

Consolidated Financial Statements

**Amigos de Jesus and
Amigos de Jesus Foundation**

December 31, 2018 and 2017

*Rainer
& Company*

A Professional Corporation
Certified Public Accountants

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A Professional Corporation
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Amigos de Jesus and Amigos de Jesus Foundation
Hatboro, Pennsylvania

We have audited the accompanying consolidated financial statements of Amigos de Jesus and Amigos de Jesus Foundation (nonprofit organizations), which comprise the consolidated statements of assets, liabilities and net assets - modified cash basis as of December 31, 2018 and 2017, and the related consolidated statements of support, revenues, expenses, and other changes in net assets - modified cash basis, functional expenses - modified cash basis, and cash flows - modified cash basis 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 the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the consolidated financial statements in the circumstances. Management is also responsible for 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 auditors' 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 Organization'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 Organization'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.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Amigos de Jesus and Amigos de Jesus Foundation as of December 31, 2018 and 2017, and its support, revenues, expenses, and other changes in its net assets for the years then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the consolidated financial statements, which describes the basis of accounting. The consolidated financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.


Rainer & Company

Newtown Square, PA
November 4, 2019

AMIGOS de JESUS AND AMIGOS de JESUS FOUNDATION
Consolidated Statements of Assets, Liabilities, and Net Assets
Modified Cash Basis
December 31, 2018 and 2017

| <u>ASSETS</u> | <u>2018</u> | <u>2017</u> |
|---|----------------------------|----------------------------|
| Current: | | |
| Cash and Cash Equivalents | \$ 1,313,386 | \$ 1,831,364 |
| Investments | 3,836,184 | 3,510,282 |
| Loans Receivable - Related Party | 0 | 16,372 |
| Loans Receivable - Other | 3,434 | 1,415 |
| Deposits | 228 | 212 |
| TOTAL CURRENT ASSETS | <u>5,153,232</u> | <u>5,359,645</u> |
| Property and Equipment, Net of Accumulated Depreciation | 1,931,921 | 1,774,152 |
| Other: | | |
| Loans Receivable - Related Party, Net of Current Maturities | <u>0</u> | <u>2,171</u> |
| TOTAL ASSETS | <u><u>7,085,153</u></u> | <u><u>7,135,968</u></u> |
| <u>NET ASSETS</u> | | |
| Net Assets: | | |
| With Donor Restrictions | 15,000 | 15,927 |
| Without Donor Restrictions | <u>7,070,153</u> | <u>7,120,041</u> |
| TOTAL NET ASSETS | <u><u>\$ 7,085,153</u></u> | <u><u>\$ 7,135,968</u></u> |

The accompanying notes are an integral part of these statements.

AMIGOS de JESUS AND AMIGOS de JESUS FOUNDATION
Consolidated Statements of Support, Revenues, Expenses, and Other Changes in Net Assets
Modified Cash Basis
For the Years Ended December 31, 2018 and 2017

| | <u>2018</u> | <u>2017</u> |
|--|---------------------|---------------------|
| <u>NET ASSETS WITHOUT DONOR RESTRICTIONS</u> | | |
| Revenues and Support Without Donor Restrictions: | | |
| Donations | \$ 1,597,966 | \$ 1,750,206 |
| In-Kind Donations | 21,996 | 9,756 |
| Fundraising | 366,999 | 267,497 |
| Investment Income (Loss) | (108,783) | 305,304 |
| Other Income | 43,213 | 35,112 |
| TOTAL REVENUES AND SUPPORT WITHOUT DONOR RESTRICTIONS | <u>1,921,391</u> | <u>2,367,875</u> |
| Functional Expenses Without Donor Restrictions: | | |
| Program Services | <u>1,721,931</u> | <u>1,415,406</u> |
| Supporting Services: | | |
| Management and General | 121,379 | 77,771 |
| Development | 127,969 | 92,972 |
| TOTAL SUPPORTING SERVICES | <u>249,348</u> | <u>170,743</u> |
| TOTAL FUNCTIONAL EXPENSES WITHOUT DONOR RESTRICTIONS | <u>1,971,279</u> | <u>1,586,149</u> |
| CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS | <u>(49,888)</u> | <u>781,726</u> |
| <u>NET ASSETS WITH DONOR RESTRICTIONS</u> | | |
| Contributions | 0 | 20,000 |
| Net Assets Released from Restrictions | (927) | (25,073) |
| CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS | <u>(927)</u> | <u>(5,073)</u> |
| CHANGE IN NET ASSETS | (50,815) | 776,653 |
| Net Assets - Beginning | <u>7,135,968</u> | <u>6,359,315</u> |
| NET ASSETS - ENDING | <u>\$ 7,085,153</u> | <u>\$ 7,135,968</u> |

The accompanying notes are an integral part of these statements.

