



Friends of EDTF, Inc.

**Audited Financial Statements**

**Year Ended December 31, 2021**

# Friends of EDTF, Inc.

## Table of Contents

---

<b>Independent Auditor's Report</b> .....	1-2
<b>Audited Financial Statements</b>	
Statement of Financial Position.....	3
Statement of Activities and Changes in Net Assets.....	4
Statement of Functional Expenses.....	5
Statement of Cash Flows .....	6
Notes to the Financial Statement.....	7-9

***Independent Auditor's Report***

To the Board of Directors  
Friends of Ethiopian Diaspora Trust Fund, Inc.  
Wilmington, Delaware

***Opinion***

I have audited the accompanying financial statements of Friends of the Ethiopian Diaspora Trust Fund, Inc. ("EDTF", a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of EDTF, Inc. as of December 31, 2021, and the changes in its net assets, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Responsibilities of Management for the Financial Statement***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or to 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 EDTF'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 Responsibility***

My 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 my 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, I:

- 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 EDTF'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 EDTF's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

*Blue Nile Falls, LLC*

Aldie, Virginia

July 17, 2023

**Friends of EDTF, Inc.**  
**Statement of Financial Position**  
**December 31, 2021**

	<b>December 31, 2021</b>
<b>Assets:</b>	
Current Assets	
Cash and cash equivalents	\$ 968,204
Investments	4,318,735
	<b>\$ 5,286,939</b>
<b>Total current assets</b>	<b>\$ 5,286,939</b>
Noncurrent assets	
Contributions receivable	-
	-
<b>Total noncurrent assets</b>	-
<b>Total assets</b>	<b>\$ 5,286,939</b>
Liabilities and net assets	
Current liabilities	
Grants payable	\$ -
Accounts payable	-
	-
<b>Total current liabilities</b>	-
Noncurrent liabilities	
	-
<b>Total noncurrent liabilities</b>	-
<b>Total liabilities</b>	<b>\$ -</b>
Net assets:	
Without donor restrictions	\$ 5,286,939
With donor restrictions	-
	-
<b>Total net assets</b>	<b>\$ 5,286,939</b>
<b>Total liabilities and net assets</b>	<b>\$ 5,286,939</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Friends of EDTF, Inc.**  
**Statement of Activities**  
**Year Ended December 31, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues, gains, and other support:</b>			
Donations	\$ 925,776	\$ -	\$ 925,776
Interest Income	6,674	-	6,674
Gain on sale of investments	-	-	-
Unrealized gain on investments	-	-	-
Net assets released from/to restriction	(55,395)	55,395	-
<b>Total support, revenues and gains</b>	<b>\$ 877,056</b>	<b>\$ 55,395</b>	<b>\$ 932,451</b>
<b>Expenses and losses:</b>			
Program services	\$ 728,301	\$ 38,437	\$ 766,737
Management and General	137	16,959	17,096
Fundraising Expenses	-	-	-
<b>Total expenses</b>	<b>\$ 728,438</b>	<b>\$ 55,395</b>	<b>\$ 783,833</b>
			-
<b>Change in net assets</b>	<b>148,618</b>	<b>-</b>	<b>148,618</b>
Net assets at beginning of year	5,138,321	-	5,138,321
<b>Net assets at end of year</b>	<b>\$ 5,286,939</b>	<b>\$ -</b>	<b>\$ 5,286,939</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Friends of EDTF, Inc.**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2021**

Expense Category	Program Services	Management and General	Fundraising Expenses	Supporting Subtotal	Total Expenses
Grants to foreign organizations	\$ 728,312	\$ -	\$ -	\$ -	\$ 728,312
Consultation	38,000	-	-	-	38,000
Accounting & Auditing	-	9,208	-	9,208	9,208
General Admin. Expense	425	6,869	-	6,869	7,294
Investment management fees	-	-	-	-	-
Bank fees	-	1,018	-	1,018	1,018
Advertising & marketing					
<b>Total</b>	<b>\$ 766,737</b>	<b>\$ 17,096</b>	<b>\$ -</b>	<b>\$ 17,096</b>	<b>\$ 783,833</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Friends of EDTF, Inc.**  
**Statement of Cash Flows**  
**Year Ended December 31, 2021**

