BLINKNOW FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2018 and 2017

TOGETHER WITH

INDEPENDENT AUDITOR'S REPORT

BLINKNOW FOUNDATION

DECEMBER 31, 2018 AND 2017

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the ***BlinkNow Foundation*** (a New Jersey non-profit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, 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 accounting principles generally accepted in the United States of America; 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.

Auditor's Responsibility

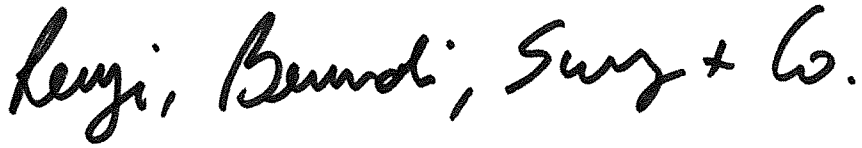
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 auditor's 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 the ***BlinkNow Foundation*** as of December 31, 2018 and 2017, 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.



Cherry Hill, NJ
May 30, 2019

BLINKNOW FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

ASSETS	2018	2017
Current assets		
Cash and cash equivalents	$ 921,164	$ 1,369,658
Investments, at market	1,307,974	1,215,204
Prepaid expenses	15,423	13,032
Total current assets	2,244,561	2,597,894
Computer equipment and website, net	52,867	84,759
Total assets	$ 2,297,428	$ 2,682,653
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	$ 59,653	$ 91,813
Total current liabilities	59,653	91,813
Net assets		
Without donor restrictions	1,949,240	1,860,036
With donor restrictions	335,858	752,132
	2,285,098	2,612,168
Accumulated other comprehensive income		
Currency translation adjustment	(47,323)	(21,328)
Total net assets	2,237,775	2,590,840
Total liabilities and net assets	$ 2,297,428	$ 2,682,653

The accompanying notes are an integral part of this statement.

BLINKNOW FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

REVENUE AND SUPPORT	Without Donor Restrictions	With Donor Restrictions	Total
Contributions	$ 2,034,636	$ 276,229	$ 2,310,865
Investment income	24,263	-	24,263
	2,058,899	276,229	2,335,128
Net assets released from restriction	692,503	(692,503)	-
Total revenue and support	2,751,402	(416,274)	2,335,128
EXPENSES			
Program services	2,213,080	-	2,213,080
General and administrative	356,331	-	356,331
Fundraising	92,787	-	92,787
Total expenses	2,662,198	-	2,662,198
Changes in net assets	89,204	(416,274)	(327,070)
Net assets, beginning of year	1,860,036	752,132	2,612,168
Net assets, end of year	$ 1,949,240	$ 335,858	$ 2,285,098

The accompanying notes are an integral part of this statement.

BLINKNOW FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

REVENUE AND SUPPORT	Without Donor Restrictions	With Donor Restrictions	Total
Contributions	$ 2,231,257	$ 347,843	$ 2,579,100
Investment income	26,657	-	26,657
	2,257,914	347,843	2,605,757
Less: direct benefit to donors	(90,000)	-	(90,000)
Net assets released from restriction	590,930	(590,930)	-
Total revenue and support	2,758,844	(243,087)	2,515,757
EXPENSES			
Program services	1,993,871	-	1,993,871
General and administrative	226,634	-	226,634
Fundraising	167,614	-	167,614
Total expenses	2,388,119	-	2,388,119
Changes in net assets	370,725	(243,087)	127,638
Net assets, beginning of year	1,489,311	995,219	2,484,530
Net assets, end of year	$ 1,860,036	$ 752,132	$ 2,612,168

The accompanying notes are an integral part of this statement.