AMIGOS de JESUS AND AMIGOS de JESUS FOUNDATION
Consolidated Statements of Functional Expenses - Modified Cash Basis
For the Years Ended December 31, 2018 and 2017

| | 2018 | | | | | 2017 | | | | |
|--|---------------------|------------------------|-------------------|------------------------|---------------------|---------------------|------------------------|------------------|------------------------|---------------------|
| | PROGRAM SERVICES | SUPPORT SERVICES | | | Total | PROGRAM SERVICES | SUPPORT SERVICES | | | Total |
| | Program Services | Management and General | Development | Total Support Services | | Program Services | Management and General | Development | Total Support Services | |
| UNITED STATES EXPENSES: | | | | | | | | | | |
| Payroll Expenses | \$ 283,232 | \$ 0 | \$ 0 | \$ 0 | \$ 283,232 | \$ 133,053 | \$ 814 | \$ 0 | \$ 814 | \$ 133,867 |
| Employee Benefits | 80,297 | 0 | 0 | 0 | 80,297 | 40,729 | 0 | 0 | 0 | 40,729 |
| Contract Services | 0 | 35,669 | 0 | 35,669 | 35,669 | 0 | 34,960 | 0 | 34,960 | 34,960 |
| Supplies | 17,993 | 0 | 0 | 0 | 17,993 | 58,825 | 0 | 749 | 749 | 59,574 |
| Shelter Support | 91,968 | 0 | 0 | 0 | 91,968 | 94,741 | 0 | 0 | 0 | 94,741 |
| Travel Expenses | 27,735 | 0 | 0 | 0 | 27,735 | 19,193 | 0 | 0 | 0 | 19,193 |
| Service Volunteer Stipend | 5,503 | 0 | 0 | 0 | 5,503 | 12,353 | 0 | 0 | 0 | 12,353 |
| Fundraising Expenses | 0 | 0 | 127,969 | 127,969 | 127,969 | 0 | 0 | 72,473 | 72,473 | 72,473 |
| Operations | 0 | 77,601 | 0 | 77,601 | 77,601 | 6,407 | 32,274 | 98 | 32,372 | 38,779 |
| Development | 42,371 | 0 | 0 | 0 | 42,371 | 134 | 2,912 | 19,652 | 22,564 | 22,698 |
| Insurance | 0 | 8,109 | 0 | 8,109 | 8,109 | 0 | 6,811 | 0 | 6,811 | 6,811 |
| HONDURAN EXPENSES: | | | | | | | | | | |
| Payroll Expenses | 260,055 | 0 | 0 | 0 | 260,055 | 250,938 | 0 | 0 | 0 | 250,938 |
| Agriculture | 33,499 | 0 | 0 | 0 | 33,499 | 18,504 | 0 | 0 | 0 | 18,504 |
| School | 162,300 | 0 | 0 | 0 | 162,300 | 134,139 | 0 | 0 | 0 | 134,139 |
| Operations | 224,267 | 0 | 0 | 0 | 224,267 | 192,749 | 0 | 0 | 0 | 192,749 |
| Carestaff, Kitchen, Food, and Clothing | 401,096 | 0 | 0 | 0 | 401,096 | 356,338 | 0 | 0 | 0 | 356,338 |
| Volunteer Costs | 18,159 | 0 | 0 | 0 | 18,159 | 22,263 | 0 | 0 | 0 | 22,263 |
| Development | 645 | 0 | 0 | 0 | 645 | 7,845 | 0 | 0 | 0 | 7,845 |
| Depreciation | 72,811 | 0 | 0 | 0 | 72,811 | 67,195 | 0 | 0 | 0 | 67,195 |
| TOTAL FUNCTIONAL EXPENSES | \$ 1,721,931 | \$ 121,379 | \$ 127,969 | \$ 249,348 | \$ 1,971,279 | \$ 1,415,406 | \$ 77,771 | \$ 92,972 | \$ 170,743 | \$ 1,586,149 |

The accompanying notes are an integral part of these statements.

