

THE LEFT FOUNDATION INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2016

(REVIEW)

THE LEFT FOUNDATION INC.
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YEAR ENDED DECEMBER 31, 2016
(REVIEW)

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Trustees of
Lelt Foundation Inc.
243 Riverside Drive #MZ2
New York, NY 10025

To the Board of Trustees:

I have reviewed the accompanying financial statements of Lelt Foundation Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

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.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



New York, NY
June 8, 2017

THE LET FOUNDATION INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016
(REVIEW)

ASSETS

Current Assets:

Cash	\$ 159,431
Loan-Current Portion	3,000

Total Current Assets	<u>162,431</u>
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Loan-Long Term Portion	24,453
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TOTAL ASSETS	<u><u>\$ 186,884</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accrued Expenses	\$ 1,728
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Total Current and Long-Term Liabilities	<u>1,728</u>
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Net Assets:	185,156
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 186,884</u></u>
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See accountant's report and note to financial statements.

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THE LEIT FOUNDATION INC.
STATEMENT OF ACTIVITIES
YEAR ENDED
(REVIEW)

	<u>December 31, 2016</u>
Support:	
Sponsorship	\$ 119,395
Corporate Donations	13,812
Merchandising Income	3,126
General Donations	115,079
Event Income	85,034
Total Support	<u>336,446</u>
Expenses:	
Program Services	206,736
Information and Education	8,155
Fundraising Expenses	40,254
Management Expenses	7,152
Total Expenses	<u>262,298</u>
Change in Net Assets	<u>\$ 74,149</u>
Net Assets Beginning of Year	111,007
Net Assets End of Year	<u>\$ 185,156</u>

See accountant's report and note to financial statements.

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THE LET FOUNDATION INC.
 STATEMENT OF FUNCTIONAL EXPENSES
 YEAR ENDED DECEMBER 31, 2016
 (REVIEW)

	Total	Management	Fundraising	Programming	Information and Education
Marketing Expenses:					
Travel	\$ 718	\$ -	\$ 574	\$ 144	\$ -
Merchandise	1,014		1,014		
Advertising/Web Site	259	142	65	-	52
Event Expenses	40,517		32,414		8,103
Printing	239	24	191	24	-
Total	\$ 42,747	\$ 166	\$ 34,258	\$ 168	\$ 8,155
Administrative Expenses:					
Office Expenses	\$ 1,439	\$ 935	\$ 360	\$ 144	\$ -
Postage	775	426	194	155	
Professional Fees	4,219	4,219	-	-	-
Bookkeeping	1,500	1,200		300	
Bank Charges	6,289	-	5,443	846	
Miscellaneous	273	205		68	
Total	\$ 14,495	\$ 6,985	\$ 5,997	\$ 1,513	\$ -
Operational Expenses:					
Sponsorships	\$ 24,726	\$ -	\$ -	\$ 24,726	\$ -
Programming Services	111,370			111,370	
Ethiopia Rent	23,015			23,015	
Programming Costs	38,114			38,114	
Business Creation	7,831			7,831	
Total	\$ 205,056	\$ -	\$ -	\$ 205,056	\$ -
Grand Total	\$ 262,298	\$ 7,152	\$ 40,254	\$ 206,736	\$ 8,155

MATTHEW F. BOBMAN, CPA, P.C.

See accountant's report and note to financial statements.
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THE LEFT FOUNDATION INC.
STATEMENT OF CASH FLOW
YEAR ENDED
(REVIEW)

	<u>December 31, 2016</u>
Cash flows from Operating Activities	
Change in Net Assets	\$ 74,149
Adjustments to Reconcile Change in Net Assets to Net Cash Provided from Operating Activities	-
Changes in Operating Assets and Liabilities	
Current Portion of Loan	2,400
Accrued Expenses	480
Net Cash Provided from Operating Activities	<u>77,029</u>
Cash Flows Used in Investing Activities:	-
Long-Term Loan	(11,324)
Net Cash Used in Investing Activities	<u>(11,324)</u>
Net Increase (Decrease) in Cash	<u>88,353</u>
Cash at Beginning of Year	71,078
Cash at End of Year	<u><u>\$ 159,431</u></u>

See accountant's report and note to financial statements.

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THE LETT FOUNDATION INC.
NOTES TO FINANCIAL STATEMENTS
(REVIEW)

Note 1- Organization and Summary of Significant Accounting Policies:

Organization:

The Lelt Foundation Inc. "The Organization" is a nonprofit organization under Section 501 (c)(3) of the Internal Revenue Code. It was originally founded in September 26th, 2011. It is dedicated to improving the safety and quality of life for disadvantaged families in Addis Ababa, Ethiopia. The aid is limited to the residents of Lelt, a neighborhood in Addis Ababa. This is done through orphan care, education, entrepreneurship programs and child sponsorships.

