

**AMIZADE, LTD.**  
**FINANCIAL STATEMENTS**  
**AUGUST 31, 2020 AND 2019**



**Lally & Co.**  
CPAs and Business Advisors

**AMIZADE, LTD.**  
**FINANCIAL STATEMENTS**  
**AUGUST 31, 2020 AND 2019**

**CONTENTS**

Independent Auditors' Report	1
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3 - 4
Statements of Functional Expenses	5 - 6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 13



Lally & Co.

CPAs and Business Advisors

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Amizade, Ltd.  
Pittsburgh, Pennsylvania

### *Report on the Financial Statements*

We have audited the accompanying financial statements of **Amizade, Ltd.**, which comprise the statements of financial position as of August 31, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the 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 relevant to the preparation and fair presentation of 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 financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 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 Amizade, Ltd. as of August 31, 2020 and 2019, and changes in its net assets, and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

*Lally & Co., LLC*

Pittsburgh, Pennsylvania  
July 8, 2021

**AMIZADE, LTD.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AUGUST 31, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,044,091	\$ 1,015,315
Program Receivables	-	74,687
Inventories	19,550	23,408
Prepaid Expenses	5,056	21,110
Property and Equipment - Net	2,406	-
Other Assets	1,850	1,850
<b>Total Assets</b>	<b>\$ 1,072,953</b>	<b>\$ 1,136,370</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts Payable and Accrued Expenses	\$ 42,386	\$ 28,936
Deferred Program Fees	1,000	49,813
Other Liabilities	9,000	12,000
Note Payable	105,400	-
<b>Total Liabilities</b>	<b>157,786</b>	<b>90,749</b>
<b>Net Assets</b>		
Without Donor Restrictions	646,940	724,746
With Donor Restrictions	268,227	320,874
<b>Total Net Assets</b>	<b>915,167</b>	<b>1,045,620</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,072,953</b>	<b>\$ 1,136,370</b>

The accompanying notes are an integral part of these financial statements.

**AMIZADE, LTD.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED AUGUST 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>OPERATING ACTIVITIES</b>			
<b>Revenues and Other Support</b>			
Program Fees and Tuition	\$ 1,814,406	\$ -	\$ 1,814,406
Corporations and Individuals	121,771	76,961	198,732
Foundations	-	38,300	38,300
Miscellaneous	455	-	455
Net Assets Released from Restrictions	167,908	(167,908)	-
<b>Total Revenues and Other Support</b>	<u>2,104,540</u>	<u>(52,647)</u>	<u>2,051,893</u>
<b>Expenses</b>			
Program Services	1,888,208	-	1,888,208
Management and General	277,010	-	277,010
Fundraising	17,128	-	17,128
<b>Total Expenses</b>	<u>2,182,346</u>	<u>-</u>	<u>2,182,346</u>
<b>Change in Net Assets</b>	(77,806)	(52,647)	(130,453)
Net Assets - Beginning	<u>724,746</u>	<u>320,874</u>	<u>1,045,620</u>
<b>Net Assets - Ending</b>	<u>\$ 646,940</u>	<u>\$ 268,227</u>	<u>\$ 915,167</u>

The accompanying notes are an integral part of these financial statements.

**AMIZADE, LTD.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED AUGUST 31, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>OPERATING ACTIVITIES</b>			
<b>Revenues and Other Support</b>			
Program Fees and Tuition	\$ 1,514,774	\$ -	\$ 1,514,774
Corporations and Individuals	330,527	387,232	717,759
Foundations	-	37,200	37,200
Miscellaneous	15,084	-	15,084
Net Assets Released from Restrictions	229,338	(229,338)	-
<b>Total Revenues and Other Support</b>	<u>2,089,723</u>	<u>195,094</u>	<u>2,284,817</u>
<b>Expenses</b>			
Program Services	1,759,444	-	1,759,444
Management and General	195,294	-	195,294
Fundraising	1,526	-	1,526
<b>Total Expenses</b>	<u>1,956,264</u>	<u>-</u>	<u>1,956,264</u>
<b>Change in Net Assets</b>	133,459	195,094	328,553
Net Assets - Beginning	<u>591,287</u>	<u>125,780</u>	<u>717,067</u>
<b>Net Assets - Ending</b>	<u>\$ 724,746</u>	<u>\$ 320,874</u>	<u>\$ 1,045,620</u>

The accompanying notes are an integral part of these financial statements.

**AMIZADE, LTD.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2020**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
<b>Direct Payroll Costs</b>				
Payroll Expense - Executive Director	\$ 77,586	\$ 5,840	\$ -	\$ 83,426
Payroll Expense - Other	336,952	25,362	-	362,314
<b>Direct Program Costs</b>				
Program Development	253,713	-	-	253,713
Program Expense - On-Site	954,631	-	-	954,631
Program Expense - Off-Site	230,708	-	-	230,708
<b>Total Direct Costs</b>	<u>1,853,590</u>	<u>31,202</u>	<u>-</u>	<u>1,884,792</u>
<b>Administrative Costs</b>				
Accounting and Legal	-	11,013	-	11,013
Banking Fees	-	16,232	-	16,232
Depreciation	-	78	-	78
Insurance	-	143,133	-	143,133
Marketing and Public Relations	-	21,505	17,128	38,633
Office Supplies	-	8,309	-	8,309
Payroll Taxes	34,618	2,605	-	37,223
Rent Expense	-	22,200	-	22,200
Retirement Plan Expense	-	11,028	-	11,028
Staff Training	-	9,705	-	9,705
<b>Total Administrative Costs</b>	<u>34,618</u>	<u>245,808</u>	<u>17,128</u>	<u>297,554</u>
<b>Total Functional Expenses</b>	<u>\$ 1,888,208</u>	<u>\$ 277,010</u>	<u>\$ 17,128</u>	<u>\$ 2,182,346</u>

The accompanying notes are an integral part of these financial statements.

