

LIFE FOR RELIEF AND  
DEVELOPMENT, INC.  
AND SUBSIDIARY

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CONSOLIDATED FINANCIAL STATEMENTS

*Year Ended  
December 31, 2023*



# LIFE FOR RELIEF AND DEVELOPMENT, INC. AND SUBSIDIARY

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## Independent Auditor's Report

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To the Board of Directors of  
Life for Relief and Development, Inc. and Subsidiary

### Opinion

We have audited the accompanying consolidated financial statements of Life for Relief and Development, Inc. (a not-for-profit organization) and Subsidiary (a for-profit organization), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Life for Relief and Development, Inc. and Subsidiary as of December 31, 2023, and the changes in its net assets and its cash flows for the year 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. 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 Life for Relief and Development, Inc. and Subsidiary 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about of Life for Relief and Development, Inc. and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 generally accepted auditing standards 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 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 consolidated 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 consolidated 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 consolidated 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 Life for Relief and Development, Inc. and Subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Life for Relief and Development, Inc. and Subsidiary'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.

*Schluswitz Madhavan, P.C.*

September 30, 2024

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2023****ASSETS**

Current assets	
Cash and cash equivalents	\$ 7,755,336
Pledges receivable, net of allowance	108,645
Prepaid expenses and other	649,673
Inventories (in-kind contributions)	<u>14,400</u>
Total current assets	<u>8,528,054</u>
Property and equipment	
Land	57,750
Building	327,250
Building improvements	456,304
Furniture, fixtures and equipment	74,124
Vehicles	<u>183,261</u>
Total cost	1,098,689
Less, accumulated depreciation	<u>762,183</u>
Total property and equipment	<u>336,506</u>
Total assets	<u><u>\$ 8,864,560</u></u>

**LIABILITIES AND NET ASSETS**

Current liabilities	
Accounts payable	\$ 1,057,057
Accrued expenses	<u>77,664</u>
Total current liabilities	<u>1,134,721</u>
Net assets	
Without donor restrictions	187,352
With donor restrictions	<u>7,542,487</u>
Total net assets	<u>7,729,839</u>
Total liabilities and net assets	<u><u>\$ 8,864,560</u></u>

CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue			
Contributions	\$ 4,616,362	\$ 14,342,285	\$ 18,958,647
In-kind contributions:			
Medicine and medical supplies	-	6,297,824	6,297,824
Educational materials	-	2,532,581	2,532,581
Food baskets	-	1,226,989	1,226,989
Furniture and equipment	-	4,019,943	4,019,943
Emergency and disaster relief	-	2,624,183	2,624,183
Other income	114	-	114
Interest income	<u>19,374</u>	<u>-</u>	<u>19,374</u>
Total support and revenue before releases	4,635,850	31,043,805	35,679,655
Net assets released from restrictions	<u>29,697,252</u>	<u>(29,697,252)</u>	<u>-</u>
Total support and revenue	34,333,102	1,346,553	35,679,655
Expenses			
Program services	32,143,639	-	32,143,639
Management and general	1,429,970	-	1,429,970
Fundraising	<u>1,312,252</u>	<u>-</u>	<u>1,312,252</u>
Total expenses	<u>34,885,861</u>	<u>-</u>	<u>34,885,861</u>
Change in net assets	(552,759)	1,346,553	793,794
Net assets, beginning of year	<u>740,111</u>	<u>6,195,934</u>	<u>6,936,045</u>
Net assets, end of year	<u>\$ 187,352</u>	<u>\$ 7,542,487</u>	<u>\$ 7,729,839</u>