Accounting Method:

The Organization is reporting its financial statements on an accrual basis.

Basis of presentation:

The Organization is required to present its financial statements according to two classes of assets, unrestricted net assets and restricted net assets. There are no restricted assets at December 31, 2016.

Use of estimates:

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Unrestricted Resources:

Unrestricted contributions are recognized as revenue when pledged. All contributions are considered available for unrestricted use, unless specifically restricted by donors or received in response to specific solicitations.

Contributions:

All contributions are recognized as revenue when received or unconditionally promised. Gifts of cash and other assets are classified as restricted support if received with donor stipulations that limit the use of the contributions. When such restrictions expire, that is, when a stipulated time restrictions ends or a purpose restriction is accomplished, restricted net assets are reclassified to unrestricted net assets and reported as assets released from restrictions. Restricted contributions are reported as unrestricted support when the restriction is met in the same period as the contribution is received or when appropriated for expenditure by the Board. Conditional promises to give are not recognized as revenue until the conditions are substantially met. Investments received as gifts are initially recorded at estimated fair value at the date of the donation.

THE LEIT FOUNDATION INC.
NOTES TO FINANCIAL STATEMENTS
(REVIEW)

Note 1- Organization and Summary of Significant Accounting Policies:

Cash and Cash Equivalents:

Cash and cash equivalents include bank accounts subject to immediate withdrawal, money market accounts and highly liquid investments with an original maturity of three months or less. The Organization places its temporary cash investments with high credit quality financial institutions. At times, such investments may exceed insured limits by the Federal government. At December 31, 2016, the Organization was within these limits.

Restricted Funds:

Restricted funds are contributions restricted by a donor for a particular operating purpose. They are deemed to be restricted and are recognized as revenue when pledged.

Note 2- Donations in-Kind:

The Organization had donations in-kind in 2016 of \$34,754. The Organization has volunteers that donate significant time to The Organization's activities. This value does not meet the criteria of being recognized as revenue.

Note 3- Related Party Transactions:

The Organization has no related party transactions.

Note 4- Unconditional Promises to Give:

There were no promises to give and funds at December 31, 2016.

Note 5- Commitments:

The Organization has no commitments or contingent liabilities as of statement date of December 31, 2016 as well as through the report date of June 8, 2017.

Note 6- Significant Contribution:

The Organization received a specific contribution that was in excess of 10% of its total contributions.

Note 7- Merchandising Income:

The merchandising program is being phased out by the Organization. Net merchandising income was derived as follows for the year ended 2016:

Sales	\$3,126
Cost of Merchandise	<u>1,014</u>
Gross Margin	\$2,112

THE LEFT FOUNDATION INC.
NOTES TO FINANCIAL STATEMENTS
(REVIEW)

Note 8-Functional Allocation of Expenses:

The costs of providing the Organization's programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Note 9-Evaluation of Subsequent Events:

The Organization has evaluated subsequent events through June 8, 2017, the financial statement issue date. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with accounting principles generally accepted in the United States of America. The Organization has determined that there are no unrecognized subsequent events that require additional disclosure.

Note 10- Aid to Ethiopia:

The Organization has a working relationship with Trees of Glory, an unrelated nongovernmental organization (NGO) located in Addis Ababa, Ethiopia. Trees of Glory provides the programing on behalf of The Organization. Trees of Glory received approximately \$178,000 from The Organization in 2016.

In addition, The Organization gave an interest free loan Wubalence Ashenafi for \$48,456 starting in 2013. The balance due at December 31, 2016 is \$34,576. Wubalence Ashenafi is the executive director of Trees of Glory, the organization mentioned in the prior paragraph. The loan will be paid back at the rate of \$250 per month, as a reduction of aid. The \$250 will be recorded as rent and other expenses that Ms. Ashenafi incurs on behalf of The Organization. No cash will be exchanged. The loan was for a residence that houses people whom the organization provides aid to. \$13,880 has been repaid through December 31, 2016. The repayment plan is as follows discounted at 4%:

<u>Year</u>	<u>Amount</u>
Less than one year	\$3,000
One to five years	12,000
Thereafter	<u>19,576</u>
Total	\$34,576
Less: discount to present value	<u>(7,123)</u>
Net Loan Receivable	\$27,453