AMIGOS de JESUS AND AMIGOS de JESUS FOUNDATION
Consolidated Statements of Cash Flows
Modified Cash Basis
For the Years Ended December 31, 2018 and 2017

| | <u>2018</u> | <u>2017</u> |
|--|---------------------|---------------------|
| Cash Flows From Operating Activities: | | |
| Change in Net Assets | \$ (50,815) | \$ 776,653 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities: | | |
| Depreciation | 72,811 | 67,195 |
| Realized (Gain) Loss on Sale of Investments | (39,830) | 11,609 |
| Unrealized (Gain) Loss on Investments | 242,613 | (240,528) |
| (Increase) Decrease in: | | |
| Loans Receivable | 16,525 | 18,248 |
| Deposits | (17) | 3,420 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>241,287</u> | <u>636,597</u> |
| Cash Flows From Investing Activities: | | |
| Purchase of Property and Equipment | (230,580) | (207,834) |
| Purchase of Investments | (2,805,321) | (1,334,134) |
| Proceeds from Sale of Investments | 2,276,636 | 1,029,678 |
| NET CASH USED BY INVESTING ACTIVITIES | <u>(759,265)</u> | <u>(512,290)</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (517,978) | 124,307 |
| Cash and Cash Equivalents - Beginning (RESTATED) | <u>1,831,364</u> | <u>1,707,057</u> |
| CASH AND CASH EQUIVALENTS - ENDING | <u>\$ 1,313,386</u> | <u>\$ 1,831,364</u> |

The accompanying notes are an integral part of these statements.

AMIGOS de JESUS AND AMIGOS de JESUS FOUNDATION
Notes to Consolidated Financial Statements
December 31, 2018 and 2017

NOTE 1 - Summary of Significant Accounting Policies

Nature of Operations - Amigos de Jesus (Organization) is a nonprofit organization that provides support to abandoned children in Honduras by providing physical, social, emotional, intellectual, and spiritual care. The orphanage is located in Central America (Honduras), with administrative offices located in the United States (Horsham, PA).

Amigos de Jesus Foundation (Foundation) is a nonprofit organization funded through a transfer of assets from Amigos de Jesus. The Articles of Incorporation specifies that the Foundation was organized for the benefit of Amigos de Jesus and funds are to be used for charitable, religious, educational, and scientific purposes, and making distributions to organizations that qualify as exempt organizations.

All significant transactions between the Organization and the Foundation have been eliminated in the consolidated financial statements.

Basis of Accounting - The consolidated financial statements of the Organization have been prepared on the cash basis of accounting, modified to include depreciation and to report investments at fair value. Under that basis, certain revenues and the related assets are recognized when paid rather than when the obligation is incurred. That basis differs from accounting principles generally accepted in the United States of America primarily because the Organization has not recognized accounts receivable from third party agencies and accounts payable to vendors and their related effect on the change in net assets in the financial statements. The Organization is required to report information regarding its assets, liabilities, net assets, support, revenues, expenses, and other changes in net assets 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, where by the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of support, revenues, expenses, and other changes in net assets - modified cash basis.

Functional Allocation of Expenses - The costs of providing various program and supporting services have been presented on a functional basis in the consolidated statements of support, revenues, expenses, and other changes in net assets - modified cash basis. Direct expenses are charged directly to the program or supporting service benefited. Management and general expenses include those expenses that are not directly identified with any other specific function but provide for the overall support and direction of the organization.

Cash and Cash Equivalents - For purposes of the statements of cash flows - modified cash basis, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents, except that cash held by investment managers is reported as investments and is not included in cash and cash equivalents.

Investments - Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values, which are determined by reference to quoted market prices, in the consolidated statements of assets, liabilities, and net assets - modified cash basis.

AMIGOS de JESUS AND AMIGOS de JESUS FOUNDATION
Notes to Consolidated Financial Statements
December 31, 2018 and 2017

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Investments (Continued) - Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statements of support, revenues, expenses, and other changes in net assets - modified cash basis.

Property and Equipment - Property and equipment are capitalized at cost. Maintenance and repairs are charged to operations as incurred. Donated fixed assets are recorded at estimated fair value when received. Depreciation is computed using both straight-line and accelerated methods over the estimated useful lives of the assets.