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2023

	Program Services					Clean Water Project Programs
	Health and Safety Program	Educational Program	Emergency Disaster Relief Program	Orphans Program	Food Basket Programs	
<b>Payroll Expenses:</b>						
Compensation	\$ 8,241	\$ 9,051	\$ 603,801	\$ 769,020	\$ 29,285	\$ 107,179
Employment taxes and benefits	2,105	2,312	154,232	196,435	7,480	27,377
Total payroll expenses	<u>10,346</u>	<u>11,363</u>	<u>758,033</u>	<u>965,455</u>	<u>36,765</u>	<u>134,556</u>
<b>Other Expenses:</b>						
<b>In Kind Donations:</b>						
Medicine and medical supplies	6,297,832	-	-	-	-	-
Educational materials	-	2,621,961	-	-	-	-
Food	-	-	-	-	1,346,658	-
Furniture and equipment	-	-	-	-	-	-
Emergency disaster	-	-	2,624,183	-	-	-
<b>Program Expenses:</b>						
Health and safety program expense	441,019	-	-	-	-	-
Education program expense	-	2,498,955	-	-	-	-
Emergency disaster program expense	-	-	1,075,104	-	-	-
Orphans sponsorship	-	-	-	3,974,929	-	-
Family assistance	-	-	-	-	-	-
Food baskets	-	-	-	-	842,644	-
Food baskets (Ramadan)	-	-	-	-	1,007,469	-
Meat (Udhiyah)	-	-	-	-	544,992	-
Water and sanitation program expense	-	-	-	-	-	227,629
Community development	-	-	-	-	-	-
Credit card processing and bank fees	1,650	1,812	120,885	153,963	5,863	21,458
Freight	56	62	4,121	5,248	200	731
Printing	2,574	2,827	394,342	240,210	12,597	33,478
Field office expenses	2,962	3,253	216,988	276,363	10,524	38,517
Software fees	1,082	1,188	79,241	100,924	3,843	14,066
<b>Expenses Including Management and General</b>						
Insurance	-	-	-	-	-	-
Professional fees	156	171	11,427	14,554	554	2,028
Rent	173	190	12,674	16,142	615	2,250
Repairs and maintenance	-	-	-	-	-	-
Telephone and internet	154	169	11,282	14,370	547	2,003
Utilities	-	-	-	-	-	-
Office expense and license fees	260	286	19,064	24,280	925	3,384
Media and communications	1,745	1,917	127,881	162,873	6,202	22,700
Bad debt expense	-	-	-	-	-	-
Depreciation	13	14	925	1,178	45	164
Postage and delivery fees	-	-	-	-	-	-
Travel	18	20	1,345	1,712	65	239
<b>Fundraising Expenses:</b>						
Fundraising event expenses	-	-	-	-	-	-
Marketing material	648	711	47,463	60,450	2,302	8,425
Total functional expenses	<u>\$ 6,760,688</u>	<u>\$ 5,144,899</u>	<u>\$ 5,504,958</u>	<u>\$ 6,012,651</u>	<u>\$ 3,822,810</u>	<u>\$ 511,628</u>

See independent auditor's report and notes to financial statements.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (Continued)  
YEAR ENDED DECEMBER 31, 2023

	Program Services			Supporting Services		Total Functional Expenses
	Community Development Programs	Family Assistance Program	Total Program Services	Management and General	Fundraising	
<b>Payroll Expenses:</b>						
Compensation	\$ 17,910	\$ 4,871	\$ 1,549,358	\$ 354,139	\$ 309,872	\$ 2,213,369
Employment taxes and benefits	4,575	1,244	395,760	90,460	79,152	565,372
Total payroll expenses	<u>22,485</u>	<u>6,115</u>	<u>1,945,118</u>	<u>444,599</u>	<u>389,024</u>	<u>2,778,741</u>
<b>Other Expenses:</b>						
<b>In Kind Donations:</b>						
Medicine and medical supplies	-	-	6,297,832	-	-	6,297,832
Educational materials	-	-	2,621,961	-	-	2,621,961
Food	-	-	1,346,658	-	-	1,346,658
Furniture and equipment	4,019,943	-	4,019,943	-	-	4,019,943
Emergency disaster	-	-	2,624,183	-	-	2,624,183
<b>Program Expenses:</b>						
Health and safety program expense	-	-	441,019	-	-	441,019
Education program expense	-	-	2,498,955	-	-	2,498,955
Emergency disaster program expense	-	-	1,075,104	-	-	1,075,104
Orphans sponsorship	-	-	3,974,929	-	-	3,974,929
Family assistance	-	165,941	165,941	-	-	165,941
Food baskets	-	-	842,644	-	-	842,644
Food baskets (Ramadan)	-	-	1,007,469	-	-	1,007,469
Meat (Udhiyah)	-	-	544,992	-	-	544,992
Water and sanitation program expense	-	-	227,629	-	-	227,629
Community development	139,759	-	139,759	-	-	139,759
Credit card processing and bank fees	3,586	975	310,192	-	-	310,192
Freight	122	33	10,573	-	-	10,573
Printing	5,594	1,521	693,143	202,418	207,453	1,103,014
Field office expenses	6,436	1,750	556,793	-	-	556,793
Software fees	2,351	639	203,334	-	-	203,334
<b>Expenses Including Management and General</b>						
Insurance	-	-	-	26,316	-	26,316
Professional fees	339	92	29,321	289,745	-	319,066
Rent	376	102	32,522	-	21,681	54,203
Repairs and maintenance	-	-	-	19,340	-	19,340
Telephone and internet	335	91	28,951	19,300	-	48,251
Utilities	-	-	-	12,452	-	12,452
Office expense and license fees	565	154	48,918	61,657	-	110,575
Media and communications	3,793	1,032	328,143	113,111	165,020	606,274
Bad debt expense	-	-	-	30,477	-	30,477
Depreciation	27	7	2,373	18,806	-	21,179
Postage and delivery fees	-	-	-	51,415	5,441	56,856
Travel	40	11	3,450	18,543	198,002	219,995
<b>Fundraising Expenses:</b>						
Fundraising event expenses	-	-	-	-	321,383	321,383
Marketing material	1,408	383	121,790	121,791	4,248	247,829
Total functional expenses	<u>\$ 4,207,159</u>	<u>\$ 178,846</u>	<u>\$ 32,143,639</u>	<u>\$ 1,429,970</u>	<u>\$ 1,312,252</u>	<u>\$ 34,885,861</u>