**AMIZADE, LTD.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2019**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
<b>Direct Payroll Costs</b>				
Payroll Expense - Executive Director	\$ 73,133	\$ 5,505	\$ -	\$ 78,637
Payroll Expense - Other	269,315	20,271	-	289,586
<b>Direct Program Costs</b>				
Program Development	75,112	-	-	75,112
Program Expense - On-Site	1,227,597	-	-	1,227,597
Program Expense - Off-Site	84,540	-	-	84,540
<b>Total Direct Costs</b>	<u>1,729,697</u>	<u>25,776</u>	<u>-</u>	<u>1,755,473</u>
<b>Administrative Costs</b>				
Accounting and Legal	-	10,378	-	10,378
Banking Fees	-	11,665	-	11,665
Depreciation	-	330	-	330
Insurance	-	85,244	-	85,244
Marketing and Public Relations	-	17,674	1,526	19,200
Office Supplies	-	4,350	-	4,350
Payroll Taxes	29,747	2,239	-	31,985
Rent Expense	-	22,200	-	22,200
Retirement Plan Expense	-	7,553	-	7,553
Staff Training	-	7,886	-	7,886
<b>Total Administrative Costs</b>	<u>29,747</u>	<u>169,518</u>	<u>1,526</u>	<u>200,791</u>
<b>Total Functional Expenses</b>	<u>\$ 1,759,444</u>	<u>\$ 195,294</u>	<u>\$ 1,526</u>	<u>\$ 1,956,264</u>

The accompanying notes are an integral part of these financial statements.



**AMIZADE, LTD.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED AUGUST 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (130,453)	\$ 328,553
<b>Noncash Items Included in Change in Net Assets</b>		
Depreciation	78	330
<b>Changes In</b>		
Program Receivables	74,687	168,041
Inventories	3,858	712
Prepays and Other Assets	16,053	18,216
Accounts Payable, Accrued, and Other Liabilities	10,450	(80,871)
Deferred Program Fees	(48,813)	(140,881)
<b>Net Cash From Operating Activities</b>	<u>(74,140)</u>	<u>294,100</u>
<b>INVESTING ACTIVITIES</b>		
Equipment Purchased	<u>(2,484)</u>	<u>-</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from Note Payable	<u>105,400</u>	<u>-</u>
<b>Net Increase in Cash and Cash Equivalents</b>	28,776	294,100
Cash and Cash Equivalents - Beginning	<u>1,015,315</u>	<u>721,215</u>
<b>Cash and Cash Equivalents - Ending</b>	<u>\$ 1,044,091</u>	<u>\$ 1,015,315</u>

The accompanying notes are an integral part of these financial statements.

**AMIZADE, LTD.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AUGUST 31, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,044,091	\$ 1,015,315
Program Receivables	-	74,687
Inventories	19,550	23,408
Prepaid Expenses	5,056	21,110
Property and Equipment - Net	2,406	-
Other Assets	1,850	1,850
<b>Total Assets</b>	<b>\$ 1,072,953</b>	<b>\$ 1,136,370</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts Payable and Accrued Expenses	\$ 42,386	\$ 28,936
Deferred Program Fees	1,000	49,813
Other Liabilities	9,000	12,000
Note Payable	105,400	-
<b>Total Liabilities</b>	<b>157,786</b>	<b>90,749</b>
<b>Net Assets</b>		
Without Donor Restrictions	646,940	724,746
With Donor Restrictions	268,227	320,874
<b>Total Net Assets</b>	<b>915,167</b>	<b>1,045,620</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,072,953</b>	<b>\$ 1,136,370</b>

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**AMIZADE, LTD.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED AUGUST 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>OPERATING ACTIVITIES</b>			
<b>Revenues and Other Support</b>			
Program Fees and Tuition	\$ 1,814,406	\$ -	\$ 1,814,406
Corporations and Individuals	121,771	76,961	198,732
Foundations	-	38,300	38,300
Miscellaneous	455	-	455
Net Assets Released from Restrictions	167,908	(167,908)	-
<b>Total Revenues and Other Support</b>	<u>2,104,540</u>	<u>(52,647)</u>	<u>2,051,893</u>
<b>Expenses</b>			
Program Services	1,888,208	-	1,888,208
Management and General	277,010	-	277,010
Fundraising	17,128	-	17,128
<b>Total Expenses</b>	<u>2,182,346</u>	<u>-</u>	<u>2,182,346</u>
<b>Change in Net Assets</b>	(77,806)	(52,647)	(130,453)
Net Assets - Beginning	<u>724,746</u>	<u>320,874</u>	<u>1,045,620</u>
<b>Net Assets - Ending</b>	<u>\$ 646,940</u>	<u>\$ 268,227</u>	<u>\$ 915,167</u>

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**AMIZADE, LTD.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED AUGUST 31, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>OPERATING ACTIVITIES</b>			
<b>Revenues and Other Support</b>			
Program Fees and Tuition	\$ 1,514,774	\$ -	\$ 1,514,774
Corporations and Individuals	330,527	387,232	717,759
Foundations	-	37,200	37,200
Miscellaneous	15,084	-	15,084
Net Assets Released from Restrictions	229,338	(229,338)	-
<b>Total Revenues and Other Support</b>	<u>2,089,723</u>	<u>195,094</u>	<u>2,284,817</u>
<b>Expenses</b>			
Program Services	1,759,444	-	1,759,444
Management and General	195,294	-	195,294
Fundraising	1,526	-	1,526
<b>Total Expenses</b>	<u>1,956,264</u>	<u>-</u>	<u>1,956,264</u>
<b>Change in Net Assets</b>	133,459	195,094	328,553
Net Assets - Beginning	<u>591,287</u>	<u>125,780</u>	<u>717,067</u>
<b>Net Assets - Ending</b>	<u>\$ 724,746</u>	<u>\$ 320,874</u>	<u>\$ 1,045,620</u>

The accompanying notes are an integral part of these financial statements.

