

BLINKNOW FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2021 AND 2020

TOGETHER WITH

INDEPENDENT AUDITOR'S REPORT

BLINKNOW FOUNDATION
DECEMBER 31, 2021 AND 2020
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Independent Auditor's Report

To: The Board of Trustees
BlinkNow Foundation
Mendham, New Jersey

Opinion

We have audited the accompanying financial statements of **BlinkNow Foundation** (a New Jersey non-profit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of **BlinkNow Foundation** as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **BlinkNow Foundation** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **BlinkNow Foundation's** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 **BlinkNow Foundation's** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **BlinkNow Foundation's** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Renzi, Bernad, Surg + Co.

Cherry Hill, NJ
June 1, 2022

BLINKNOW FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
Current assets		
Cash	\$ 874,347	\$ 743,748
Investments, at market	3,110,783	2,365,387
Prepaid expenses	<u>34,207</u>	<u>35,150</u>
Total current assets	4,019,337	3,144,285
Computer equipment and website, net	16,694	22,883
Other assets		
Endowment funds, at market	<u>2,206,094</u>	<u>871,979</u>
Total assets	<u><u>\$ 6,242,125</u></u>	<u><u>\$ 4,039,147</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 65,531	\$ 69,261
Noncurrent liabilities		
Paycheck Protection Program loan advance	<u>-</u>	<u>158,260</u>
Total liabilities	<u>65,531</u>	<u>227,521</u>
Net assets		
Without donor restrictions		
Undesignated	3,954,773	2,879,786
Designated by the Board	<u>1,116,000</u>	<u>-</u>
Total net assets without donor restrictions	5,070,773	2,879,786
With donor restrictions	<u>1,183,572</u>	<u>1,004,598</u>
	6,254,345	3,884,384
Accumulated other comprehensive income		
Currency translation adjustment	<u>(77,751)</u>	<u>(72,758)</u>
Total net assets	<u>6,176,594</u>	<u>3,811,626</u>
Total liabilities and net assets	<u><u>\$ 6,242,125</u></u>	<u><u>\$ 4,039,147</u></u>

The accompanying notes are an integral part of this statement.

BLINKNOW FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>REVENUE AND SUPPORT</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Contributions	\$ 4,224,663	\$ 268,297	\$ 4,492,960
Paycheck Protection Program loan forgiveness	158,260	-	158,260
Investment income	<u>6,433</u>	<u>62,608</u>	<u>69,041</u>
	4,389,356	330,905	4,720,261
Net assets released from restriction	<u>151,931</u>	<u>(151,931)</u>	<u>-</u>
Total revenue and support	<u>4,541,287</u>	<u>178,974</u>	<u>4,720,261</u>
 <u>EXPENSES</u>			
Program services	1,898,569	-	1,898,569
General and administrative	290,237	-	290,237
Fundraising	<u>161,494</u>	<u>-</u>	<u>161,494</u>
Total expenses	<u>2,350,300</u>	<u>-</u>	<u>2,350,300</u>
Changes in net assets	2,190,987	178,974	2,369,961
Net assets, beginning of year	<u>2,879,786</u>	<u>1,004,598</u>	<u>3,884,384</u>
Net assets, end of year	<u>\$ 5,070,773</u>	<u>\$ 1,183,572</u>	<u>\$ 6,254,345</u>

The accompanying notes are an integral part of this statement.

BLINKNOW FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>REVENUE AND SUPPORT</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Contributions	\$ 3,110,669	\$ 879,475	\$ 3,990,144
Investment income	<u>43,533</u>	<u>2,004</u>	<u>45,537</u>
	3,154,202	881,479	4,035,681
Net assets released from restriction	<u>103,803</u>	<u>(103,803)</u>	<u>-</u>
Total revenue and support	<u>3,258,005</u>	<u>777,676</u>	<u>4,035,681</u>
 <u>EXPENSES</u>			
Program services	1,898,334	-	1,898,334
General and administrative	380,011	-	380,011
Fundraising	<u>143,408</u>	<u>-</u>	<u>143,408</u>
Total expenses	<u>2,421,753</u>	<u>-</u>	<u>2,421,753</u>
Changes in net assets	836,252	777,676	1,613,928
Net assets, beginning of year	<u>2,043,534</u>	<u>226,922</u>	<u>2,270,456</u>
Net assets, end of year	<u>\$ 2,879,786</u>	<u>\$ 1,004,598</u>	<u>\$ 3,884,384</u>

The accompanying notes are an integral part of this statement.