The useful lives of property and equipment for the purpose of computing depreciation are:

| | |
|---------------------------|-------------|
| Building and Improvements | 15-40 Years |
| Furniture and Equipment | 5-10 Years |
| Vehicles | 5 Years |

Use of Estimates - The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Tax Status - The Organization and Foundation are non-profit organizations, exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. If the Organization and Foundation were to incur any income tax liability in the future, interest on any income tax liability would be reported as interest expense, and penalties on any income tax would be reported as income taxes. There are no unrecognized tax benefits identified or recorded as liabilities for the years ended December 31, 2018 and 2017. The Organization and Foundation's forms 990 for the years ended December 31, 2018, 2017, and 2016 are subject to examination by the IRS, generally for three years after they were filed.

Concentration of Credit Risk - The Organization and the Foundation maintain cash balances at several financial institutions. The accounts at these institutions are insured by the Federal Deposit Insurance Corporation. In the normal course of business, the Organization and Foundation have deposits that exceed the insured balances.

Fundraising Expenses - Fundraising expenses are expensed as incurred. Fundraising expenses for the years ended December 31, 2018 and 2017 were \$127,969 and \$72,473, respectively.

Reclassifications - Certain prior year amounts have been reclassified to conform to the current year presentation.

New Accounting Pronouncement - On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) - *Presentation of Financial Statements of Not-for-Profit-Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

Subsequent Events - The Organization has evaluated subsequent events through November 4, 2019, which represents the date the financial statements were available to be issued.

AMIGOS de JESUS AND AMIGOS de JESUS FOUNDATION
Notes to Consolidated Financial Statements
December 31, 2018 and 2017

NOTE 2 - Availability and Liquidity

The following represents the Organization and Foundation's consolidated financial assets at December 31, 2018 and 2017:

| | <u>2018</u> | <u>2017</u> |
|--|-------------------|-------------------|
| Financial Assets at Year End: | | |
| Cash and Cash Equivalents | \$ 1,313,386 | \$ 1,831,364 |
| Investments | 3,836,184 | 3,510,282 |
| Loans Receivable - Related Party | 0 | 16,372 |
| Loans Receivable - Other | 3,434 | 1,415 |
| Deposits | <u>228</u> | <u>212</u> |
| TOTAL FINANCIAL ASSETS AT YEAR END | 5,153,232 | 5,359,645 |
| Less Amounts Not Available to be Used Within One Year: | | |
| Board Designated Funds | 4,665,691 | 4,524,449 |
| Net Assets With Donor Restrictions | <u>15,000</u> | <u>15,927</u> |
| TOTAL AMOUNTS NOT AVAILABLE TO BE USED WITHIN ONE YEAR | <u>4,680,691</u> | <u>4,540,376</u> |
| Financial Assets available to Meet General Expenditures Over the Next Twelve Months | <u>\$ 472,541</u> | <u>\$ 819,269</u> |

As part of the Organization and Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures and other obligations come due. Although the Organization and the Foundation do not intend to spend from its board designated funds other than amounts appropriated for general expenditure as part of its annual budget approval process, amounts from its board designated funds could be made available if necessary.

As of December 31, 2018, and 2017, board designated funds were \$4,665,691 and \$4,524,449 respectively.

NOTE 3 - Property and Equipment

| | <u>2018</u> | <u>2017</u> |
|--------------------------------|---------------------|---------------------|
| Land | \$ 228,069 | \$ 228,069 |
| Building and Improvements | 1,177,506 | 1,156,232 |
| Vehicles | 196,102 | 196,102 |
| Furniture and Equipment | 97,836 | 89,716 |
| Construction in Progress | <u>636,935</u> | <u>435,749</u> |
| TOTAL PROPERTY AND EQUIPMENT | 2,336,448 | 2,105,868 |
| Less: Accumulated Depreciation | <u>404,527</u> | <u>331,716</u> |
| NET PROPERTY AND EQUIPMENT | <u>\$ 1,931,921</u> | <u>\$ 1,774,152</u> |

Depreciation expense for the years ended December 31, 2018 and 2017 was \$72,811 and \$67,195, respectively.

AMIGOS de JESUS AND AMIGOS de JESUS FOUNDATION
Notes to Consolidated Financial Statements
December 31, 2018 and 2017

NOTE 4 - Related Party Transactions

The Organization provided a loan to the former Executive Director in the amount of \$71,000 in December, 2011. The loan is to be repaid over 72 months, with interest at 4%, maturing December 2018. As of December 31, 2018 the balance was paid off in full. The balance outstanding at December 31, 2017 was \$13,455.