**AMIZADE, LTD.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2020**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
<b>Direct Payroll Costs</b>				
Payroll Expense - Executive Director	\$ 77,586	\$ 5,840	\$ -	\$ 83,426
Payroll Expense - Other	336,952	25,362	-	362,314
<b>Direct Program Costs</b>				
Program Development	253,713	-	-	253,713
Program Expense - On-Site	954,631	-	-	954,631
Program Expense - Off-Site	230,708	-	-	230,708
<b>Total Direct Costs</b>	<u>1,853,590</u>	<u>31,202</u>	<u>-</u>	<u>1,884,792</u>
<b>Administrative Costs</b>				
Accounting and Legal	-	11,013	-	11,013
Banking Fees	-	16,232	-	16,232
Depreciation	-	78	-	78
Insurance	-	143,133	-	143,133
Marketing and Public Relations	-	21,505	17,128	38,633
Office Supplies	-	8,309	-	8,309
Payroll Taxes	34,618	2,605	-	37,223
Rent Expense	-	22,200	-	22,200
Retirement Plan Expense	-	11,028	-	11,028
Staff Training	-	9,705	-	9,705
<b>Total Administrative Costs</b>	<u>34,618</u>	<u>245,808</u>	<u>17,128</u>	<u>297,554</u>
<b>Total Functional Expenses</b>	<u>\$ 1,888,208</u>	<u>\$ 277,010</u>	<u>\$ 17,128</u>	<u>\$ 2,182,346</u>

The accompanying notes are an integral part of these financial statements.

**AMIZADE, LTD.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2019**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
<b>Direct Payroll Costs</b>				
Payroll Expense - Executive Director	\$ 73,133	\$ 5,505	\$ -	\$ 78,637
Payroll Expense - Other	269,315	20,271	-	289,586
<b>Direct Program Costs</b>				
Program Development	75,112	-	-	75,112
Program Expense - On-Site	1,227,597	-	-	1,227,597
Program Expense - Off-Site	84,540	-	-	84,540
<b>Total Direct Costs</b>	<u>1,729,697</u>	<u>25,776</u>	<u>-</u>	<u>1,755,473</u>
<b>Administrative Costs</b>				
Accounting and Legal	-	10,378	-	10,378
Banking Fees	-	11,665	-	11,665
Depreciation	-	330	-	330
Insurance	-	85,244	-	85,244
Marketing and Public Relations	-	17,674	1,526	19,200
Office Supplies	-	4,350	-	4,350
Payroll Taxes	29,747	2,239	-	31,985
Rent Expense	-	22,200	-	22,200
Retirement Plan Expense	-	7,553	-	7,553
Staff Training	-	7,886	-	7,886
<b>Total Administrative Costs</b>	<u>29,747</u>	<u>169,518</u>	<u>1,526</u>	<u>200,791</u>
<b>Total Functional Expenses</b>	<u>\$ 1,759,444</u>	<u>\$ 195,294</u>	<u>\$ 1,526</u>	<u>\$ 1,956,264</u>

The accompanying notes are an integral part of these financial statements.

**AMIZADE, LTD.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED AUGUST 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (130,453)	\$ 328,553
<b>Noncash Items Included in Change in Net Assets</b>		
Depreciation	78	330
<b>Changes In</b>		
Program Receivables	74,687	168,041
Inventories	3,858	712
Prepays and Other Assets	16,053	18,216
Accounts Payable, Accrued, and Other Liabilities	10,450	(80,871)
Deferred Program Fees	(48,813)	(140,881)
<b>Net Cash From Operating Activities</b>	<u>(74,140)</u>	<u>294,100</u>
 <b>INVESTING ACTIVITIES</b>		
Equipment Purchased	<u>(2,484)</u>	<u>-</u>
 <b>FINANCING ACTIVITIES</b>		
Proceeds from Note Payable	<u>105,400</u>	<u>-</u>
 <b>Net Increase in Cash and Cash Equivalents</b>	28,776	294,100
 Cash and Cash Equivalents - Beginning	<u>1,015,315</u>	<u>721,215</u>
 <b>Cash and Cash Equivalents - Ending</b>	<u>\$ 1,044,091</u>	<u>\$ 1,015,315</u>

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**AMIZADE, LTD.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AUGUST 31, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,044,091	\$ 1,015,315
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Prepaid Expenses	5,056	21,110
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<b>Total Assets</b>	<b>\$ 1,072,953</b>	<b>\$ 1,136,370</b>
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 <b>Net Assets</b>		
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With Donor Restrictions	268,227	320,874
<b>Total Net Assets</b>	<b>915,167</b>	<b>1,045,620</b>
 <b>Total Liabilities and Net Assets</b>	 <b>\$ 1,072,953</b>	 <b>\$ 1,136,370</b>

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**AMIZADE, LTD.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED AUGUST 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>OPERATING ACTIVITIES</b>			
<b>Revenues and Other Support</b>			
Program Fees and Tuition	\$ 1,814,406	\$ -	\$ 1,814,406
Corporations and Individuals	121,771	76,961	198,732
Foundations	-	38,300	38,300
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Management and General	277,010	-	277,010
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**AMIZADE, LTD.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED AUGUST 31, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>OPERATING ACTIVITIES</b>			
<b>Revenues and Other Support</b>			
Program Fees and Tuition	\$ 1,514,774	\$ -	\$ 1,514,774
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Management and General	195,294	-	195,294
Fundraising	1,526	-	1,526
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<b>Change in Net Assets</b>	133,459	195,094	328,553
Net Assets - Beginning	<u>591,287</u>	<u>125,780</u>	<u>717,067</u>
<b>Net Assets - Ending</b>	<u>\$ 724,746</u>	<u>\$ 320,874</u>	<u>\$ 1,045,620</u>

The accompanying notes are an integral part of these financial statements.

