

LIFE FOR RELIEF AND
DEVELOPMENT, INC.
AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

*Year Ended
December 31, 2021*



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

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, 2021, 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. In our opinion, the 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, 2021, 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 financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 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.

Schloupitz Madhavan, P.C.

Troy, Michigan

November 4, 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021**ASSETS**

Current assets	
Cash and cash equivalents	\$ 7,220,126
Pledges receivable, net of allowance	72,565
Prepaid expenses and other	439,912
Inventories (in-kind contributions)	<u>14,400</u>
Total current assets	<u>7,747,003</u>
Property and equipment	
Land	57,750
Building	327,250
Building improvements	456,304
Furniture, fixtures and equipment	67,424
Vehicles	<u>40,855</u>
Total cost	949,583
Less, accumulated depreciation	<u>722,399</u>
Total property and equipment	<u>227,184</u>
Total assets	<u><u>\$ 7,974,187</u></u>

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable	\$ 850,101
Accrued expenses	<u>36,817</u>
Total current liabilities	<u>886,918</u>
Net assets	
Without donor restrictions	2,264,868
With donor restrictions	<u>4,822,401</u>
Total net assets	<u>7,087,269</u>
Total liabilities and net assets	<u><u>\$ 7,974,187</u></u>

CONSOLIDATED STATEMENT OF ACTIVITIES
DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue			
Contributions	\$ 3,763,515	\$ 8,309,591	\$ 12,073,106
In-kind contributions:			
Educational materials	-	645,036	645,036
Medicine and medical supplies	-	9,933,876	9,933,876
Family assistance	-	257,100	257,100
Furniture and equipment	-	5,444,769	5,444,769
Other income	10,523	-	10,523
Interest income	<u>1,675</u>	<u>-</u>	<u>1,675</u>
Total support and revenue before releases	3,775,713	24,590,372	28,366,085
Net assets released from restrictions	<u>23,374,860</u>	<u>(23,374,860)</u>	<u>-</u>
Total support and revenue	27,150,573	1,215,512	28,366,085
Expenses			
Program services	24,304,648	-	24,304,648
Management and general	1,681,422	-	1,681,422
Fundraising	<u>1,325,464</u>	<u>-</u>	<u>1,325,464</u>
Total expenses	<u>27,311,534</u>	<u>-</u>	<u>27,311,534</u>
Change in net assets	(160,961)	1,215,512	1,054,551
Net assets, beginning of year	<u>2,425,829</u>	<u>3,606,889</u>	<u>6,032,718</u>
Net assets, end of year	<u>\$ 2,264,868</u>	<u>\$ 4,822,401</u>	<u>\$ 7,087,269</u>

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
DECEMBER 31, 2021

	Program Services					
	Health and Safety Program	Educational Program	Emergency Disaster Relief Program	Orphans Program	Food Basket Programs	Clean Water Project Program
Payroll Expenses:						
Compensation	\$ 12,955	\$ 9,761	\$ 202,453	\$ 530,074	\$ 11,347	\$ 27,100
Employment taxes and benefits	3,196	2,409	49,954	130,791	2,800	6,687
Total payroll expenses	<u>16,151</u>	<u>12,170</u>	<u>252,407</u>	<u>660,865</u>	<u>14,147</u>	<u>33,787</u>
Other Expenses:						
In Kind Donations:						
Medicine and medical supplies	9,933,876	-	-	-	-	-
Educational materials	-	679,037	-	-	-	-
Food	-	-	-	-	18,575	-
Furniture and equipment	-	-	-	-	-	-
Program Expenses:						
Health and safety program expense	343,962	-	-	-	-	-
Education program expense	-	208,389	-	-	-	-
Emergency disaster program expense	-	-	168,500	-	-	-
Orphans sponsorship	-	-	-	2,726,420	-	-
Family assistance	-	-	-	-	-	-
Food baskets	-	-	-	-	398,754	-
Food baskets (Ramadan)	-	-	-	-	596,082	-
Meat (Udhiyah)	-	-	-	-	346,500	-
Meat and other distribution	-	-	-	-	19,345	-
Water and sanitation program expense	-	-	-	-	-	371,898
Community development	-	-	-	-	-	-
Credit card processing and bank fees	2,808	2,116	43,887	114,909	2,460	5,875
Freight	4,465	3,364	69,779	182,701	3,911	9,341
Printing	1,786	1,346	135,306	73,084	131,327	3,736
Field office expenses	5,282	3,980	82,538	216,106	4,626	11,048
Software fees	1,150	866	17,965	47,038	1,007	2,405
Expenses Including Management and General						
Insurance	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-
Rent	296	223	4,631	12,126	260	620
Repairs and maintenance	-	-	-	-	-	-
Telephone and internet	185	139	2,885	7,553	162	386
Utilities	-	-	-	-	-	-
Office expense and license fees	-	-	-	-	-	-
Media and communications	-	-	-	-	-	-
Bad debt expense (recovery)	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Postage and delivery fees	-	-	-	-	-	-
Travel	14	11	221	578	12	30
Fundraising Expenses:						
Fundraising event expenses	-	-	-	-	-	-
Marketing material	-	-	-	-	-	-
Total functional expenses	<u>\$10,309,975</u>	<u>\$ 911,641</u>	<u>\$ 778,119</u>	<u>\$ 4,041,380</u>	<u>\$ 1,537,168</u>	<u>\$ 439,126</u>