BLINKNOW FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services	General and Administrative	Fundraising	Total
Grants	\$ 980,046	\$ -	\$ -	\$ 980,046
Salaries, payroll taxes and benefits	680,512	215,061	81,858	977,431
School expense	35,273	-	-	35,273
Residence expenses	11,929	-	-	11,929
INGO expenses	111,119	-	-	111,119
Depreciation	-	13,737	-	13,737
Education and outreach	2,175	-	-	2,175
Bank charges	-	2,326	-	2,326
Insurance	2,895	9,741	-	12,636
Travel	2,176	749	60	2,985
Gala event expenses	-	-	49,709	49,709
Office expenses	32,378	38,964	20,497	91,839
Professional fees	40,066	9,659	9,370	59,095
	<u>\$ 1,898,569</u>	<u>\$ 290,237</u>	<u>\$ 161,494</u>	<u>\$ 2,350,300</u>

The accompanying notes are an integral part of this statement.

BLINKNOW FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services	General and Administrative	Fundraising	Total
Grants	\$ 1,014,091	\$ -	\$ -	\$ 1,014,091
Salaries, payroll taxes and benefits	692,557	246,921	93,052	1,032,530
School expense	36,592	-	-	36,592
Residence expenses	13,458	-	-	13,458
INGO expenses	59,768	-	-	59,768
Depreciation	-	13,632	-	13,632
Education and outreach	926	-	-	926
Bank charges	-	2,920	-	2,920
Insurance	4,491	9,833	-	14,324
Travel	25,045	6,945	1,877	33,867
Office expenses	23,295	69,794	14,919	108,008
Professional fees	28,111	29,966	33,560	91,637
	<u>\$ 1,898,334</u>	<u>\$ 380,011</u>	<u>\$ 143,408</u>	<u>\$ 2,421,753</u>

The accompanying notes are an integral part of this statement.

BLINKNOW FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	<u>2021</u>	<u>2020</u>
Changes in net assets	\$ 2,369,961	\$ 1,613,928
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Paycheck Protection Program loan forgiveness	(158,260)	-
Depreciation	13,737	13,632
Currency translation adjustment	(4,993)	(17,778)
Decrease in assets:		
Prepaid expenses	943	4,938
(Decrease) increase in liabilities:		
Accounts payable and accrued expenses	(3,730)	18,714
Net cash provided by operating activities	<u>2,217,658</u>	<u>1,633,434</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase (sale) of investments (net)	(2,079,511)	(1,922,530)
Purchase of computer equipment and website	<u>(7,548)</u>	<u>(1,431)</u>
Net cash (used in) investing activities	<u>(2,087,059)</u>	<u>(1,923,961)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Paycheck Protection Program loan advance	<u>-</u>	<u>158,260</u>
Net cash provided by financing activities	<u>-</u>	<u>158,260</u>
Net increase (decrease) in cash	130,599	(132,267)
Cash, beginning of year	<u>743,748</u>	<u>876,015</u>
Cash, end of year	<u><u>\$ 874,347</u></u>	<u><u>\$ 743,748</u></u>

The accompanying notes are an integral part of this statement.

