

COMBINED FINANCIAL STATEMENTS



**FOR THE YEAR ENDED DECEMBER 31, 2018
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2017**

STRONGMINDS, INC. AND STRONGMINDS UGANDA

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Strongminds, Inc. and Strongminds Uganda
Maplewood, New Jersey

We have audited the accompanying combined financial statements of Strongminds, Inc. and Strongminds Uganda (collectively, StrongMinds), which comprise the combined statement of financial position as of December 31, 2018, and the related combined statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the combined financial position of StrongMinds as of December 31, 2018, and the combined change in its net assets and its combined cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Report on Summarized Comparative Information

The prior year summarized comparative information has been derived from StrongMinds' 2017 combined financial statements, which were audited by other auditors and, in their report dated June 28, 2018, they expressed an unmodified opinion on those statements.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The Combining Statement of Financial Position and the Combining Statement of Activities and Changes in Net Assets on pages 14 - 15 are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.



July 9, 2019

STRONGMINDS, INC. AND STRONGMINDS UGANDA
COMBINED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2018
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017

ASSETS		<u>2018</u>	<u>2017</u>
CURRENT ASSETS			
Cash and cash equivalents	\$	845,803	\$ 937,047
Contributions receivable		471,745	-
Prepaid expenses		17,808	6,742
Other current assets		<u>2,225</u>	<u>683</u>
Total current assets		<u>1,337,581</u>	<u>944,472</u>
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION AND AMORTIZATION OF \$109,864			
		<u>91,201</u>	<u>113,015</u>
OTHER ASSETS			
Deposit		<u>3,477</u>	<u>1,050</u>
TOTAL ASSETS	\$	<u>1,432,259</u>	\$ <u>1,058,537</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	\$	<u>49,755</u>	\$ <u>78,158</u>
NET ASSETS			
Without donor restrictions		842,173	947,046
With donor restrictions		<u>540,331</u>	<u>33,333</u>
Total net assets		<u>1,382,504</u>	<u>980,379</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>1,432,259</u>	\$ <u>1,058,537</u>

STRONGMINDS, INC. AND STRONGMINDS UGANDA

**COMBINED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2018
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017**

	2018			2017
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE				
Contributions	\$ 390,352	\$ -	\$ 390,352	\$ 113,017
Corporate and foundation grants	1,662,715	668,308	2,331,023	2,002,790
Contributed services and materials	43,494	-	43,494	16,050
Interest income	5,431	-	5,431	2,191
Other revenue	5,486	-	5,486	5,717
Net assets released from donor restrictions	<u>161,310</u>	<u>(161,310)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>2,268,788</u>	<u>506,998</u>	<u>2,775,786</u>	<u>2,139,765</u>
EXPENSES				
Program Services	<u>1,584,985</u>	<u>-</u>	<u>1,584,985</u>	<u>1,249,353</u>
Supporting Services:				
General and Administrative	509,142	-	509,142	378,540
Fundraising	<u>243,367</u>	<u>-</u>	<u>243,367</u>	<u>169,063</u>
Total supporting services	<u>752,509</u>	<u>-</u>	<u>752,509</u>	<u>547,603</u>
Total expenses	<u>2,337,494</u>	<u>-</u>	<u>2,337,494</u>	<u>1,796,956</u>
Change in net assets before other item	(68,706)	506,998	438,292	342,809
OTHER ITEM				
Foreign currency translation (loss) gain	<u>(36,167)</u>	<u>-</u>	<u>(36,167)</u>	<u>1,985</u>
Change in net assets	(104,873)	506,998	402,125	344,794
Net assets at beginning of year	<u>947,046</u>	<u>33,333</u>	<u>980,379</u>	<u>635,585</u>
NET ASSETS AT END OF YEAR	<u>\$ 842,173</u>	<u>\$ 540,331</u>	<u>\$ 1,382,504</u>	<u>\$ 980,379</u>

STRONGMINDS AND STRONGMINDS UGANDA
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017

