage occupancy. Costs of other categories were allocated on estimates of time and effort.

Program services include taking care of baby specific needs throughout the globe.

ADOPTION OF NEW ACCOUNTING STANDARD

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. SM adopted the provisions of this new standard during the year ended December 31, 2018. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added including liquidity and the availability of resources (note 3), and disclosures related to functional allocation of expenses were expanded (note 2, above). Adoption of this standard had no effect on the change in net assets by class of net assets or in total.

ADVERTISING COSTS

Advertising costs for the years ended December 31, 2018 and 2017, of \$26,335 and \$16,561, respectively, are expensed as incurred and included in the statements of activities.

SAVING MOSES

Notes to Financial Statements

December 31, 2018 and 2017

3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

SM has approximately \$734,000 and \$731,000 of financial assets available within one year of the statements of financial position date as of December 31, 2018 and 2017, respectively. These amounts consists of cash and cash equivalents and investments. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statements of financial position date.

SM structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. SM's goal is to maintain reserves of six months, which it exceeded as of December 31, 2018. Management monitors cash flows closely through monthly reviews and quarterly board meetings.

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS:

SM uses appropriate valuation techniques to determine fair value based on inputs available. When available SM measures fair value using Level 1 inputs because they generally provide the most reliable evidence for fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position, when measured at the fair value on a recurring basis, and the level of the fair value measurement hierarchy in which the fair value measurements fall:

	Fair Value	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2018:				
Certificates of deposit	\$ 84,901	\$ -	\$ 84,901	\$ -
Fixed income mutual funds	342,341	342,341	-	-
	\$ 427,242	\$ 342,341	\$ 84,901	\$ -
December 31, 2017:				
Certificates of deposit	\$ 212,675	\$ -	\$ 212,675	\$ -

Valuation techniques: Fair value for fixed income mutual funds are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair value for certificates of deposit are based on appraisals and market comparisons.

SAVING MOSES

Notes to Financial Statements

December 31, 2018 and 2017

5. RETIREMENT PLAN:

SM sponsors a 403(b) plan (the Plan) through MHM in which all employees are eligible. SM matches 5% of employee contributions, which was increased from 3% during the year ended December 31, 2018. Employer contributions to the Plan totaled \$7,492 and \$3,494, for the years ended December 31, 2018 and 2017, respectively.

6. RELATED PARTY TRANSACTIONS:

During the years ended December 31, 2018 and 2017, SM incurred expenses to MHM for shared services of \$148,378 and \$165,381, respectively. This accounted for approximately 12% and 15% of total expenses during the years ended December 31, 2018 and 2017, respectively. These expenses are determined by a shared services agreement between SM and MHM and include rent, executive planning services, operations support services, broadcasting airtime, web related services, and fundraising consulting services. SM owed MHM \$40,721 and \$92,003 as of December 31, 2018 and 2017, 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.

The president of the SM board is also the president of a like-minded organization in Cambodia. During the years ended December 31, 2018 and 2017, SM granted funds of \$144,060 and \$123,000, respectively, to the Cambodian organization.

7. SUBSEQUENT EVENTS:

Subsequent events were evaluated through April 8, 2019, which is the date the financial statements were available to be issued.