

# Friends of EDTF Inc.

## Financial Statements

December 31, 2019

(with summarized information for the year ended December 31, 2018)  
(With Independent Auditors' Report Thereon)

## BLUE NILE FALLS, LLC

25996 Lennox Hale Drive  
Aldie, VA 20105

# Independent Auditors' Report

### **The Advisory Council Friends of EDTF, Inc.**

We have audited the accompanying financial statements of Friends of EDTF, Inc (the Organization), which comprise the statement of financial position as of December 31, 2019 and the related statements of activities for the year then ended and the related notes to the consolidated 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 U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility is to express opinion on these consolidated financial statements based on our audit. We conducted our audit 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 evident about the amounts and disclosure in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatements

of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Friends of EDTF, Inc as of December 31, 2019, and changes in their net assets for the year ended in accordance with U.S, generally accepted accounting principles.

### **Report on Summarized Comparative Information**

We have also audited Friends of EDTF, Inc. 2018 financial statements and we express an unmodified audit opinion on them. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Blue Nile Falls, LLC*

Aldie, VA

September 30, 2020

# Friends of EDTF Inc.

## Statement of Financial Position

December 31, 2019  
(with comparative information as of December 31, 2018)

ASSETS	2019	2018
Current assets:		
Cash & Cash Equivalents	\$ 174,426	\$ 928,433
Operating Budget (Restricted)	45,503	-
Short-term Investments	5,127,640	-
<b>TOTAL ASSETS</b>	<b>5,347,569</b>	<b>928,433</b>
<b>LIABILITIES AND NET ASSETS</b>		
Total Liabilities	-	-
Net Assets:		
Unrestricted		
Available for Approved Programs	5,302,066	928,433
<b>Total Unrestricted</b>	<b>5,302,066</b>	<b>928,433</b>
Restricted:		
Permanently Restricted ( Operating Budget)	45,503	-
<b>Total Net Assets</b>	<b>5,347,569</b>	<b>928,433</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 5,347,569</b>	<b>\$ 928,433</b>

See accompanying notes to the financial statements

# Friends of EDTF Inc.

## Statement of Activities

Year ended December 31, 2019  
(with summarized information for the year ended December 31, 2018)

	2019	2018
<b>REVENUE</b>		
Public Support (unrestricted):	\$ 4,359,911	\$ 928,433
<b>Total Received Directly</b>	<b>4,359,911</b>	<b>928,433</b>
Restricted Project Revenue		
Operating Budget Income (OB)	67,098	-
<b>Total Restricted Project Revenue (OB)</b>	<b>67,098</b>	<b>-</b>
Investment Earnings	35,100	-
<b>TOTAL REVENUE</b>	<b>4,462,109</b>	<b>928,433</b>
<b>EXPENSES</b>		
Restricted Expenditure Operating Budget (OB)		
Advertising/Promotional(OB)	2,733	-
General Expense (OB)	6,138	-
Shipping, Freight & Delivery (OB)	190	-
Events Expense (OB)	23,368	-
Telephone Expense (OB)	1,712	-
Printing Expense (OB)	8,161	-
Bank Charges & Fees	971	-
<b>Total Restricted Expenses Operating Budget (OB)</b>	<b>43,273</b>	<b>-</b>
<b>Total Expenses</b>	<b>43,273</b>	<b>-</b>
<b>Change in net assets</b>	<b>4,418,836</b>	<b>928,433</b>
<b>Net assets, beginning of year</b>	<b>928,433</b>	<b>-</b>
<b>Net assets, end of year</b>	<b>\$ 5,347,269</b>	<b>\$ 928,433</b>

See accompanying notes to the financial statements

# Friends of EDTF Inc.

## Notes to the Financial Statements

December 31, 2019  
(with summarized information for the year ended December 31, 2018)

### **Summary of Significant Accounting Policies**

Organization and Basis of Presentation: The Ethiopian Diaspora Trust Fund, (“EDTF”) was launched on September 15 , 2018 in response to the Prime Minister Dr. Abiy Ahmed’s call for \$1 a day to support critical unmet needs in Ethiopia and in support of his message of love, forgiveness, reconciliation, unity and peace by the global Ethiopian Diaspora, when the EDTF Advisory Council publicly issued the EDTF Terms of Reference (TOR). The EDTF TOR provides the rationale, guiding principles and operating procedures, including the EDTF’s governance, project approval, implementation, reporting monitoring and evaluation.

The primary objective of the EDTF is to finance people-focused social and economic development projects. The Fund aims to finance projects that meet critical needs selected based on their potential to make the highest positive impact on groups and communities in Ethiopia in such areas as health, education, water and sanitation facilities, habilitation and rehabilitation of persons with disability, agricultural development, technology, small scale entrepreneurship and other income and employment generating projects. The EDTF will give priority attention to projects focusing on youth, women, small holder farmers, small enterprises and entrepreneurs, who can be agents of inclusive social and economic development.

The Advisory Council is responsible to mobilize the global Ethiopian Diaspora and Friends of Ethiopia to make financial contributions to the EDTF to ensure the realization of the EDTF objectives. As a result, on 27 September 2018, the Friends of EDTF Inc. was established as a not-for-profit organization when it was incorporated as a US public charity organization in the United States in the State of Delaware.

Subsequently, on December 18, 2018 the Advisory Council submitted an application to the US Internal Revenue Service (IRS) for recognition of the Friends of EDTF Inc. for tax exemption under the 501 (c)3 of the IRS code, which was approved by the IRS on August 5, 2019, retroactive as of September 27, 2018.

The accompanying financial statements of the Friends of EDTF Inc. present the financial position and changes in assets, of the organization. Net assets and revenue are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

**Unrestricted net assets** – Net assets that are not subject to any donor-imposed stipulations.

**Restricted net assets** - Net assets subject to donor-imposed restrictions on their use that may be met either by actions of the Organization or the passage of time.

The financial statements are presented with certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended December 31, 2018 from which the summarized information was derived.

**a. Cash Equivalents**

The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents consists of money market investments of \$ 5.127 million and \$ nil as of December 31, 2019 and 2018, respectively.

**b. Investment Earnings**

Investments are reported at fair value. Investment earnings consists of interest earned from short term Investments in Money Market Accounts (IMMA) which are available immediately.

**c. Revenue Recognition**

Contributions are recognized as revenues in the period received or promised. The Organization reports contributions in the restricted net asset class if they are received with donor stipulations as to their use and/or time. When a donor restriction expires, temporarily restricted net assets are released and reclassified to unrestricted net assets in the consolidated statement of activities. Restricted contributions started to occur in the year 2019 for the purpose of operating budget (such as advertising, general expenses, telecommunication expenses, etc). The reason for this separate fund is due to the pledge that EDTF made not to spend any funds from direct donations from the general public.

**d. Income Taxes**

EDTF is a not-for-profit organization in the State of Delaware, United States. The Organization is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code, except on net income derived from unrelated business activities. As of December 31, 2019, and 2018, the Organization has determined that no income taxes are due for such activities. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements. Management annually reviews its tax positions and has determined that there are no material uncertain tax positions that require recognition in the consolidated financial statements.

**e. Subsequent Events**

The Organization has evaluated subsequent events through the date the financial statements were issued, September 30, 2020.