	2018			2017		
	Supporting Services					
	Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses	Total Expenses
Salaries	\$ 724,764	\$ 162,684	\$ 165,345	\$ 328,029	\$ 1,052,793	\$ 911,833
Employee benefits	136,026	50,708	22,804	73,512	209,538	215,779
Consultants	301,086	63,627	15,147	78,774	379,860	164,904
Transportation	109,702	2,681	1,919	4,600	114,302	81,995
Travel	23,340	10,588	8,200	18,788	42,128	61,250
Professional fees	6,849	100,321	-	100,321	107,170	60,108
Advertising and promotion	40,046	716	224	940	40,986	58,939
Depreciation and amortization	36,046	2,662	-	2,662	38,708	46,783
Payroll taxes	77,361	10,509	14,842	25,351	102,712	35,986
Office supplies	40,252	8,161	97	8,258	48,510	30,053
Rent	12,342	38,135	8,727	46,862	59,204	23,480
IT hardware and software	6,399	25,733	1,817	27,550	33,949	20,938
Telephone and communications	27,157	2,310	-	2,310	29,467	17,950
Recruitment	-	-	-	-	-	12,914
Project expenses and costs	-	-	-	-	-	8,429
Office security	6,331	3,582	-	3,582	9,913	8,407
Other	4,026	7,046	-	7,046	11,072	8,264
Repairs and maintenance	3,124	5,470	-	5,470	8,594	8,070
Meals and entertainment	13,321	806	1,125	1,931	15,252	6,155
Meetings and trainings	13,216	(58)	1,560	1,502	14,718	5,153
Bank charges	11	4,312	1,560	5,872	5,883	3,394
Insurance	3,054	5,470	-	5,470	8,524	3,265
Utilities	532	2,063	-	2,063	2,595	1,918
Payroll processing fees	-	1,616	-	1,616	1,616	989
TOTAL	\$ 1,584,985	\$ 509,142	\$ 243,367	\$ 752,509	\$ 2,337,494	\$ 1,796,956

See accompanying notes to combined financial statements.

STRONGMINDS, INC. AND STRONGMINDS UGANDA

**COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2017**

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 402,125	\$ 344,794
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	38,708	46,783
Loss on disposal	1,182	-
(Increase) decrease in:		
Contributions receivable	(471,745)	-
Prepaid expenses	(11,066)	3,316
Other current assets	(1,542)	244
Deposit	(2,427)	-
(Decrease) increase in:		
Accounts payable and accrued liabilities	<u>(28,403)</u>	<u>59,074</u>
Net cash (used) provided by operating activities	<u>(73,168)</u>	<u>454,211</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(19,426)	(35,854)
Proceeds from sale of fixed assets	<u>1,350</u>	<u>-</u>
Net cash used by investing activities	<u>(18,076)</u>	<u>(35,854)</u>
Net (decrease) increase in cash and cash equivalents	(91,244)	418,357
Cash and cash equivalents at beginning of year	<u>937,047</u>	<u>518,690</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 845,803</u>	<u>\$ 937,047</u>

STRONGMINDS, INC. AND STRONGMINDS UGANDA

NOTES TO COMBINED FINANCIAL STATEMENTS DECEMBER 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

StrongMinds, Inc. began operations in 2013, is a non-profit organization organized under the laws of the State of New Jersey and located in Maplewood, New Jersey. StrongMinds, Inc.'s mission is to restore the mental health of vulnerable African women by using a simple, cost effective, and scalable community-based group talk therapy to treat depression in the country of Uganda. In 2015, StrongMinds, Inc. worked in conjunction with FXB Uganda, a non-governmental organization in Uganda, under a partnership agreement in which funding was provided to work on programs and activities related to the organizations' mission. In 2016 the organization entered into a master collaboration agreement with StrongMinds Uganda (SMU), after SMU achieved its separate non-government registration status in Uganda. Subsequent to year end, StrongMinds expanded its operations and mission to serve in Zambia, in which they established a separate entity.

Basis of presentation -

The accompanying combined financial statements are presented on the accrual basis of accounting, and in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14 *Presentation of Financial Statements for Not-for-Profit Entities*. The ASU was adopted for the year ended December 31, 2018 and applied retrospectively.