Year Ended December 31 2022

<b>Cash flows from operating activities:</b>	
Change in net assets	\$ 522,380
<b>Adjustments to reconcile change in net assets to net cash used by operating</b>	
Depreciation	-
Gain on sale of equipment	-
(Increase)/decrease in accounts and interest receivable	-
(Increase)/decrease in contributions receivable	-
Increase/(decrease) in accounts payable	-
Increase/(decrease) in grants payable	-
<b>Net cash provided/(used) by operating activities</b>	<b>\$ 522,380</b>
<b>Cash flows from investing activities:</b>	
Purchase of equipment	-
<b>Net cash provided/(used) by investing activities</b>	<b>\$ -</b>
<b>Cash flows from financing activities:</b>	
Proceeds from contributions restricted for	-
Investment in land, buildings, and equipment	-
	<b>\$ -</b>
Other financing activities:	
Payments on notes payable	-
Payments on long-term debt	-
<b>Net cash provided/(used) by financing activities</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>\$ 522,380</b>
Cash and cash equivalents at beginning of year	5,286,939
Cash and cash equivalents at end of year	<b>\$ 5,809,319</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Friends of EDTF, Inc.**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2021**

---

**Note 1 – Organization:**

Friends of EDTF, Inc. is a nonprofit organization incorporated in the state of Delaware that provides financial assistance to a handful of Charities that specialize in healthcare and education in Ethiopia.

The Organization is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes.

**Note 2 - Summary of Significant Accounting Policies:**

*Basis of presentation* - Financial statement presentation follows the U.S. generally accepted accounting principles promulgated by the Financial Accounting Standards Board. Under these principles, revenues are recognized when earned and expenses are recognized when incurred.

*Cash* - All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents.

*Fair Value Measurements* - Fair value is defined as the price received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Accounting standards establish a hierarchy for measuring fair value that gives the highest priority to unadjusted quoted prices in active markets (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are as follows:

- Level 1            Unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2            Quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in active markets, or other inputs that can be corroborated by observable market data.
- Level 3            Inputs that are not observable that reflect management's assumptions and estimates.

Fair value measurements apply to the Organization's investments, all of which are classified within level 1 of the fair value hierarchy.

## **Friends of EDTF, Inc.**

### **Notes to the Financial Statements**

#### **Year Ended December 31, 2021**

*Net assets*- Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are comprised of:

Net Assets Without Donor Restrictions - Net assets that The Organization has earmarked funds to financially assist a few selected and vetted charities, in the country of Ethiopia, to assist endeavors in improving health and education of beneficiaries. These funds are tracked on an annual basis, the total of which was \$5,224,729 as of December 31, 2021. However, there are no external donor stipulations that prohibit the Organization from utilizing these funds for general operations. As such, all of the net assets are shown as "non-restricted."

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions are \$ 62,210 as at December 31, 2021.

Net Assets with Board Restrictions - Some bylaw-imposed restrictions are temporary in nature, such as those that will be met by the release of funds or other events specified by change in bylaws. Bylaw imposed restrictions are released when a restriction expires, that is, when the stipulated bylaws change over time, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

*Revenue and revenue recognition* - Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

*Advertising costs* - Advertising costs are expensed as incurred.

*Income taxes* - Friends of EDTF, Inc. is organized as a nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as being exempt from federal income taxes under IRC section 501(a), as an organization described in IRC Section 501(c)3. The organization is required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the organization is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purpose.

*Estimates* - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

*Subsequent events* - Subsequent events were evaluated through July 17, 2023, which is the date the financial statement was available to be issued.

# Friends of EDTF, Inc.

## Notes to the Financial Statements

Year Ended December 31, 2021

---

### Note 3 – Investments:

The following table sets forth by level, within the fair value hierarchy, the Organization's invested assets, measured on a recurring basis as of December 31, 2021 are as follows:

	Level 1	Level 2	Level 3	Total
Insured Money Market	\$ 4,318,735	\$ -	\$ -	\$ 4,318,735
		-	-	
		-	-	
		-	-	
		-	-	
		-	-	
		-	-	
		-	-	
		-	-	
<i>Total Investments</i>	<u>\$ 4,318,735</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,318,735</u>

### Note 4 – Functional Expenses:

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function.

Friends of EDTF, Inc considers payments to the non-profits that it finances to be program expenses. In general, all other costs are designated to be non-program costs.

### Note 5 – Liquidity:

The Organization's financial assets available within the following year for general expenditures are as follows:

Cash	\$ 968,204
Short-term cash Investments	4,318,735
	<u>\$ 5,286,939</u>