See independent auditor's report and notes to financial statements.



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**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2023**

Cash flows from operating activities:	
Change in net assets	\$ 793,794
Adjustments to reconcile changes in net assets to net cash provided by operating activities	
Depreciation	21,179
Credit losses	30,477
Changes in operating assets and liabilities	
(Increase) decrease in	
Pledges receivables	(45,876)
Prepaid expenses and other	(126,144)
Increase (decrease) in	
Accounts payable	84,379
Accrued expenses	<u>21,678</u>
Net cash provided by operating activities	779,487
Cash flows from investing activities:	
Purchase of property and equipment	(144,105)
Cash and cash equivalents at beginning of year	<u>7,119,954</u>
<b>Cash and cash equivalents at end of year</b>	<b><u><u>\$ 7,755,336</u></u></b>

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**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023****NOTE 1 - NATURE OF ORGANIZATION**

Life for Relief and Development, Inc. (the "Organization") is a California not-for-profit organization founded in 1992 and is headquartered in Southfield Michigan. The Organization's mission is deeply rooted in the belief that saving lives should be a priority of all mankind. In response to poverty, famine, social and economic turmoil, natural disasters, and other catastrophes, the Organization works to provide assistance to people across the globe by offering humanitarian services such as food, water, and temporary shelter as well as healthcare and education. The Organization's mission is accomplished through the following programs:

Health and Safety Program - Medicines, medical supplies, and medical equipment are distributed to underserved hospitals and clinics around the world and to communities in areas that lack adequate health services. The hearing impaired in many countries receive hearing aids through hearing aid medical missions.

Educational Program - The Organization promotes literacy through the distribution of books to colleges, universities, primary and secondary schools. Through this program the Organization also donates classroom furniture to Native American schools in the United States of America and needy schools throughout the world and gives orphans and poor school children uniforms, shoes, and school bags filled with stationary, pens, and other educational items through its back to school program.

Emergency Disaster Relief Program - In response to areas suffering from natural or man-made disasters, the Organization provides emergency humanitarian relief to those in need in the form of shelters, food, water, and urgent medical care.

Orphans Program - The orphan sponsorship program provides orphans throughout the world and the vulnerable needy families of the orphans their education, health, nutrition, shelter, and other needs.

Food Basket Programs - The food basket programs include various seasonal projects that help feed needy families in many countries throughout the world. During Ramadan, the Organization distributes food baskets to poor and needy individuals and also provide hot cooked meals to various communities. Additionally, the Organization partners with Islamic centers, grocery stores, and supermarkets in communities in the United States to distribute Udhiyah/Qurbani to individuals and families that may otherwise not have access to meat throughout the year. Through the Christmas and Thanksgiving programs, the Organization may also support a community event by providing a meal and gifts or may distribute food baskets for Thanksgiving to poor and homeless individuals.