The Organization provided a loan to the Directors of Operation in Honduras in the amount of \$25,620 in November 2013. The loan is to be repaid over 60 months, with interest at 4%, maturing November 2018. As of December 31, 2018, the balance was paid off in full. The balance outstanding at December 31, 2017 was \$5,088.

For the year ended December 31, 2018, the Organization made a contribution in the amount of \$85,000 to the Foundation. This transaction was eliminated on the consolidated statements of support, revenues, expenses, and other changes in net assets - modified cash basis on the consolidated financial statements.

NOTE 5 - Fair Value Measurements

The Organization's investments are reported at fair value. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its' valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 are unobservable and have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. No level 3 inputs were used.

| | <u>Assets at Fair Value at December 31, 2018</u> | | | <u>Assets at Fair Value at December 31, 2017</u> | | |
|------------------------------|--|--------------------------|----------------------------|--|-------------------------|---------------------------|
| | <u>Level 1</u> | <u>Level 2</u> | <u>Total</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Total</u> |
| CD's | \$ 499,945 | \$ 0 | \$ 499,945 | \$ 0 | \$ 0 | \$ 0 |
| Mutual Funds | 938,379 | 0 | 938,379 | 1,563,478 | 0 | 1,563,478 |
| Municipal Bonds | 0 | 102,938 | 102,938 | 0 | 101,732 | 101,732 |
| Marketable Equity Securities | 2,294,922 | 0 | 2,294,922 | 1,845,072 | 0 | 1,845,072 |
| TOTAL | <u>\$3,733,246</u> | <u>\$ 102,938</u> | <u>\$ 3,836,184</u> | <u>\$3,408,550</u> | <u>\$101,732</u> | <u>\$3,510,282</u> |

AMIGOS de JESUS AND AMIGOS de JESUS FOUNDATION
Notes to Consolidated Financial Statements
December 31, 2018 and 2017

NOTE 5 - Fair Value Measurements (Continued)

| | <u>2018</u> | <u>2017</u> |
|---|-------------------------|-----------------------|
| Interest and Dividends | \$ 94,000 | \$ 76,385 |
| Realized Gain (Loss) on Sale of Investments | 39,830 | (11,609) |
| Net Unrealized Gain (Loss) on Investments | <u>(242,613)</u> | <u>240,528</u> |
| TOTAL INVESTMENT INCOME (LOSS) | <u>\$ (108,783)</u> | <u>\$ 305,304</u> |

NOTE 6 - Transfer of Net Assets

Effective January 1, 2017, Amigos de Jesus transferred cash and investments to Amigos de Jesus Foundation.

Net assets transferred comprised:

| | <u>Amigos de Jesus</u> | <u>Amigos de Jesus Foundation</u> |
|----------------------------|----------------------------|---|
| Transfer of Net Assets | <u>\$ (3,990,922)</u> | <u>\$ 3,990,922</u> |

INDEPENDENT AUDITORS' REPORT
ON CONSOLIDATING INFORMATION

To the Board of Directors
Amigos de Jesus and Amigos de Jesus Foundation
Hatboro, Pennsylvania

We have audited the consolidated financial statements of Amigos de Jesus and Amigos de Jesus Foundation (nonprofit organizations) as of and for the years ended December 31, 2018 and 2017, and our report thereon dated November 4, 2019, which expressed an unmodified opinion on those consolidated financial statements, appear on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. As disclosed in Note 1 to the consolidated financial statements, the Organization prepares its consolidated financial statements using the modified cash basis of accounting, modified to include depreciation and to report investments at fair value. The consolidating information in the schedules is presented for purposes of additional analysis of the consolidated financial statements rather than to present the assets, liabilities, net assets, support, revenues, expenses, other changes in net assets, and cash flows of the individual entities, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.


Rainer & Company

Newtown Square, PA
November 4, 2019

AMIGOS de JESUS AND AMIGOS de JESUS FOUNDATION
 Consolidating Statements of Assets, Liabilities, and Net Assets - Modified Cash Basis
 December 31, 2018 and 2017