The accompanying combined financial statements are also in accordance with the criterion established by FASB ASC 958-810, *Not-for-Profit Entities, Consolidation*. Under FASB ASC 958-810, combination is required if a separate not-for-profit organization has control (i.e., major voting interest) and significant economic interest in that other organization. The accompanying financial statements include the operations of StrongMinds, Inc. and StrongMinds Uganda (collectively referred to as "StrongMinds"). All significant inter-company accounts and transactions have been eliminated in combination.

The combined financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with StrongMinds' combined financial statements for the year ended December 31, 2017, from which the summarized information was derived.

Cash and cash equivalents -

StrongMinds considers all cash and other highly liquid investments, including certificates of deposit, with maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, StrongMinds maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

StrongMinds had approximately \$71,692 of cash and cash equivalents held at financial institutions in foreign countries at December 31, 2018. The majority of funds invested in foreign countries are uninsured.

Contributions receivable -

Contributions receivable are recorded at their net realizable value, which approximates fair value.

STRONGMINDS, INC. AND STRONGMINDS UGANDA

**NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Contributions receivable (continued) -

Management considers all amounts to be fully collectible within a one year period. Accordingly, an allowance for doubtful accounts has not been established.

Fixed assets -

Fixed assets in excess of \$1,000 are capitalized and stated at cost. Fixed assets are depreciated or amortized on a straight-line basis over the estimated useful lives of the related assets, generally three to seven years. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense for the year ended December 31, 2018 totaled \$38,708.

Income taxes -

StrongMinds is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Beginning January 1, 2018, it is subject to unrelated business income taxes on qualified transportation fringe benefits provided to its employees. The amount of the tax for the year ended December 31, 2018 is immaterial. StrongMinds is not a private foundation.

StrongMinds Uganda is a registered charitable organizations under the laws and regulations of its respective country.

Uncertain tax positions -

For the year ended December 31, 2018, StrongMinds has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the combined financial statements.

Net asset classification -

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions are recorded as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Contributions restricted by donors (or certain grantors) are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Combined Statement of Activities and Change in Net Assets as net assets released from restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service.

STRONGMINDS, INC. AND STRONGMINDS UGANDA

**NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Contributions and grants -

Contributions and grants received without donor restrictions and with donor restrictions are recorded as revenue in the year notification is received from the donor. Contributions and grants with donor restrictions are recognized as without donor restrictions only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Such funds in excess of expenses incurred are shown as net assets with donor restriction in the accompanying combined financial statements.

Contributed services and materials -

Contributed services and materials consist of legal services and IT software. Contributed services and materials are recorded at their fair value as of the date of the gift. In addition, volunteers have donated significant amounts of their time to StrongMinds; these donated services are not reflected in the combined financial statements since these services do not meet the criteria for recognition as contributed services.

Use of estimates -

The preparation of the combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the combined financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Combined Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are allocated on a basis of time and effort (such as salaries and benefits) or other reasonable basis.

Functional currency -

The dollar ("Dollars") is the functional currency for StrongMinds' operations. Transactions in currencies other than U.S. Dollars are translated into Dollars at the rate of exchange in effect during the month of the transaction. Current assets and liabilities denominated in non-U.S. currency are translated into Dollars at the exchange rate in effect at the date of the Consolidated Statements of Financial Position. The amount of loss related to foreign currency translation totaled \$36,167 for the year ended December 31, 2018.

Reclassification -

Certain amounts in the prior year's combined financial statements have been reclassified to conform to the current year's presentation. The reclassifications are primarily due to the adoption of Accounting Standards Update 2016-14, as discussed above, which requires two classifications of net assets from the previously presented three classes. Net assets previously classified as of December 31, 2017 as unrestricted net assets in the amount of \$947,046 are now classified as without donor restrictions. Net assets previously classified as temporarily restricted net assets in the amount of \$33,333 are now classified as net assets with donor restrictions.

STRONGMINDS, INC. AND STRONGMINDS UGANDA

NOTES TO COMBINED FINANCIAL STATEMENTS DECEMBER 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

New accounting pronouncements (not yet adopted) -

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) (ASU 2014-09). The ASU establishes a comprehensive revenue recognition standard for virtually all industries under generally accepted accounting principles in the United States (U.S. GAAP) including those that previously followed industry-specific guidance. The guidance states that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14 in August 2015 that deferred the effective date of ASU 2014-09 by a year; thus, the effective date is years beginning after December 15, 2018. Early adoption is permitted. StrongMinds has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on its financial statements.

