

FRIENDS OF EDTF, INC.

Financial Statements

December 31, 2020

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

(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, 2020 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.

Auditors' Responsibility

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 evidence about the amounts and disclosures 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, 2020, 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. 2019 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, 2019 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, 2021

Friends of EDTF
Statement of Financial Position

December 31, 2020

(with comparative information as of December 31, 2019)

ASSETS	2020	2019
Current assets:		
Cash & Cash Equivalents	\$ 439,834	\$ 174,426
Operating Budget (Restricted)	22,428	45,203
Short-term Investments	4,676,059	5,127,640
TOTAL ASSETS	5,138,321	5,347,269
LIABILITIES AND NET ASSETS		
Total Liabilities	-	-
Net Assets:		
Unrestricted		
Available for Approved Programs	5,115,893	5,302,066
Total Unrestricted	5,115,893	5,302,066
Temporary restricted (Operating Budget)	22,428	45,203
Permanently restricted	-	-
Total Net Assets	5,138,321	5,347,269
TOTAL LIABILITIES AND NET ASSETS	\$ 5,138,321	\$ 5,347,269

See accompanying notes to the financial statements

Friends of EDTF, Inc.
Statement of Activities
Year ended December 31, 2020

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

	<u>2020</u>	<u>2019</u>
REVENUE		
Public Support (unrestricted):	\$ 1,525,274	\$ 4,359,911
	<u>1,525,274</u>	<u>4,359,911</u>
Total Received Directly		
Restricted Project Revenue:		
Covid-2019 Contributions	271,324	-
Operating Budget Income (OB)	<u>17,990</u>	<u>67,098</u>
Total Restricted Project Revenue (OB)	<u>289,314</u>	<u>67,098</u>
Investment Earnings	<u>31,312</u>	<u>35,100</u>
TOTAL REVENUE	<u>1,845,900</u>	<u>4,462,109</u>
EXPENSES		
Restricted Expenditure Operating Budget (OB)		
Advertising/Promotional(OB)	2,732	2,733
General Expense (OB)	5,715	6,138
Shipping, Freight & Delivery (OB)	16,000	190
Events Expense (OB)	-	23,368
Telephone Expense (OB)	3,143	1,712
Printing Expense (OB)	-	8,161
Bank Charges & Fees	743	971
Legal & Professional	<u>8,800</u>	<u>-</u>
Total Restricted Expenses Operating Budget (OB)	<u>37,214</u>	<u>43,273</u>
Unrestricted Expenditure		
Covid-19 Donations/Medical Relief	1,423,041	-
Approved Grants	<u>594,593</u>	<u>-</u>
Total Unrestricted Expenses	<u>2,017,634</u>	<u>-</u>
Total Expenses	<u>2,054,848</u>	<u>-</u>
Change in net assets	(208,948)	4,418,836
Net assets, beginning of year	<u>5,347,269</u>	<u>928,433</u>
Net assets, end of year	\$ 5,138,321	\$ 5,347,269

See accompanying notes to the financial statements.

FRIENDS OF EDTF, INC

Notes to the Financial Statements

December 31, 2020

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

(1) Summary of Significant Accounting Policies

Organization and Basis of Presentation: Friends of Ethiopian Diaspora Trust Fund, Inc. (“EDTF”) was established on September 27, 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.

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 accompanying financial statements 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, 2019 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 insured money market investments of \$ 4.676 million and \$ 5.127 million as of December 31, 2020 and 2019, respectively.

(b) Investment Earnings

Investments are reported at fair value. Investment earnings consists of interest earned from short term Investments in Insured 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 organized 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, 2020, and 2019, 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) Covid-19 Donations/Medical Relief – the coronavirus that causes COVID-19 (SARS-COV-2 or severe acute respiratory syndrome coronavirus 2) has been classified as a global health emergency by the World Health Organization, and governments around the world are taking action to control the virus from spreading. The illness caused by the virus has claimed the lives of 2.8 million people in 2020 alone. Ethiopia has not been spared of this deadly virus. As such, Friends of EDTF's Advisory Council, through its Covid-19 Implementation Committee that worked in close consultation with the Ministry of Health in Ethiopia, undertook the procurement of personal protection equipment (PPE) and related medical items which were donated through the Ministry of Health, Ethiopia, so that front-line health workers assisting communities around the country are protected themselves and the spread of the virus is slowed down. In December 2020, the Advisory Council established a Medical Relief Fund in recognition of the challenge of medical facilities Ethiopia is facing due to the shortage of life saving medical supplies.

(f) Approved Grants – the Advisory Council also reviewed, approved and funded five projects in Ethiopia that aligned with its Mission Statement in three installments worth \$ 594,593. The Advisory Council will continue to monitor the success of these projects and determine the continuation or otherwise of their funding.

(g) Subsequent Events

The Organization has evaluated subsequent events through the date the financial statements were issued, March 31, 2021.