| | 2018 | | | | 2017 | | | |
|--|---------------------|----------------------------|--------------|---------------------|---------------------|----------------------------|--------------|---------------------|
| | Amigos de Jesus | Amigos de Jesus Foundation | Eliminations | Consolidated | Amigos de Jesus | Amigos de Jesus Foundation | Eliminations | Consolidated |
| ASSETS | | | | | | | | |
| Current: | | | | | | | | |
| Cash and Cash Equivalents | \$ 483,879 | \$ 829,507 | \$ 0 | \$ 1,313,386 | \$ 817,197 | \$ 1,014,167 | \$ 0 | \$ 1,831,364 |
| Investments | 0 | 3,836,184 | 0 | 3,836,184 | 0 | 3,510,282 | 0 | 3,510,282 |
| Loans Receivable - Related Party | 0 | 0 | 0 | 0 | 16,372 | 0 | 0 | 16,372 |
| Loans Receivable - Other | 3,434 | 0 | 0 | 3,434 | 1,415 | 0 | 0 | 1,415 |
| Deposits | 228 | 0 | 0 | 228 | 212 | 0 | 0 | 212 |
| TOTAL CURRENT ASSETS | 487,541 | 4,665,691 | 0 | 5,153,232 | 835,196 | 4,524,449 | 0 | 5,359,645 |
| Property and Equipment, Net of Accumulated Depreciation | 1,931,921 | 0 | 0 | 1,931,921 | 1,774,152 | 0 | 0 | 1,774,152 |
| Other: | | | | | | | | |
| Loans Receivable - Related Party Net of Current Maturities | 0 | 0 | 0 | 0 | 2,171 | 0 | 0 | 2,171 |
| TOTAL ASSETS | \$ 2,419,462 | \$ 4,665,691 | \$ 0 | \$ 7,085,153 | \$ 2,611,519 | \$ 4,524,449 | \$ 0 | \$ 7,135,968 |
| NET ASSETS | | | | | | | | |
| With Donor Restrictions | 15,000 | 0 | 0 | 15,000 | 15,927 | 0 | 0 | 15,927 |
| Without Donor Restrictions | 2,404,462 | 4,665,691 | 0 | 7,070,153 | 2,595,592 | 4,524,449 | 0 | 7,120,041 |
| TOTAL NET ASSETS | \$ 2,419,462 | \$ 4,665,691 | \$ 0 | \$ 7,085,153 | \$ 2,611,519 | \$ 4,524,449 | \$ 0 | \$ 7,135,968 |

AMIGOS de JESUS AND AMIGOS de JESUS FOUNDATION
Consolidating Statements of Support, Revenues, Expenses, and Other Changes in Net Assets - Modified Cash Basis
For the Year Ended December 31, 2018 and 2017

| | 2018 | | | | 2017 | | | |
|--|---------------------|----------------------------|-----------------|---------------------|---------------------|----------------------------|--------------|---------------------|
| | Amigos de Jesus | Amigos de Jesus Foundation | Eliminations | Consolidated | Amigos de Jesus | Amigos de Jesus Foundation | Eliminations | Consolidated |
| Revenues and Other Support Without Donor Restrictions: | | | | | | | | |
| Donations | \$ 1,431,077 | \$ 251,889 | \$ (85,000) | \$ 1,597,966 | \$ 1,519,621 | \$ 230,585 | \$ 0 | \$ 1,750,206 |
| In-Kind Donations | 21,996 | 0 | 0 | 21,996 | 9,756 | 0 | 0 | 9,756 |
| Fundraising | 366,999 | 0 | 0 | 366,999 | 267,497 | 0 | 0 | 267,497 |
| Investment Income (Loss) | 1,864 | (110,647) | 0 | (108,783) | 2,362 | 302,942 | 0 | 305,304 |
| Other Income | 43,213 | 0 | 0 | 43,213 | 35,112 | 0 | 0 | 35,112 |
| TOTAL REVENUES AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS | 1,865,149 | 141,242 | (85,000) | 1,921,391 | 1,834,348 | 533,527 | 0 | 2,367,875 |
| Functional Expenses: | | | | | | | | |
| Program Services: | 1,721,931 | 0 | 0 | 1,721,931 | 1,415,406 | 0 | 0 | 1,415,406 |
| Supporting Services: | | | | | | | | |
| Management and General | 206,379 | 0 | (85,000) | 121,379 | 77,771 | 0 | 0 | 77,771 |
| Development | 127,969 | 0 | 0 | 127,969 | 92,972 | 0 | 0 | 92,972 |
| TOTAL SUPPORTING SERVICES | 334,348 | 0 | (85,000) | 249,348 | 170,743 | 0 | 0 | 170,743 |
| TOTAL FUNCTIONAL EXPENSES | 2,056,279 | 0 | (85,000) | 1,971,279 | 1,586,149 | 0 | 0 | 1,586,149 |
| NET ASSET TRANSFER | | | | | | | | |
| Transfer of Net Assets | 0 | 0 | 0 | 0 | (3,990,922) | 3,990,922 | 0 | 0 |
| CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS | (191,130) | 141,242 | 0 | (49,888) | (3,742,723) | 4,524,449 | 0 | 781,726 |
| NET ASSETS WITH DONOR RESTRICTIONS | | | | | | | | |
| Contributions | 0 | 0 | 0 | 0 | 20,000 | 0 | 0 | 20,000 |
| Net Assets Released from Restrictions | (927) | 0 | 0 | (927) | (25,073) | 0 | 0 | (25,073) |
| CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS | (927) | 0 | 0 | (927) | (5,073) | 0 | 0 | (5,073) |
| CHANGE IN NET ASSETS | (192,057) | 141,242 | 0 | (50,815) | (3,747,796) | 4,524,449 | 0 | 776,653 |
| Net Assets - Beginning | 2,611,519 | 4,524,449 | 0 | 7,135,968 | 6,359,315 | 0 | 0 | 6,359,315 |
| NET ASSETS - ENDING | \$ 2,419,462 | \$ 4,665,691 | \$ 0 | \$ 7,085,153 | \$ 2,611,519 | \$ 4,524,449 | \$ 0 | \$ 7,135,968 |