**AMIZADE, LTD.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2020**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
<b>Direct Payroll Costs</b>				
Payroll Expense - Executive Director	\$ 77,586	\$ 5,840	\$ -	\$ 83,426
Payroll Expense - Other	336,952	25,362	-	362,314
<b>Direct Program Costs</b>				
Program Development	253,713	-	-	253,713
Program Expense - On-Site	954,631	-	-	954,631
Program Expense - Off-Site	230,708	-	-	230,708
<b>Total Direct Costs</b>	<u>1,853,590</u>	<u>31,202</u>	<u>-</u>	<u>1,884,792</u>
<b>Administrative Costs</b>				
Accounting and Legal	-	11,013	-	11,013
Banking Fees	-	16,232	-	16,232
Depreciation	-	78	-	78
Insurance	-	143,133	-	143,133
Marketing and Public Relations	-	21,505	17,128	38,633
Office Supplies	-	8,309	-	8,309
Payroll Taxes	34,618	2,605	-	37,223
Rent Expense	-	22,200	-	22,200
Retirement Plan Expense	-	11,028	-	11,028
Staff Training	-	9,705	-	9,705
<b>Total Administrative Costs</b>	<u>34,618</u>	<u>245,808</u>	<u>17,128</u>	<u>297,554</u>
<b>Total Functional Expenses</b>	<u>\$ 1,888,208</u>	<u>\$ 277,010</u>	<u>\$ 17,128</u>	<u>\$ 2,182,346</u>

The accompanying notes are an integral part of these financial statements.

**AMIZADE, LTD.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2019**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
<b>Direct Payroll Costs</b>				
Payroll Expense - Executive Director	\$ 73,133	\$ 5,505	\$ -	\$ 78,637
Payroll Expense - Other	269,315	20,271	-	289,586
<b>Direct Program Costs</b>				
Program Development	75,112	-	-	75,112
Program Expense - On-Site	1,227,597	-	-	1,227,597
Program Expense - Off-Site	84,540	-	-	84,540
<b>Total Direct Costs</b>	<u>1,729,697</u>	<u>25,776</u>	<u>-</u>	<u>1,755,473</u>
<b>Administrative Costs</b>				
Accounting and Legal	-	10,378	-	10,378
Banking Fees	-	11,665	-	11,665
Depreciation	-	330	-	330
Insurance	-	85,244	-	85,244
Marketing and Public Relations	-	17,674	1,526	19,200
Office Supplies	-	4,350	-	4,350
Payroll Taxes	29,747	2,239	-	31,985
Rent Expense	-	22,200	-	22,200
Retirement Plan Expense	-	7,553	-	7,553
Staff Training	-	7,886	-	7,886
<b>Total Administrative Costs</b>	<u>29,747</u>	<u>169,518</u>	<u>1,526</u>	<u>200,791</u>
<b>Total Functional Expenses</b>	<u>\$ 1,759,444</u>	<u>\$ 195,294</u>	<u>\$ 1,526</u>	<u>\$ 1,956,264</u>

The accompanying notes are an integral part of these financial statements.

**AMIZADE, LTD.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED AUGUST 31, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (130,453)	\$ 328,553
<b>Noncash Items Included in Change in Net Assets</b>		
Depreciation	78	330
<b>Changes In</b>		
Program Receivables	74,687	168,041
Inventories	3,858	712
Prepays and Other Assets	16,053	18,216
Accounts Payable, Accrued, and Other Liabilities	10,450	(80,871)
Deferred Program Fees	(48,813)	(140,881)
<b>Net Cash From Operating Activities</b>	<b>(74,140)</b>	<b>294,100</b>
 <b>INVESTING ACTIVITIES</b>		
Equipment Purchased	(2,484)	-
 <b>FINANCING ACTIVITIES</b>		
Proceeds from Note Payable	105,400	-
<b>Net Increase in Cash and Cash Equivalents</b>	28,776	294,100
Cash and Cash Equivalents - Beginning	1,015,315	721,215
<b>Cash and Cash Equivalents - Ending</b>	<b>\$ 1,044,091</b>	<b>\$ 1,015,315</b>

The accompanying notes are an integral part of these financial statements.

**AMIZADE, LTD.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AUGUST 31, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,044,091	\$ 1,015,315
Program Receivables	-	74,687
Inventories	19,550	23,408
Prepaid Expenses	5,056	21,110
Property and Equipment - Net	2,406	-
Other Assets	1,850	1,850
<b>Total Assets</b>	<b>\$ 1,072,953</b>	<b>\$ 1,136,370</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts Payable and Accrued Expenses	\$ 42,386	\$ 28,936
Deferred Program Fees	1,000	49,813
Other Liabilities	9,000	12,000
Note Payable	105,400	-
<b>Total Liabilities</b>	<b>157,786</b>	<b>90,749</b>
 <b>Net Assets</b>		
Without Donor Restrictions	646,940	724,746
With Donor Restrictions	268,227	320,874
<b>Total Net Assets</b>	<b>915,167</b>	<b>1,045,620</b>
 <b>Total Liabilities and Net Assets</b>	 <b>\$ 1,072,953</b>	 <b>\$ 1,136,370</b>

The accompanying notes are an integral part of these financial statements.

