

LIFE FOR RELIEF AND
DEVELOPMENT, INC.
AND SUBSIDIARY

AUDITED FINANCIAL STATEMENTS

Year Ended December 31, 2019



LIFE FOR RELIEF AND DEVELOPMENT, INC. AND SUBSIDIARY

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Independent Auditor's Report

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

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, 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Life for Relief and Development, Inc. & Subsidiary as of December 31, 2019, 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.

Schlaupitz Madhavan, P.C.

May 11, 2021

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

ASSETS

Current assets	
Cash and cash equivalents	\$ 5,959,793
Pledges receivable, net of allowance	162,820
Prepaid expenses and other	255,413
Inventories (in-kind contributions)	<u>14,400</u>
Total current assets	<u>6,392,426</u>
Property and equipment	
Land	57,750
Building	327,250
Building improvements	456,304
Furniture, fixtures and equipment	62,184
Vehicles	<u>40,855</u>
Total cost	944,343
Less, accumulated depreciation	<u>682,924</u>
Total property and equipment	<u>261,419</u>
Total assets	<u><u>\$ 6,653,845</u></u>

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable	\$ 137,256
Accrued expenses	<u>38,068</u>
Total current liabilities	<u>175,324</u>
Net assets	
Without donor restrictions	2,897,087
With donor restrictions	<u>3,581,434</u>
Total net assets	<u>6,478,521</u>
Total liabilities and net assets	<u><u>\$ 6,653,845</u></u>

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue			
Contributions	\$ 2,267,237	\$ 5,204,559	\$ 7,471,796
In-kind contributions:			
Medicine and medical supplies	-	6,429,231	6,429,231
Educational materials	-	4,177,898	4,177,898
Food	-	1,241,049	1,241,049
Furniture and equipment	-	1,962,371	1,962,371
Clothing	-	11,300	11,300
Interest income	<u>9,048</u>	<u>-</u>	<u>9,048</u>
Total support and revenue before releases	2,276,285	19,026,408	21,302,693
Net assets released from restrictions	<u>18,608,854</u>	<u>(18,608,854)</u>	<u>-</u>
Total support and revenue	20,885,139	417,554	21,302,693
Expenses			
Program services	20,491,649	-	20,491,649
Management and general	1,008,647	-	1,008,647
Fundraising	<u>1,277,957</u>	<u>-</u>	<u>1,277,957</u>
Total expenses	<u>22,778,253</u>	<u>-</u>	<u>22,778,253</u>
Changes in net assets before other income	(1,893,114)	417,554	(1,475,560)
Other income:			
Other miscellaneous income	<u>12,792</u>	<u>-</u>	<u>12,792</u>
Change in net assets	(1,880,322)	417,554	(1,462,768)
Net assets, beginning of year	<u>4,777,409</u>	<u>3,163,880</u>	<u>7,941,289</u>
Net assets, end of year	<u>\$ 2,897,087</u>	<u>\$ 3,581,434</u>	<u>\$ 6,478,521</u>

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

	Program Services					Clean Water Project Program
	Health and Safety Program	Educational Program	Emergency Disaster Relief Program	Orphans Program	Food Basket Programs	
Payroll Expenses:						
Compensation	\$ 60,451	\$ 60,039	\$ 7,147	\$ 331,114	\$ 69,392	\$ 7,676
Employment taxes and benefits	<u>24,661</u>	<u>24,495</u>	<u>2,916</u>	<u>135,088</u>	<u>28,311</u>	<u>3,131</u>
Total payroll expenses	<u>85,112</u>	<u>84,534</u>	<u>10,063</u>	<u>466,202</u>	<u>97,703</u>	<u>10,807</u>
Other Expenses:						
In Kind Donations:						
Medicine and medical supplies	6,414,831	-	-	-	-	-
Educational materials	-	4,941,309	-	-	-	-
Food	-	-	-	-	1,241,049	-
Furniture and equipment	-	-	-	-	-	-
Clothing	-	-	-	-	-	-
Program Expenses:						
Health and safety program expense	2,500	-	-	-	-	-
Medicine & supply expense	4,000	-	-	-	-	-
Education program expense	-	624,481	-	-	-	-
Emergency disaster program expense	-	-	58,000	-	-	-
Orphans sponsorship	-	-	-	2,018,061	-	-
Family assistance	-	-	-	-	-	-
Food baskets (Ramadan)	-	-	-	-	479,510	-
Meat (Udhiyah)	-	-	-	-	354,390	-
Meat and other distribution	-	-	-	-	720	-
Water and sanitation program expense	-	-	-	-	-	206,525
Community development	-	-	-	-	-	-
Credit card processing and bank fees	13,902	13,808	1,644	76,152	15,959	1,765
Freight	55,018	54,648	6,505	301,383	63,162	6,986
Field office expenses	11,301	11,225	1,336	61,906	12,974	1,435
Software fees	3,676	3,651	435	20,138	4,220	467
Expenses Including Management and General						
Insurance	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-
Rent	1,188	1,180	141	6,510	1,364	151
Repairs and maintenance	-	-	-	-	-	-
Telephone and internet	1,348	1,339	159	7,387	1,548	171
Utilities	-	-	-	-	-	-
Office expense and license fees	-	-	-	-	-	-
Payroll processing fees	310	308	37	1,699	356	39
Media and communications	10,856	10,783	1,284	59,465	12,462	1,378
Bad debt expense	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Postage and delivery fees	9,690	9,625	1,146	53,081	11,124	1,230
Travel	8,936	8,876	1,057	48,953	10,259	1,135
Fundraising Expenses:						
Media and communications	-	-	-	-	-	-
Postage and delivery fees	-	-	-	-	-	-
Travel	-	-	-	-	-	-
Fundraising event expenses	-	-	-	-	-	-
Marketing material	-	-	-	-	-	-
Total functional expenses	<u>\$ 6,622,668</u>	<u>\$ 5,765,767</u>	<u>\$ 81,807</u>	<u>\$ 3,120,937</u>	<u>\$ 2,306,800</u>	<u>\$ 232,089</u>