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which is intended to clarify and improve current guidance about whether a transfer of assets is an exchange transaction or a contribution. The amendments in this ASU provide a more robust framework to determine when a transaction should be accounted for as a contribution under Subtopic 958-605 or as an exchange transaction accounted for under other guidance (for example, Topic 606). The amendments also provide additional guidance about how to determine whether a contribution is conditional or unconditional. The amendments in this ASU could result in more grants and contracts being accounted for as contributions than under previous GAAP. The ASU recommends application on a modified prospective basis; however, retrospective application is permitted. StrongMinds has not yet decided on a transition method. The ASU is effective for fiscal years beginning after December 15, 2018.

In 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the Combined Statement of Financial Position and disclosing key information about leasing arrangements. The ASU is effective for private entities for years beginning after December 15, 2019. Early adoption is permitted. The ASU should be applied at the beginning of the earliest period presented using a modified retrospective approach.

StrongMinds plans to adopt the new ASUs at the respective required implementation dates.

2. FIXED ASSETS

Fixed assets consisted of the following at December 31, 2018:

Health platform	\$	14,560
Equipment		31,305
Furniture and fixtures		40,139
Vehicles		<u>115,061</u>
Total Fixed assets		201,065
Less: Accumulated depreciation and amortization		<u>(109,864)</u>
NET FIXED ASSETS	\$	<u>91,201</u>

STRONGMINDS, INC. AND STRONGMINDS UGANDA

**NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2018**

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2018:

Subject to expenditure for specified program purposes	\$ 506,998
Subject to passage of time	<u>33,333</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	\$ <u>540,331</u>

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

Purpose restrictions accomplished	\$ 77,977
Timing restrictions accomplished	<u>83,333</u>
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	\$ <u>161,310</u>

4. LIQUIDITY

Financial assets available for use within one year of the Combined Statement of Financial Position, comprise the following at December 31, 2018:

Cash and cash equivalents	\$ 845,803
Contributions receivable	471,745
Less donor restrictions	<u>(506,998)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	\$ <u>810,550</u>

StrongMinds has a policy to structure its financial assets to be available and liquid as its obligations become due. As of December 31, 2018, StrongMinds has financial assets equal to approximately four months of operating expenses.

5. LEASE COMMITMENTS

StrongMinds entered into a two (2) year lease agreement to lease office space at 515 Valley Street in Maplewood, New Jersey, starting on November 1, 2017 and expiring on October 31, 2019. Monthly lease payments at \$1,500. This agreement was amended in April 2019. The amended lease commenced May 1, 2019 and expires on April 30, 2021. Monthly lease payments are \$2,432.

StrongMinds Uganda entered into a one (1) year lease agreement to rent office space at Plot 782 in Mukono, Uganda commencing on June 1, 2017. This lease agreement was amended in May 2018. The amended lease commenced June 1, 2018 and expires May 30, 2019. Monthly lease payments are 1,200,000 UGX per month (approximately \$330).

StrongMinds Uganda entered into a three (3) year lease agreement to rent office space at Plot 98 in Ntinda, Kampala commencing on March 1, 2018. Lease payments are \$2,500, \$2,575 and \$2,730 for the three years, respectively.

StrongMinds Uganda entered into a three (3) year lease agreement to rent office space at Plot 30 in Bugolobi, Kampala commencing on June 1, 2019. Monthly lease payments are \$3,000 per month.

STRONGMINDS, INC. AND STRONGMINDS UGANDA

**NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2018**

5. LEASE COMMITMENTS (Continued)

StrongMinds Uganda entered into a two (2) year lease agreement to rent office space at Plot 2 in Iganga, Uganda commencing on June 1, 2019. Monthly lease payments are 1,000,000 UGX per month (approximately \$275).

The following is a schedule of the future minimum lease payments:

Year Ending December 31,

2019	\$	81,881
2020		101,518
2021		51,852
2022		<u>15,000</u>
	\$	<u>250,251</u>

Rent expense for the year ended December 31, 2018 was \$59,204.