Clean Water Project Programs - Through the water programs, the Organization assists communities that have little or no access to clean water by constructing water wells or providing water tanks. Water is a necessity of life needed for proper health, hygiene, and sanitation and for livestock populations.

Community Development Programs - The Organization builds community centers where community members gather for social events as well as funds small human development projects for poor families to enable them to start their own businesses to support their families.

Family Assistance Program - The family assistance program works to improve the living conditions of vulnerable single mothers and disabled heads of households in various countries, who have lost everything from the devastating impact of war and famine. Through this program, the Organization also provides winter-aid to families which may include warm blankets, winter clothes and jackets.

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**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023****NOTE 1 - NATURE OF ORGANIZATION (Continued)**

In addition to contributions to the various programs, the Organization helps Muslims carry out their Zakat duties by collecting Zakat payments. The unrestricted Zakat contributions provides the Organization the ability to fund eligible programs where most needed and allows the Organization to fulfill their mission of offering humanitarian assistance to those in need.

Life Managements, L3C, a limited liability company was organized in February 2016 under the laws of the State of Michigan. Life Managements, L3C ("Subsidiary") provides management services to the Organization. Life for Relief and Development, Inc. owns 100% of Life Managements, L3C and accordingly, consolidates the accounts of this entity in the consolidated financial statement. All intercompany accounts and transactions between Life for Relief and Development, Inc., and Life Managements, L3C are eliminated in consolidation.

The Organization receives most of its support and revenue from public contributions from individuals and businesses and in-kind contributions.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation** – The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") to focus on the Organization as a whole and to present transactions according to the existence or absence of donor-imposed restrictions.

Net assets, revenues, support, expenses and gains or losses are classified based on the existence or absence of donor-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 restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time (when applicable) or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues and support are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on other assets or liabilities (when applicable) are reported as increases or decreases in net assets without donor restrictions, unless restricted by the donor or law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

**Cash and Cash Equivalents** – The Organization considers all highly liquid investments purchased with original maturity of three months or less to be cash equivalents. The Organization maintains cash balances in various banks that at times throughout the year, may exceed federally insured limits. Management does not believe that Organization is exposed to any significant credit or other risk from such uninsured balances.

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**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023****NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Pledges Receivable** – The Organization’s pledges receivables are comprised primarily of amounts committed from individuals and businesses for the Organization’s activities. Revenue is recognized when an unconditional promise to give is received; in the absence of such promise, revenue is recognized when the promise to give is collected. Unconditional promises to give that are expected to be collected in the future year are recorded at the present value of their estimated future cash flows. The unamortized discount represents the adjustment required to record promises to give expected to be received in future years at their present value. Amortization of the discount (when applicable) is recorded as additional contribution revenue and used in accordance with donor-imposed restrictions over the period of the promise to give.

Pledges receivable are recorded at the amount the Organization expects to collect from outstanding balances. Management of the Organization records an estimate for uncollectible accounts and writes off balances deemed uncollectible. The allowance for credit losses was approximately \$81,756 at December 31, 2023.

**Property and Equipment** – Purchased property and equipment with a useful life in excess of one year is capitalized at cost. Major improvements are capitalized while ordinary maintenance and repairs are expensed. Donations of property and equipment are capitalized at their estimated fair value at the date contributed. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment is depreciated using the straight-line method over the estimated useful lives. Depreciation expense for the year ended December 31, 2023 was \$21,179.

**Contributions** – Unconditional contributions are recorded as support at fair value in the year a donation is received from the donor. Unconditional contributions with donor-imposed restrictions are reported at net assets with donor restrictions. When the stipulated purpose has been met, the contribution is reported as net assets without restrictions. Contributions of assets other than cash are recorded at their estimated fair value.

**In-Kind Contributions/Donations** – Donated goods for use by the Organizations to support their mission are recorded as in-kind contributions at their estimated fair value, based on independent supplier quotations. Donated goods held at a public warehouse utilized by the Organization are recorded as inventory at estimated fair value until the donated items are distributed for program use. When the donated goods are shipped to the recipient, the in-kind donation expense is recorded. Donated goods are used exclusively for the Organization’s humanitarian assistance programs.