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

STATEMENT OF FUNCTIONAL EXPENSES (Continued)
YEAR ENDED DECEMBER 31, 2019

Community Development Programs	Family Assistance Programs	Total Program Services	Supporting Services		Total Functional Expenses
			Management and General	Fundraising	
\$ 57,008	\$ 4,585	\$ 597,412	\$ 199,136	\$ 199,136	\$ 995,684
<u>23,258</u>	<u>1,871</u>	<u>243,731</u>	<u>81,243</u>	<u>81,243</u>	<u>406,217</u>
<u>80,266</u>	<u>6,456</u>	<u>841,143</u>	<u>280,379</u>	<u>280,379</u>	<u>1,401,901</u>
-	-	6,414,831	-	-	6,414,831
-	-	4,941,309	-	-	4,941,309
-	-	1,241,049	-	-	1,241,049
1,962,371	-	1,962,371	-	-	1,962,371
-	11,300	11,300	-	-	11,300
-	-	2,500	-	-	2,500
-	-	4,000	-	-	4,000
-	-	624,481	-	-	624,481
-	-	58,000	-	-	58,000
-	-	2,018,061	-	-	2,018,061
-	118,332	118,332	-	-	118,332
-	-	479,510	-	-	479,510
-	-	354,390	-	-	354,390
-	-	720	-	-	720
-	-	206,525	-	-	206,525
64,424	-	64,424	-	-	64,424
13,111	1,055	137,396	-	-	137,396
51,889	4,173	543,764	-	-	543,764
10,658	857	111,692	-	-	111,692
3,467	279	36,333	-	-	36,333
-	-	-	17,080	-	17,080
-	-	-	491,952	-	491,952
1,121	90	11,745	5,034	-	16,779
-	-	-	19,264	-	19,264
1,272	102	13,326	5,712	-	19,038
-	-	-	16,336	-	16,336
-	-	-	66,798	-	66,798
293	24	3,066	1,314	-	4,380
10,238	823	107,289	-	-	107,289
-	-	-	70,215	-	70,215
-	-	-	22,836	-	22,836
9,139	735	95,770	11,727	-	107,497
8,428	678	88,322	-	-	88,322
-	-	-	-	45,981	45,981
-	-	-	-	41,044	41,044
-	-	-	-	37,852	37,852
-	-	-	-	595,546	595,546
-	-	-	-	277,155	277,155
<u>\$ 2,216,677</u>	<u>\$ 144,904</u>	<u>\$ 20,491,649</u>	<u>\$ 1,008,647</u>	<u>\$ 1,277,957</u>	<u>\$ 22,778,253</u>

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

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2019

Cash flows from operating activities:	
Change in net assets	\$ (1,462,768)
Adjustments to reconcile changes in net assets to net cash used in operating activities	
Depreciation	22,836
Bad debt expense	70,215
Change in donated inventories	749,011
Changes in operating assets and liabilities	
(Increase) decrease in	
Pledges receivables	(150,701)
Prepaid expenses	(202,520)
Increase (decrease) in	
Accounts payable	68,422
Accrued expenses	<u>(43,879)</u>
Net cash used in operating activities	(949,384)
Cash flows from investing activities:	
Purchase of property and equipment	(18,000)
Cash and cash equivalents at beginning of year	<u>6,927,177</u>
Cash and cash equivalents at end of year	<u><u>\$ 5,959,793</u></u>

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**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.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**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 fulfil 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.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**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 doubtful accounts was \$135,000 at December 31, 2019.