BLINKNOW FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

1. NATURE OF OPERATIONS

BlinkNow Foundation (the "Foundation") is a New Jersey, non-profit corporation established on October 1, 2007. The Foundation's mission is to improve the quality of life for children in Surkhet, Nepal by maintaining a home for orphaned children and a school, women's center and health clinic for the community. The Foundation achieves its mission by providing financial and management support to Kopila Valley Sewa Samaj, a Nepali non-governmental organization that operates the home and school. It also seeks to inspire others by serving as a model for excellence in providing a loving home for orphaned children, educating impoverished children, teaching women the tools they need for economic self-sufficiency and healthcare services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles ("US GAAP") which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions

Net assets that are not subject to donor-imposed restrictions may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation'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 Foundation 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 statement of activities.

Cash and Cash Equivalents

The Foundation considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2021 and 2020.

Computer Equipment and Website

Additions in excess of \$1,000 are recorded at cost and charged to the office furniture and equipment account, while replacements, maintenance, and repairs, which do not improve or extend the life of the respective assets, are expensed currently.

Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which is 5-7 years for furniture and equipment.

BLINKNOW FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Computer Equipment and Website (Cont'd)

When retired or otherwise disposed of, the carrying value of the assets and related depreciation are removed from the respective accounts, and the net difference, less any amount realized from disposition, is charged or credited to income.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that 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.

Contributed Services

The Foundation recognizes the fair value of contributed services received in accordance with ASC No. 958-605-25-16, if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed.

Allocation of Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Whenever possible costs are directly assigned to the appropriate benefiting program activities and supporting services. If costs cannot be identified to a specific program activity or supporting service, then these costs are allocated among the various benefiting activities and services, utilizing an appropriate basis. Accordingly, certain costs have been allocated among program and supporting services benefited.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value, as determined by quoted market prices, with gains and losses included in the statement of activities and changes in net assets. Donated securities are recorded at the market value on the date of contribution. Gain or loss on sale of investments is determined on the basis of average cost.

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, accordingly, no provision for taxes has been included in the financial statements. The Foundation is required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS.

Management has reviewed tax positions taken in filings with federal and state jurisdictions and believes those positions would be sustained should the filings be examined by the relevant taxing authority. These tax filings are subject to examination, generally for three years after they are filed.

BLINKNOW FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Income Taxes (Cont'd)

Should settlement of an examination or other event result in a change in management's evaluation of a tax position taken or expected to be taken in filings that have not been closed by statute or examination, any interest and penalties related to the unrecognized tax benefit as a result of the uncertain tax position would be included in interest expense and administrative expenses, respectively.

Uninsured Cash Balances

Cash accounts at banks are insured by the FDIC for up to \$250,000. The Foundation has, periodically throughout the year, maintained balances in its operating account in excess of the federally insured limits.

Foreign Currency Translation

The functional currency of the Foundation's foreign operations is the local currency. The financial statements of the foreign subsidiary have been translated into U.S. dollars. All balance sheet accounts have been translated using the exchange rates in effect at the balance sheet date. Income statement amounts have been translated using the average exchange rate for the year. Accumulated net translation adjustments have been reported separately in other comprehensive income in the financial statements.

3. LIQUIDITY AND AVAILABILITY

The Foundation has \$3,891,652 of financial assets, as of December 31, 2021, available within one year of the statement of financial position's date. The Foundation manages its liquidity by operating within a prudent range of financial soundness and stability and maintains liquid financial assets sufficient to cover 180 days of general expenditures. In addition to these available financial assets, a significant portion of the Foundation's annual expenditures will be funded by current year operating revenues including contributions and investment income. As part of this liquidity management, the Foundation invests cash in excess of daily requirements in mutual funds and other short-term investments.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

BLINKNOW FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

3. LIQUIDITY AND AVAILABILITY (CONT'D)

Financial assets at year-end:

	<u>2021</u>	<u>2020</u>
Cash	\$ 874,347	\$ 743,748
Investments, at market	<u>3,110,783</u>	<u>2,365,387</u>
Total financial assets	3,985,130	3,109,135
Less:		
Donor imposed restrictions for project support	<u>(93,478)</u>	<u>(132,619)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,891,652</u>	<u>\$ 2,976,516</u>

4. INVESTMENTS

The valuation techniques required by FASB ASC 820 are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect management's market assumptions. These two types of inputs create the three levels of fair value hierarchy described below:

Level 1 - quoted prices in active markets for identical securities.