**AMIZADE, LTD.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED AUGUST 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>OPERATING ACTIVITIES</b>			
<b>Revenues and Other Support</b>			
Program Fees and Tuition	\$ 1,814,406	\$ -	\$ 1,814,406
Corporations and Individuals	121,771	76,961	198,732
Foundations	-	38,300	38,300
Miscellaneous	455	-	455
Net Assets Released from Restrictions	167,908	(167,908)	-
<b>Total Revenues and Other Support</b>	<u>2,104,540</u>	<u>(52,647)</u>	<u>2,051,893</u>
<b>Expenses</b>			
Program Services	1,888,208	-	1,888,208
Management and General	277,010	-	277,010
Fundraising	17,128	-	17,128
<b>Total Expenses</b>	<u>2,182,346</u>	<u>-</u>	<u>2,182,346</u>
<b>Change in Net Assets</b>	(77,806)	(52,647)	(130,453)
Net Assets - Beginning	<u>724,746</u>	<u>320,874</u>	<u>1,045,620</u>
<b>Net Assets - Ending</b>	<u>\$ 646,940</u>	<u>\$ 268,227</u>	<u>\$ 915,167</u>

The accompanying notes are an integral part of these financial statements.

**AMIZADE, LTD.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED AUGUST 31, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>OPERATING ACTIVITIES</b>			
<b>Revenues and Other Support</b>			
Program Fees and Tuition	\$ 1,514,774	\$ -	\$ 1,514,774
Corporations and Individuals	330,527	387,232	717,759
Foundations	-	37,200	37,200
Miscellaneous	15,084	-	15,084
Net Assets Released from Restrictions	229,338	(229,338)	-
<b>Total Revenues and Other Support</b>	<u>2,089,723</u>	<u>195,094</u>	<u>2,284,817</u>
<b>Expenses</b>			
Program Services	1,759,444	-	1,759,444
Management and General	195,294	-	195,294
Fundraising	1,526	-	1,526
<b>Total Expenses</b>	<u>1,956,264</u>	<u>-</u>	<u>1,956,264</u>
<b>Change in Net Assets</b>	133,459	195,094	328,553
Net Assets - Beginning	<u>591,287</u>	<u>125,780</u>	<u>717,067</u>
<b>Net Assets - Ending</b>	<u>\$ 724,746</u>	<u>\$ 320,874</u>	<u>\$ 1,045,620</u>

The accompanying notes are an integral part of these financial statements.



**AMIZADE, LTD.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2020**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
<b>Direct Payroll Costs</b>				
Payroll Expense - Executive Director	\$ 77,586	\$ 5,840	\$ -	\$ 83,426
Payroll Expense - Other	336,952	25,362	-	362,314
<b>Direct Program Costs</b>				
Program Development	253,713	-	-	253,713
Program Expense - On-Site	954,631	-	-	954,631
Program Expense - Off-Site	230,708	-	-	230,708
<b>Total Direct Costs</b>	<u>1,853,590</u>	<u>31,202</u>	<u>-</u>	<u>1,884,792</u>
<b>Administrative Costs</b>				
Accounting and Legal	-	11,013	-	11,013
Banking Fees	-	16,232	-	16,232
Depreciation	-	78	-	78
Insurance	-	143,133	-	143,133
Marketing and Public Relations	-	21,505	17,128	38,633
Office Supplies	-	8,309	-	8,309
Payroll Taxes	34,618	2,605	-	37,223
Rent Expense	-	22,200	-	22,200
Retirement Plan Expense	-	11,028	-	11,028
Staff Training	-	9,705	-	9,705
<b>Total Administrative Costs</b>	<u>34,618</u>	<u>245,808</u>	<u>17,128</u>	<u>297,554</u>
<b>Total Functional Expenses</b>	<u>\$ 1,888,208</u>	<u>\$ 277,010</u>	<u>\$ 17,128</u>	<u>\$ 2,182,346</u>

The accompanying notes are an integral part of these financial statements.

**AMIZADE, LTD.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2019**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
<b>Direct Payroll Costs</b>				
Payroll Expense - Executive Director	\$ 73,133	\$ 5,505	\$ -	\$ 78,637
Payroll Expense - Other	269,315	20,271	-	289,586
<b>Direct Program Costs</b>				
Program Development	75,112	-	-	75,112
Program Expense - On-Site	1,227,597	-	-	1,227,597
Program Expense - Off-Site	84,540	-	-	84,540
<b>Total Direct Costs</b>	<u>1,729,697</u>	<u>25,776</u>	<u>-</u>	<u>1,755,473</u>
<b>Administrative Costs</b>				
Accounting and Legal	-	10,378	-	10,378
Banking Fees	-	11,665	-	11,665
Depreciation	-	330	-	330
Insurance	-	85,244	-	85,244
Marketing and Public Relations	-	17,674	1,526	19,200
Office Supplies	-	4,350	-	4,350
Payroll Taxes	29,747	2,239	-	31,985
Rent Expense	-	22,200	-	22,200
Retirement Plan Expense	-	7,553	-	7,553
Staff Training	-	7,886	-	7,886
<b>Total Administrative Costs</b>	<u>29,747</u>	<u>169,518</u>	<u>1,526</u>	<u>200,791</u>
<b>Total Functional Expenses</b>	<u>\$ 1,759,444</u>	<u>\$ 195,294</u>	<u>\$ 1,526</u>	<u>\$ 1,956,264</u>

The accompanying notes are an integral part of these financial statements.

**AMIZADE, LTD.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED AUGUST 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (130,453)	\$ 328,553
<b>Noncash Items Included in Change in Net Assets</b>		
Depreciation	78	330
<b>Changes In</b>		
Program Receivables	74,687	168,041
Inventories	3,858	712
Prepays and Other Assets	16,053	18,216
Accounts Payable, Accrued, and Other Liabilities	10,450	(80,871)
Deferred Program Fees	(48,813)	(140,881)
<b>Net Cash From Operating Activities</b>	<u>(74,140)</u>	<u>294,100</u>
 <b>INVESTING ACTIVITIES</b>		
Equipment Purchased	<u>(2,484)</u>	<u>-</u>
 <b>FINANCING ACTIVITIES</b>		
Proceeds from Note Payable	<u>105,400</u>	<u>-</u>
 <b>Net Increase in Cash and Cash Equivalents</b>	28,776	294,100
 Cash and Cash Equivalents - Beginning	<u>1,015,315</u>	<u>721,215</u>
 <b>Cash and Cash Equivalents - Ending</b>	<u>\$ 1,044,091</u>	<u>\$ 1,015,315</u>

The accompanying notes are an integral part of these financial statements.