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.

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 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 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, portion of office rent and utilities and certain other costs other than the direct cost for program services.

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**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 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 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, 2018, 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 2019.

The Organization and its Subsidiary concluded that there are no significant uncertain tax positions requiring recognition in the 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, 2019, and it is not aware of any claims for such amounts by federal or state income tax authorities.

Use of Estimates – The preparation of 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 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
YEAR ENDED DECEMBER 31, 2019

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2019:

	<u>2019</u>	<u>Depreciable Life - Years</u>
Land	\$ 57,750	None
Building	327,250	39
Building improvements	456,304	7-20
Furniture, fixtures and equipment	62,184	5-7
Vehicles	40,855	5
	<u>944,343</u>	
Accumulated depreciation	682,924	
	<u>\$ 261,419</u>	

Depreciation expense for the years ended December 31, 2019 was \$22,836.

NOTE 4 - DESCRIPTION OF LEASING ARRANGEMENT

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. The monthly lease payments on these leases range from \$350 to \$803 per month. Rent expense, which includes lease payments on the office spaces in the United States was \$15,978 for the year ended December 31, 2019.

In addition, the Organization leases office space in Dubai, United Arab Emirates for its international fundraising activities. Annual rent for this office is approximately \$4,000 and is included in program services.

NOTE 5 - 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, 2019:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Releases From Restrictions</u>	<u>Ending Balance</u>
Health and safety program	\$ -	\$ 6,491,434	\$ 6,491,434	\$ -
Educational program	375,225	4,195,311	4,570,536	-
Emergency disaster relief program	424,502	227,624	76,734	575,392
Orphans program	2,064,405	3,505,657	2,885,957	2,684,105
Food basket programs	-	2,210,028	2,210,028	-
Clean water project program	16,539	244,455	226,644	34,350
Community development programs	-	2,005,871	2,005,871	-
Family assistance programs	283,209	146,028	141,650	287,587
	<u>\$ 3,163,880</u>	<u>\$19,026,408</u>	<u>\$18,608,854</u>	<u>\$ 3,581,434</u>

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

NOTE 6 - CONTRIBUTIONS

The breakdown of category of contributions for the year ended December 31, 2019, are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Health and safety program	\$ -	\$ 76,603	\$ 76,603
Educational program	-	-	-
Emergency disaster relief program	-	227,624	227,624
Orphans program	-	3,505,657	3,505,657
Food basket programs	-	971,992	971,992
Clean water project program	-	244,455	244,455
Community development programs	-	43,500	43,500
Family assistance programs	-	134,728	134,728
Contributions without donor restrictions	<u>2,267,237</u>	<u>-</u>	<u>2,267,237</u>
	<u>\$ 2,267,237</u>	<u>\$ 5,204,559</u>	<u>\$ 7,471,796</u>

NOTE 7 - IN-KIND CONTRIBUTIONS

During 2019, the Organization received in-kind contributions totaling \$14,570,860 as follows:

Program Services	In-Kind Contributions	
Health and safety program	Medicine & medical supplies	\$ 6,414,831
Educational program	Educational materials	4,941,309
Food basket programs	Food	1,241,049
Community development program	Furniture and equipment	1,962,371
Family assistance programs	Clothing	<u>11,300</u>
		<u>\$ 14,570,860</u>

NOTE 8 - LIQUIDITY AND AVAILABILITY

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:

Financial assets	
Cash and cash equivalents	\$ 5,959,793
Pledges receivable, net of allowance	<u>162,820</u>
Total financial assets held by the Organization	6,122,613
Less amounts with limits on usage	
Spendable net assets with donor purpose restrictions	<u>3,581,434</u>
Total financial assets available for general use within one year	<u><u>\$ 2,541,179</u></u>

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**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.

NOTE 10 – SUBSEQUENT EVENTS

In preparing the accompanying financial statements, the Company has evaluated for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to December 31, 2019, the most recent balance sheet presented herein, through May 11, 2021, the date the accompanying financial statements were available to be issued.

On March 11, 2020, the World Health Organization characterized COVID-19 as a global pandemic instilling fear and anxiety in many people. The COVID-19 pandemic had spread faster than foreseen, and can affect anyone of us, and the impact is unprecedented.

The world economy and peoples' lifestyles may have been extremely disrupted. While several have been directly affected by COVID-19, there has been no immediate financial impact to the Organization operations due the nature of the services provided. While the Organization's ability to obtain contributions from certain sources may decrease if disposable income from its existing donors decrease, in times such as this, the Organization expects to receive support from other individuals and businesses as well that have the ability to provide financial or other in-kind support to the Organization. The financial or in-kind support may be directly for COVID-19 efforts or other humanitarian programs supported by the Organization.