Level 2 - other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 - significant unobservable inputs (including the Foundation's own assumptions in determining the fair value of investments).

The financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to fair value measurement. The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

Investments at December 31, 2021 consist primarily of bond funds and a deposit account with the fair value determined by Level 1 inputs. The cost and unrealized gain at December 31, 2021 was \$1,308,302 and \$2,681, respectively. The cost and unrealized gain at December 31, 2020 was \$1,296,453 and \$15,971, respectively.

BLINKNOW FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

5. COMPUTER EQUIPMENT AND WEBSITE

Computer equipment and website consists of computer equipment and website design costs with an original cost of \$74,949 and accumulated depreciation of \$58,255 as of December 31, 2021.

Depreciation expense is \$13,737 and \$13,632 for the years ended December 31, 2021 and 2020, respectively.

6. ENDOWMENT FUNDS, AT MARKET

The Foundation established two endowment funds in 2020: The Duff Family Puffin Endowment Fund and The Maggie Doyne Founders Fund.

The Duff Family Puffin Endowment Fund is a permanently restricted endowment established to provide income and long-term protection for BlinkNow's Children's Home. The principal corpus is permanently restricted and the income is restricted to fund the operations of the Children's Home. The value of this fund at December 31, 2021 and 2020 was \$1,090,094 and \$771,979, respectfully.

The Maggie Doyne Founders Fund is a Board designated endowment. The principal corpus can only be accessed if the Board declares a funding emergency. The funds principal will remain unspent for a three-year lock-up period. If the original source of a fund contribution is a restricted gift, the contributions will retain the restricted purpose as originally specified. The value of this fund at December 31, 2021 and 2020 was \$1,116,000 and \$100,000, respectfully.

7. PAYCHECK PROTECTION PROGRAM LOAN ADVANCE

In April 2020, the Foundation received a first draw Paycheck Protection Program (PPP) loan advance in the amount of \$158,260, with a maturity date two years from the date of the note.

Pursuant to the terms of the CARES Act, the Foundation received full forgiveness from the Small Business Administration (SBA) in June 2021.

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

	<u>2021</u>	<u>2020</u>
Perpetual in nature	\$ 1,090,094	\$ 871,979
Other project support	<u>93,478</u>	<u>132,619</u>
Total	<u>\$ 1,183,572</u>	<u>\$ 1,004,598</u>

BLINKNOW FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

9. GRANTS EXPENSE

As discussed in Note 1 and in accordance with the Foundation's guidelines, it makes grants to the Kopila Valley Sewa Samaj to support the education and health of orphaned children in Nepal and provides community outreach to reduce poverty, empower women, improve health, and encourage sustainability and social justice. The Foundation is actively involved in the operations of this organization and has a representative on the Board of Directors.

10. EMPLOYEE SAVINGS PLAN

The Foundation adopted an employee savings plan under Section 401(k) of the Internal Revenue Code. Employees are eligible to participate in the Plan when they have completed 3 months of service and attained age 21. The Foundation made contributions to the Plan of \$36,080 and \$35,398 for the years ended December 31, 2021 and 2020, respectively.

11. DONATED SERVICES, MATERIALS AND FACILITIES

A substantial number of unpaid volunteers, including Board members, have made significant contributions of their time to the Foundation's programs, principally in residential services and educational programs. These contributed services are not reflected in the financial statements since the criteria for recognition of such volunteer effort have not been satisfied.

12. SUBSEQUENT EVENTS

In preparing these financial statements, management of the Foundation has evaluated events and transactions for potential recognition or disclosure through June 1, 2022, the date the financial statements were available to be issued. The Foundation had no other significant or material subsequent events through June 1, 2022.