**Contributed Services** – The Organization records the fair value of contributed services in the consolidated financial statements if the services either (a) create or enhance a non-financial asset or (b) require specialized skills, are provided by persons possessing those skills and would need to be purchased if they were not donated. No amounts have been reflected in the consolidated financial statements for contributed services since contributed services received do not meet the criteria for recognition.

**Functional Expense** – The Organization accumulates and reports its expenses by function as for program services, management and general activities, or fundraising purposes. Program services are activities that fulfill the purposes or mission of the Organization. Management and general activities include insurance, professional fees, and utilities and certain other costs other than the direct cost for program services.

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**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023****NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fundraising and Cost Allocations** – The Organization solicits funds for ongoing operations from community groups, businesses, and individuals. Fundraising expenses are based on actual amounts paid and percentage of time allocated as it relates to payroll related costs.

The consolidated financial statements also report certain categories of expenses that are attributable to more than one program or supporting services. Therefore, these expenses require allocation on a reasonable basis using a cost allocation method which primarily is based on a percentage of revenue as determined by management. Although the methods of allocations used are considered reasonable, other methods could be used that would produce a different amount.

**Income Taxes** – The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is exempt from similar state and local taxes. Although the Organization was granted an income tax exemption by the Internal Revenue Service, such exemption does not apply to “unrelated business taxable income”. The Organization is not a private foundation.

The Organization analyzes its income tax filing positions in the federal and state jurisdictions where it is required to file income tax returns, for all open tax years in these jurisdictions, to identify any potential uncertain tax positions. The Organization treats interest and penalties attributed to income taxes, and reflects any changes for such, to the extent that they arise, as a component of its management and general expense.

The Organization concluded that there are no significant uncertain tax positions requiring recognition in the consolidated financial statements. The Organization does not expect the total amount of unrecognized tax benefits (“UTB”) (e.g. tax deductions, exclusions, or credits claimed or expected to be claimed) to significantly change in the next twelve months. The Organization does not have any amounts accrued for interest and penalties related to UTBs at December 31, 2023, and it is not aware of any claims for such amounts by federal or state income tax authorities.

For Life Managements, L3C (“Subsidiary”), deferred income taxes are recognized for the tax consequences of temporary differences between the financial reporting basis and the federal income tax basis of their assets and liabilities. The accrual basis of accounting is used for financial reporting and the cash basis is used for income tax reporting. Deferred income taxes arise from temporary basis differences as a result of timing of recognition of revenue and expenses related to the accrual to cash adjustment and charitable contributions. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities. Income tax expense and deferred taxes were not significant in 2023.

The Organization and its Subsidiary concluded that there are no significant uncertain tax positions requiring recognition in the consolidated financial statements. The Organization does not expect the total amount of unrecognized tax benefits (“UTB”) (e.g. tax deductions, exclusions, or credits claimed or expected to be claimed) to significantly change in the next twelve months. The Organization does not have any amounts accrued for interest and penalties related to UTBs at December 31, 2023, and it is not aware of any claims for such amounts by federal or state income tax authorities.

**Use of Estimates** – The preparation of consolidated 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 and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reported periods. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Adoption of New Accounting Principles** - In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were pledges receivable. The Organization adopted this standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements as pledges receivable are substantially due in one year or less and therefore, the requirements for enhanced disclosures are not applicable.

**Subsequent Events**- In preparing the accompanying consolidated financial statements, the Organization has evaluated for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to December 31, 2023, the most recent balance sheet presented herein, through September 30, 2024, the date the accompanying consolidated financial statements were available to be issued.