BLINKNOW FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services	General and Administrative	Fundraising	Total
Grants	$ 1,437,000	$ -	$ -	$ 1,437,000
Salaries, payroll taxes and benefits	540,625	181,293	72,052	793,970
School expense	74,229	-	-	74,229
Residence expenses	5,183	-	-	5,183
INGO expenses	60,910	-	-	60,910
Depreciation	-	36,437	-	36,437
Education and outreach	7,500	-	8,703	16,203
Bank charges	-	4,212	-	4,212
Insurance	4,287	8,870	-	13,157
Travel	69,357	1,800	4,456	75,613
Office expenses	13,989	55,916	7,576	77,481
Professional fees	-	67,803	-	67,803
	$ 2,213,080	$ 356,331	$ 92,787	$ 2,662,198

The accompanying notes are an integral part of this statement.

BLINKNOW FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Program Services	General and Administrative	Fundraising	Total
Grants	$ 1,343,225	$ -	$ -	$ 1,343,225
Salaries, payroll taxes and benefits	439,329	146,889	63,273	649,491
School expense	61,563	-	-	61,563
Residence expenses	11,390	-	-	11,390
INGO expenses	50,297	-	-	50,297
Depreciation	-	30,560	-	30,560
Education and outreach	9,958	-	-	9,958
Bank charges	-	4,404	-	4,404
Insurance	4,599	7,406	-	12,005
Travel	63,372	-	-	63,372
Anniversary celebration expenses	-	-	89,899	89,899
Office expenses	10,138	32,370	14,442	56,950
Professional fees	-	5,005	-	5,005
	$ 1,993,871	$ 226,634	$ 167,614	$ 2,388,119

The accompanying notes are an integral part of this statement.

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

CASH FLOWS FROM OPERATING ACTIVITIES	2018	2017
Changes in net assets	$ (327,070)	$ 127,638
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Depreciation	36,437	30,560
Currency translation adjustment	(25,995)	(21,328)
(Increase) decrease in assets:		
Prepaid expenses	(2,391)	(2,592)
(Decrease) increase in liabilities:		
Accounts payable and accrued expenses	(32,160)	53,252
Net cash (used in) provided by operating activities	(351,179)	187,530
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase (sale) of investments (net)	(92,770)	558,111
Purchase of computer equipment and website	(4,545)	(49,442)
Net cash (used in) provided by investing activities	(97,315)	508,669
Net (decrease) increase in cash	(448,494)	696,199
Cash and cash equivalents, beginning of year	1,369,658	673,459
Cash and cash equivalents, end of year	$ 921,164	$ 1,369,658

The accompanying notes are an integral part of this statement.

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. BlinkNow 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

Change in Accounting Principle

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities.* The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. We have implemented ASU-2016-14 and have adjusted the presentation in these financial statements accordingly.

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, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the 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.

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

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.

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, than 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.

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

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.

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 BlinkNow'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 $1,893,280 of financial assets 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. 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:

3. LIQUIDITY AND AVAILABILITY (CONT'D)

Financial assets at year-end:	
Cash and cash equivalents	$ 921,164
Investments	1,307,974
Total financial assets	2,229,138
Less:	
Donor imposed restrictions	(335,858)
Financial assets available to meet cash needs for general expenditures within one year	$ 1,893,280

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, 2018 consist primarily of bond funds and a deposit account with the fair value determined by Level 1 inputs. The cost and unrealized loss at December 31, 2018 was $1,235,846 and $13,107, respectively. The cost and unrealized loss at December 31, 2017 was $1,209,590 and $3,440, respectively.

5. COMPUTER EQUIPMENT AND WEBSITE

Computer equipment and website consists of computer equipment and website design costs with an original cost of $183,295 and accumulated depreciation of $130,428 as of December 31, 2018.

Depreciation expense is $36,437 and $30,560 for the years ended December 31, 2018 and 2017, respectively.

6. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	2018	2017
New Campus Project	$127,303	$502,561
Other Project Support	208,555	249,571
	$335,858	$752,132

7. 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.

8. 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 $24,164 and $19,162 for the years ended December 31, 2018 and 2017, respectively.

9. 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.

10. SUBSEQUENT EVENTS

In preparing these financial statements, management of the Foundation has evaluated events and transactions for potential recognition or disclosure through May 30, 2019, the date the financial statements were available to be issued. The Foundation had no significant or material subsequent events through May 30, 2019.