**AMIZADE, LTD.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AUGUST 31, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,044,091	\$ 1,015,315
Program Receivables	-	74,687
Inventories	19,550	23,408
Prepaid Expenses	5,056	21,110
Property and Equipment - Net	2,406	-
Other Assets	1,850	1,850
<b>Total Assets</b>	<b>\$ 1,072,953</b>	<b>\$ 1,136,370</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts Payable and Accrued Expenses	\$ 42,386	\$ 28,936
Deferred Program Fees	1,000	49,813
Other Liabilities	9,000	12,000
Note Payable	105,400	-
<b>Total Liabilities</b>	<b>157,786</b>	<b>90,749</b>
 <b>Net Assets</b>		
Without Donor Restrictions	646,940	724,746
With Donor Restrictions	268,227	320,874
<b>Total Net Assets</b>	<b>915,167</b>	<b>1,045,620</b>
 <b>Total Liabilities and Net Assets</b>	 <b>\$ 1,072,953</b>	 <b>\$ 1,136,370</b>

The accompanying notes are an integral part of these financial statements.

**AMIZADE, LTD.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED AUGUST 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>OPERATING ACTIVITIES</b>			
<b>Revenues and Other Support</b>			
Program Fees and Tuition	\$ 1,814,406	\$ -	\$ 1,814,406
Corporations and Individuals	121,771	76,961	198,732
Foundations	-	38,300	38,300
Miscellaneous	455	-	455
Net Assets Released from Restrictions	167,908	(167,908)	-
<b>Total Revenues and Other Support</b>	<u>2,104,540</u>	<u>(52,647)</u>	<u>2,051,893</u>
<b>Expenses</b>			
Program Services	1,888,208	-	1,888,208
Management and General	277,010	-	277,010
Fundraising	17,128	-	17,128
<b>Total Expenses</b>	<u>2,182,346</u>	<u>-</u>	<u>2,182,346</u>
<b>Change in Net Assets</b>	(77,806)	(52,647)	(130,453)
Net Assets - Beginning	<u>724,746</u>	<u>320,874</u>	<u>1,045,620</u>
<b>Net Assets - Ending</b>	<u>\$ 646,940</u>	<u>\$ 268,227</u>	<u>\$ 915,167</u>

The accompanying notes are an integral part of these financial statements.

**AMIZADE, LTD.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED AUGUST 31, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>OPERATING ACTIVITIES</b>			
<b>Revenues and Other Support</b>			
Program Fees and Tuition	\$ 1,514,774	\$ -	\$ 1,514,774
Corporations and Individuals	330,527	387,232	717,759
Foundations	-	37,200	37,200
Miscellaneous	15,084	-	15,084
Net Assets Released from Restrictions	229,338	(229,338)	-
<b>Total Revenues and Other Support</b>	<u>2,089,723</u>	<u>195,094</u>	<u>2,284,817</u>
<b>Expenses</b>			
Program Services	1,759,444	-	1,759,444
Management and General	195,294	-	195,294
Fundraising	1,526	-	1,526
<b>Total Expenses</b>	<u>1,956,264</u>	<u>-</u>	<u>1,956,264</u>
<b>Change in Net Assets</b>	133,459	195,094	328,553
Net Assets - Beginning	<u>591,287</u>	<u>125,780</u>	<u>717,067</u>
<b>Net Assets - Ending</b>	<u>\$ 724,746</u>	<u>\$ 320,874</u>	<u>\$ 1,045,620</u>

The accompanying notes are an integral part of these financial statements.

**AMIZADE, LTD.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2020**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
<b>Direct Payroll Costs</b>				
Payroll Expense - Executive Director	\$ 77,586	\$ 5,840	\$ -	\$ 83,426
Payroll Expense - Other	336,952	25,362	-	362,314
<b>Direct Program Costs</b>				
Program Development	253,713	-	-	253,713
Program Expense - On-Site	954,631	-	-	954,631
Program Expense - Off-Site	230,708	-	-	230,708
<b>Total Direct Costs</b>	<u>1,853,590</u>	<u>31,202</u>	<u>-</u>	<u>1,884,792</u>
<b>Administrative Costs</b>				
Accounting and Legal	-	11,013	-	11,013
Banking Fees	-	16,232	-	16,232
Depreciation	-	78	-	78
Insurance	-	143,133	-	143,133
Marketing and Public Relations	-	21,505	17,128	38,633
Office Supplies	-	8,309	-	8,309
Payroll Taxes	34,618	2,605	-	37,223
Rent Expense	-	22,200	-	22,200
Retirement Plan Expense	-	11,028	-	11,028
Staff Training	-	9,705	-	9,705
<b>Total Administrative Costs</b>	<u>34,618</u>	<u>245,808</u>	<u>17,128</u>	<u>297,554</u>
<b>Total Functional Expenses</b>	<u>\$ 1,888,208</u>	<u>\$ 277,010</u>	<u>\$ 17,128</u>	<u>\$ 2,182,346</u>

The accompanying notes are an integral part of these financial statements.