6. RETIREMENT PLAN

StrongMinds, Inc. permits salary reduction contributions to be made to a simple individual retirement account or annuity (SIMPLE IRA plan). StrongMinds, Inc. contributes an employer matching contribution to each eligible employee's SIMPLE IRA equal to the employee's salary reduction contribution up to a limit of three (3%) percent of the employee's compensation. StrongMinds, Inc. made contributions in the amount of \$10,259 for the year ended December 31, 2018.

7. CONTINGENCY

Various lawsuits and other contingent liabilities arise in the ordinary course of StrongMinds' activities. While the final outcome of these legal actions cannot be determined at this time, management is of the opinion that the ultimate liability, if any, from the final resolution of these matters will not have a material effect on StrongMinds' consolidated financial statements.

8. SUBSEQUENT EVENTS

In preparing these combined financial statements, StrongMinds has evaluated events and transactions for potential recognition or disclosure through July 9, 2019, the date the combined financial statements were issued.

SUPPLEMENTAL INFORMATION

STRONGMINDS, INC. AND STRONGMINDS UGANDA
COMBINING STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2018

ASSETS				
	StrongMinds USA	StrongMinds Uganda	Eliminations	Total
CURRENT ASSETS				
Cash and cash equivalents	\$ 774,111	\$ 71,692	\$ -	\$ 845,803
Contributions receivable	471,745	-	-	471,745
Prepaid expenses	10,219	7,589	-	17,808
Other current assets	-	2,225	-	2,225
Total current assets	1,256,075	81,506	-	1,337,581
PROPERTY AND EQUIPMENT, NET	10,741	80,460	-	91,201
OTHER ASSETS				
Deposits	1,050	2,427	-	3,477
TOTAL ASSETS	\$ 1,267,866	\$ 164,393	\$ -	\$ 1,432,259
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	\$ 21,660	\$ 28,095	\$ -	\$ 49,755
NET ASSETS				
Without donor restrictions	705,875	136,298	-	842,173
With donor restrictions	540,331	-	-	540,331
Total net assets	1,246,206	136,298	-	1,382,504
TOTAL LIABILITIES AND NET ASSETS	\$ 1,267,866	\$ 164,393	\$ -	\$ 1,432,259

STRONGMINDS, INC. AND STRONGMINDS UGANDA
COMBINING STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2018

	StrongMinds USA			StrongMinds Uganda			Eliminations	Grand Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
REVENUE								
Contributions	\$ 390,352	\$ -	\$ 390,352	\$ 1,402,959	\$ -	\$ 1,402,959	\$ (1,402,959)	\$ 390,352
Corporate and foundation grants	1,662,715	668,308	2,331,023	-	-	-	-	2,331,023
Contributed services and materials	43,494	-	43,494	-	-	-	-	43,494
Interest income	3,814	-	3,814	1,617	-	1,617	-	5,431
Other revenue	5,473	-	5,473	13	-	13	-	5,486
Net assets released from restrictions	161,310	(161,310)	-	-	-	-	-	-
Total revenue	2,267,158	506,998	2,774,156	1,404,589	-	1,404,589	(1,402,959)	2,775,786
EXPENSES								
Program Services	1,811,523	-	1,811,523	1,227,233	-	1,227,233	(1,453,771)	1,584,985
Supporting Services:								
Management and Administrative	328,598	-	328,598	180,544	-	180,544	-	509,142
Fundraising	243,367	-	243,367	-	-	-	-	243,367
Total supporting services	571,965	-	571,965	180,544	-	180,544	-	752,509
Total expenses	2,383,488	-	2,383,488	1,407,777	-	1,407,777	(1,453,771)	2,337,494
Change in net assets before other item	(116,330)	506,998	390,668	(3,188)	-	(3,188)	50,812	438,292
OTHER ITEM								
Foreign currency translation gains (losses), net	-	-	-	14,645	-	14,645	(50,812)	(36,167)
Change in net assets	(116,330)	506,998	390,668	11,457	-	11,457	-	402,125
Net assets at beginning of year	822,205	33,333	855,538	124,841	-	124,841	-	980,379
NET ASSETS AT END OF YEAR	\$ 705,875	\$ 540,331	\$ 1,246,206	\$ 136,298	\$ -	\$ 136,298	\$ -	\$ 1,382,504