AMIGOS de JESUS AND AMIGOS de JESUS FOUNDATION
Consolidating Statements of Cash Flows - Modified Cash Basis
For the Years ended December 31, 2018 and 2017

| | 2018 | | | | 2017 | | | |
|--|-------------------|----------------------------|--------------|---------------------|-------------------|----------------------------|--------------|--------------------|
| | Amigos de Jesus | Amigos de Jesus Foundation | Eliminations | Total | Amigos de Jesus | Amigos de Jesus Foundation | Eliminations | Total |
| Cash Flows From Operating Activities: | | | | | | | | |
| Change in Net Assets | \$ (192,057) | \$ 141,242 | \$ 0 | \$ (50,815) | \$ (3,747,796) | \$ 4,524,449 | \$ 0 | \$ 776,653 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities: | | | | | | | | |
| Depreciation | 72,811 | 0 | 0 | 72,811 | 67,195 | 0 | 0 | 67,195 |
| Realized Gain on Sale of Investments | 0 | (39,830) | 0 | (39,830) | 0 | 11,609 | 0 | 11,609 |
| Unrealized Loss on Investments | 0 | 242,613 | 0 | 242,613 | 0 | (240,528) | 0 | (240,528) |
| Transfer of Net Assets | 0 | 0 | 0 | 0 | 3,940,907 | (3,940,907) | 0 | 0 |
| (Increase) Decrease in: | | | | | | | | |
| Loans Receivable | 16,525 | 0 | 0 | 16,525 | 18,248 | 0 | 0 | 18,248 |
| Deposits | (17) | 0 | 0 | (17) | 3,420 | 0 | 0 | 3,420 |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | (102,738) | 344,025 | 0 | 241,287 | 281,974 | 354,623 | 0 | 636,597 |
| Cash Flows From Investing Activities: | | | | | | | | |
| Purchase of Property and Equipment | (230,580) | 0 | 0 | (230,580) | (207,834) | 0 | 0 | (207,834) |
| Purchase of Investments | 0 | (2,805,321) | 0 | (2,805,321) | 0 | (1,334,134) | 0 | (1,334,134) |
| Proceeds from Sale of Investments | 0 | 2,276,636 | 0 | 2,276,636 | 0 | 1,029,678 | 0 | 1,029,678 |
| NET CASH USED BY INVESTING ACTIVITIES | (230,580) | (528,685) | 0 | (759,265) | (207,834) | (304,456) | 0 | (512,290) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (333,318) | (184,660) | 0 | (517,978) | 74,140 | 50,167 | 0 | 124,307 |
| Cash and Cash Equivalents - Beginning (RESTATED) | 817,197 | 1,014,167 | 0 | 1,831,364 | 743,057 | 964,000 | 0 | 1,707,057 |
| CASH AND CASH EQUIVALENTS - ENDING | \$ 483,879 | \$ 829,507 | \$ 0 | \$ 1,313,386 | \$ 817,197 | \$ 1,014,167 | \$ 0 | \$1,831,364 |