**AMIZADE, LTD.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2019**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
<b>Direct Payroll Costs</b>				
Payroll Expense - Executive Director	\$ 73,133	\$ 5,505	\$ -	\$ 78,637
Payroll Expense - Other	269,315	20,271	-	289,586
<b>Direct Program Costs</b>				
Program Development	75,112	-	-	75,112
Program Expense - On-Site	1,227,597	-	-	1,227,597
Program Expense - Off-Site	84,540	-	-	84,540
<b>Total Direct Costs</b>	<u>1,729,697</u>	<u>25,776</u>	<u>-</u>	<u>1,755,473</u>
<b>Administrative Costs</b>				
Accounting and Legal	-	10,378	-	10,378
Banking Fees	-	11,665	-	11,665
Depreciation	-	330	-	330
Insurance	-	85,244	-	85,244
Marketing and Public Relations	-	17,674	1,526	19,200
Office Supplies	-	4,350	-	4,350
Payroll Taxes	29,747	2,239	-	31,985
Rent Expense	-	22,200	-	22,200
Retirement Plan Expense	-	7,553	-	7,553
Staff Training	-	7,886	-	7,886
<b>Total Administrative Costs</b>	<u>29,747</u>	<u>169,518</u>	<u>1,526</u>	<u>200,791</u>
<b>Total Functional Expenses</b>	<u>\$ 1,759,444</u>	<u>\$ 195,294</u>	<u>\$ 1,526</u>	<u>\$ 1,956,264</u>

The accompanying notes are an integral part of these financial statements.



**AMIZADE, LTD.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED AUGUST 31, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (130,453)	\$ 328,553
<b>Noncash Items Included in Change in Net Assets</b>		
Depreciation	78	330
<b>Changes In</b>		
Program Receivables	74,687	168,041
Inventories	3,858	712
Prepays and Other Assets	16,053	18,216
Accounts Payable, Accrued, and Other Liabilities	10,450	(80,871)
Deferred Program Fees	(48,813)	(140,881)
<b>Net Cash From Operating Activities</b>	<b>(74,140)</b>	<b>294,100</b>
 <b>INVESTING ACTIVITIES</b>		
Equipment Purchased	(2,484)	-
 <b>FINANCING ACTIVITIES</b>		
Proceeds from Note Payable	105,400	-
<b>Net Increase in Cash and Cash Equivalents</b>	28,776	294,100
Cash and Cash Equivalents - Beginning	1,015,315	721,215
<b>Cash and Cash Equivalents - Ending</b>	<b>\$ 1,044,091</b>	<b>\$ 1,015,315</b>

The accompanying notes are an integral part of these financial statements.

**AMIZADE, LTD.**  
**NOTES TO FINANCIAL STATEMENTS**

## **1 - ORGANIZATION**

Amizade, Ltd. (“Organization”) is a not-for-profit organization located in Pittsburgh, Pennsylvania. The Organization was formed for the purpose of inspiring empathy, catalyzing social action and linking diverse communities through fair trade learning. The Organization encourages fundamental human equality worldwide through global citizenship. The Organization provides opportunities, through volunteer programs, to assist local nonprofit organizations and worldwide communities to develop and manage sustainable and empowering initiatives.

The Organization receives a significant amount of its support through contributions from individuals, foundations, grants, and corporations. The Organization’s ability to continue to operate is largely dependent on its ability to continue to secure these kinds of support annually. Management plans to continue to seek these sources of support; however, there are no assurances that the support from contributions will continue at the same levels.

In March of 2019, the Organization entered into a Memorandum of Understanding (“MOU”) with BCA Study Abroad, Inc. (“BCA”). BCA is a global education nonprofit organization dedicated to values of peace and social justice. Under the MOU, the Organization received a contribution of approximately \$625,000, which is to be used to execute various BCA programs.

## **2 - SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of Presentation**

The financial statements of the Organization are presented on the accrual basis of accounting and are prepared in conformity with U.S. generally accepted accounting principles (“GAAP”) as promulgated by the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”).

- **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 Trustees.
- **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, whereby 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 statements of activities and changes in net assets.

### **Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**AMIZADE, LTD.**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and Cash Equivalents**

The Organization maintains its cash at a financial institution located in Southwestern Pennsylvania. Accounts at the institution are insured by the Federal Deposit Insurance Corporation (“FDIC”). At times, the Organization’s cash may exceed FDIC insured limits. The Organization has not experienced any losses associated with these accounts. An account is also maintained at a financial institution in Bolivia to facilitate funding of local projects.

The Organization considers all short-term, high liquid investments with an original maturity of three months or less to be cash equivalents for the statement of cash flows.

**Program Receivables**

The Organization provides various programs and may charge tuition and fees for services.

Program receivables are recorded at their estimated fair value. The Organization’s evaluation of the need for an allowance is based on historical collection experience, a review of current status of the receivables, and judgment. Decisions to charge off receivables are based on management’s judgment after consideration of facts and circumstances surrounding potential uncollectible amounts. It is reasonably possible that the Organization’s estimate of the allowance for doubtful accounts will change. At August 31, 2020 and 2019, no allowance for doubtful accounts was deemed necessary.

**Revenue and Expenses**

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and nature of any donor restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributions are recorded when cash or unconditional promises-to-give have been received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Other revenue is recorded when earned.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

**Deferred Program Fees**

Program tuition and other fees received in advance are deferred and are recognized when the programs are held.

**AMIZADE, LTD.**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Inventories**

Inventories are stated at lower of cost or market, with cost being determined using the first-in, first-out (“FIFO”) method. Inventories consist of hand-painted cards. Donated inventories are reflected at their fair market value.

**Property and Equipment**

Purchased or donated property and equipment is carried at cost or fair value, as applicable. Depreciation is computed over the estimated useful lives using the straight-line method. The lives used in computing depreciation range from three to twelve years.

Maintenance and repairs, which are not considered to extend the useful lives of assets, are charged to operations as incurred. Expenditures for additions and improvements are capitalized. Upon sale or retirement, the cost of assets and related allowances are removed from the accounts and any resulting gains or losses are included in income (expense) for the year.