**NOTE 3 - PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31, 2023:

	<u>2023</u>	<u>Depreciable Life - Years</u>
Land	\$ 57,750	None
Building	327,250	39
Building improvements	456,304	7-20
Furniture, fixtures and equipment	74,124	5-7
Vehicles	<u>183,261</u>	5
	1,098,689	
Accumulated depreciation	<u>762,183</u>	
	<u><u>\$ 336,506</u></u>	

**NOTE 4 - IN-KIND CONTRIBUTIONS**

During 2023, the Organization received in-kind contributions as follows:

<b>Program Services</b>	<b>In-Kind Contributions</b>	
Health and safety program	Medicine and medical supplies	\$ 6,297,824
Educational program	Educational materials	2,532,581
Food basket program	Food	1,226,989
Community development program	Furniture and equipment	4,019,943
Emergency disaster relief program	Emergency disaster	<u>2,624,183</u>
		<u><u>\$ 16,701,520</u></u>

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

NOTE 5 - CONTRIBUTIONS

The breakdown of category of contributions for the year ended December 31, 2023, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Health and safety program	\$ -	\$ 38,973	\$ 38,973
Educational program	-	1,840,565	1,840,565
Emergency disaster relief program	-	4,465,401	4,465,401
Orphans program	-	6,059,898	6,059,898
Food basket programs	-	1,208,161	1,208,161
Clean water project programs	-	591,851	591,851
Community development programs	-	40,411	40,411
Family assistance program	-	97,025	97,025
Contributions without donor restrictions	<u>4,616,362</u>	<u>-</u>	<u>4,616,362</u>
	<u>\$ 4,616,362</u>	<u>\$ 14,342,285</u>	<u>\$ 18,958,647</u>

NOTE 6 - NET ASSETS - WITH DONOR RESTRICTIONS

Changes in net asset with donor restrictions by incurring expenses satisfying the restricted purpose is as follows for the year ended December 31, 2023:

	Beginning Balance	Additions	Releases From Restrictions	Ending Balance
Health and safety program	\$ -	\$ 6,336,797	\$ 6,336,797	\$ -
Educational program	376,177	4,373,146	4,749,323	-
Emergency disaster relief program	246,847	7,089,584	5,499,470	1,836,961
Orphans program	5,148,762	6,059,898	6,007,962	5,200,698
Food basket programs	-	2,435,150	2,435,150	-
Clean water project programs	424,148	591,851	511,171	504,828
Community development programs	-	4,060,354	4,060,354	-
Family assistance program	-	97,025	97,025	-
	<u>\$ 6,195,934</u>	<u>\$ 31,043,805</u>	<u>\$ 29,697,252</u>	<u>\$ 7,542,487</u>

NOTES TO FINANCIAL STATEMENTS  
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**NOTE 7 - LIQUIDITY AND AVAILABILITY**

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

<b>Financial assets</b>	
Cash and cash equivalents	\$ 7,755,336
Pledges receivable, net of allowance	<u>108,645</u>
Total financial assets held by the Organization	7,863,981
<b>Less amounts with limits on usage</b>	
Spendable net assets with donor purpose restrictions	<u>7,542,487</u>
<b>Total financial assets available for general use within one year</b>	<u><u>\$ 321,494</u></u>

**NOTE 8 - DESCRIPTION OF LEASING ARRANGEMENTS**

The Organization is headquartered in Southfield Michigan. To support the Organization with storage needs for donated goods, the Organization leases space from a public warehouse in Southfield Michigan. The rental payment for the warehouse is based on space utilized.

The Organization also leases office spaces in other states in the contiguous United States under one-year operating lease terms, most of which now being on a month-to-month basis. The monthly lease payments on these leases range from approximately \$330 to \$700 per month. Rent expense, which includes lease payments on the office spaces in the United States was \$47,963 for the year ended December 31, 2023.

In addition, the Organization leases office space in Dubai, United Arab Emirates for its international fundraising activities. Annual rent for this office is approximately \$6,240 and is included in program services.

**NOTE 9 - COMMITMENTS AND CONTINGENCIES**

In the ordinary course of business, claims and legal action, including those involving ordinary routine litigation incidental to its business are pending, or have been asserted, against the Organization. These claims involve vendors who alleged that the Organization improperly terminated their contracts or agreements. It is not presently possible to determine with certainty what corrective action, if any, will be required or what portion of any claims will be attributable to the Organization, or whether all or any portion of such costs will be recoverable from others. An unfavorable outcome in a lawsuit or other litigation could adversely affect the results of the Organization's operations, financial condition, cash flows and liquidity. Even when the Organization prevails or the basis of such litigations are groundless, considerable time and resources may be needed to respond, and such lawsuits or other litigation could adversely affect the results of the Organization's operations, financial condition, and cash flows.