**Contributed Services and In-Kind Contributions**

The Organization follows the guidance of the FASB ASC Not-for-Profit entities topic for recognition of contributed services and in-kind contributions.

Contributions of services are recognized if those services create or enhance non-financial assets or require specialized skills. Materials and other long-lived assets (property and equipment) received as donations are reflected as contributions at their estimated fair values at the date of receipt. If donors stipulate how long the assets must be used, the contributions are recorded as net assets with donor restrictions. In the absence of such stipulations, contributions of long-lived assets are recorded as net assets without donor restrictions.

A substantial number of volunteers have donated approximately 9,962 hours in 2020 and 35,700 hours in 2019 to the Organization’s program services and fund-raising campaigns; however, these donated services are not reflected in the financial statements since the services do not meet the requirements for recognition in the financial statements.

**Functional Expenses**

The statements of functional expenses present expenses in accordance with the various classifications of the Organization’s activities. Allocations among the classifications are generally based upon management’s identification of direct costs or management’s estimate of personnel time associated with a particular class of activities for indirect costs.

**Income Taxes**

The Organization is classified as a public charity and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, as amended and corresponding state statutes. The Organization is also exempt from state income taxes under similar statutes.

**AMIZADE, LTD.**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Taxes (Continued)**

GAAP prescribes rules for the recognition, measurement, classification, and disclosures in the financial statements of uncertain tax positions taken or expected to be taken in the related Organization's tax return. Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized tax benefits that materially impact the financial statements or disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's tax return will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, the Organization's federal and state tax returns remain open for income tax examination for three years from the date of filing.

**Recently Issued Accounting Guidance**

In February 2016, FASB issued ASU No. 2016-2, *Leases* (Topic 842) which requires lessees to recognize substantially all leases on the balance sheet and disclose key information about leasing arrangements. The new standard establishes a right-of-use ("ROU") model that requires the lessees to recognize a ROU asset and lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either operating or finance leases. This classification will determine the timing and presentation of expenses on the statement of operations and changes in members' equity, as well as the presentation of related cash flows. The standard is effective for the Organization on September 1, 2022. Management is evaluating the impact of this new standard on its financial statements.

On September 1, 2019, the Organization adopted ASC Topic 606, *Revenue from Contracts with Customers* using the modified retrospective method. This standard provides a five-step analysis of transactions to determine when and how revenue is recognized and requires entities to recognize revenue at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer. Generally, the Organization's performance obligations are satisfied and revenue is recognized at a single point in time. The adoption of this standard did not have a financial statement impact to the Organization.

**3 - PROPERTY AND EQUIPMENT**

The following is a summary of property and equipment at August 31:

	<u>2020</u>	<u>2019</u>
Computer Equipment	\$ 4,446	\$ 1,962
Furniture and Equipment	<u>6,756</u>	<u>6,756</u>
	11,202	8,718
Accumulated Depreciation	<u>(8,796)</u>	<u>(8,718)</u>
	<u>\$ 2,406</u>	<u>\$ -</u>

Depreciation expense was approximately \$78 in 2020 and \$300 in 2019.

**AMIZADE, LTD.**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**4 - BORROWED FUNDS**

In April, 2020, the Organization entered into a term note with its bank, with a principal amount of \$105,400 pursuant to the Paycheck Protection Program (“PPP Term Note”) under the Coronavirus Aid, Relief and Economic Security Act (the “CARES Act”). The PPP Loan was evidenced by an unsecured promissory note, with interest at a fixed annual rate of 1.00%, and guaranteed by the United States Small Business Administration.

In February 2021, the Organization applied for a second loan under the Paycheck Protection Program established by the CARES Act and received proceeds of approximately \$104,900.

In May 2021, the Organization was notified and approved for loan forgiveness from the Small Business Administration.

**5 - NET ASSETS**

The Organization’s net assets are classified as follows as of August 31:

	2020	2019
<b>Net Assets Without Donor Restrictions</b>	<b>\$ 646,940</b>	<b>\$ 724,746</b>

**Net Assets With Donor Restrictions** - Net assets with donor restrictions represent funds restricted for specific uses by the donors, as follows:

	2020	2019
BCA Study Abroad, Inc.	\$ 238,605	\$ 289,874
CEOLI Card Project	9,000	12,000
CEOLI - Other	500	-
Mentorship for African American Girls	-	19,000
OTA Initiative - Tanzania	232	-
Brazil	500	-
Bolivia	390	-
	<b>\$ 249,227</b>	<b>\$ 320,874</b>

**6 - LEASE OBLIGATIONS**

The Organization operates within a facility under a sublease with Global Solutions Pittsburgh, with monthly payments of approximately \$1,850 through December 2020. Rent was approximately \$22,000 in both 2020 and 2019.

**AMIZADE, LTD.**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**7 - RETIREMENT PLAN**

The Organization sponsors a 401(k) Plan (“Plan”) covering all employees that meet the eligibility requirements, as defined. Under the provisions of the Plan, the Organization is to match 100% on the first 1% of the employees’ compensation which is deferred as an elective deferral. Contributions by the Organization amounted to approximately \$11,000 in 2020 and \$7,600 in 2019.

**8 - RISKS AND UNCERTAINTIES**

The Organization’s operations may be affected by the recent and ongoing outbreak of the Coronavirus Disease. The disruption to the Organization’s revenue, caused by the outbreak, is uncertain; however, it may result in a material adverse impact on the Organization’s financial position and operations. While a great amount of uncertainty exists, management is confident that the Organization has enough funds to sustain operations. The Organization has been carefully monitoring the situation. No adjustments have been made to the financial statements as a result of this uncertainty.

**9 - SUBSEQUENT EVENTS**

The accompanying financial statements include an evaluation of events or transactions that have occurred after August 31, 2020 and through July 8, 2021, the date that the financial statements were available to be issued.