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

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (Continued)
DECEMBER 31, 2021

	Supporting Services			Management and General	Fundraising	Total Functional Expenses
	Community Development Programs	Family Assistance Programs	Total Program Services			
Payroll Expenses:						
Compensation	\$ 19,931	\$ 12,836	\$ 826,457	\$ 446,287	\$ 380,170	\$ 1,652,914
Employment taxes and benefits	4,918	3,167	203,922	110,118	93,804	407,844
Total payroll expenses	<u>24,849</u>	<u>16,003</u>	<u>1,030,379</u>	<u>556,405</u>	<u>473,974</u>	<u>2,060,758</u>
Other Expenses:						
In Kind Donations:						
Medicine and medical supplies	-	-	9,933,876	-	-	9,933,876
Educational materials	-	-	679,037	-	-	679,037
Food	-	-	18,575	-	-	18,575
Furniture and equipment	5,444,769	261,756	5,706,525	-	-	5,706,525
Program Expenses:						
Health and safety program expense	-	-	343,962	-	-	343,962
Education program expense	-	-	208,389	-	-	208,389
Emergency disaster program expense	-	-	168,500	-	-	168,500
Orphans sponsorship	-	-	2,726,420	-	-	2,726,420
Family assistance	-	232,353	232,353	-	-	232,353
Food baskets	-	-	398,754	-	-	398,754
Food baskets (Ramadan)	-	-	596,082	-	-	596,082
Meat (Udhiyah)	-	-	346,500	-	-	346,500
Meat and other distribution	-	-	19,345	-	-	19,345
Water and sanitation program expense	-	-	371,898	-	-	371,898
Community development	267,073	-	267,073	-	-	267,073
Credit card processing and bank fees	4,321	2,783	179,159	-	-	179,159
Freight	6,870	4,424	284,855	-	-	284,855
Printing	2,748	1,770	351,103	140,740	373,382	865,225
Field office expenses	8,126	5,233	336,939	-	-	336,939
Software fees	1,769	1,139	73,339	-	-	73,339
Expenses Including Management and General						
Insurance	-	-	-	31,577	-	31,577
Professional fees	-	-	-	665,060	-	665,060
Rent	456	294	18,906	-	18,906	37,812
Repairs and maintenance	-	-	-	61,488	-	61,488
Telephone and internet	284	183	11,777	11,776	-	23,553
Utilities	-	-	-	14,872	-	14,872
Office expense and license fees	-	-	-	103,691	-	103,691
Media and communications	-	-	-	56,100	40,521	96,621
Bad debt expense (recovery)	-	-	-	(5,799)	-	(5,799)
Depreciation	-	-	-	18,648	-	18,648
Postage and delivery fees	-	-	-	22,332	2,638	24,970
Travel	22	14	902	4,532	18,060	23,494
Fundraising Expenses:						
Fundraising event expenses	-	-	-	-	295,365	295,365
Marketing material	-	-	-	-	102,618	102,618
Total functional expenses	<u>\$ 5,761,287</u>	<u>\$ 525,952</u>	<u>\$ 24,304,648</u>	<u>\$ 1,681,422</u>	<u>\$ 1,325,464</u>	<u>\$ 27,311,534</u>

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

CONSOLIDATED STATEMENT OF CASH FLOWS
DECEMBER 31, 2021

Cash flows from operating activities:	
Change in net assets	\$ 1,054,551
Adjustments to reconcile changes in net assets to net cash used in operating activities	
Depreciation	18,648
Bad debt expense	(5,799)
Changes in operating assets and liabilities	
(Increase) decrease in	
Pledges receivables	41,362
Prepaid expenses	57,813
Increase (decrease) in	
Accounts payable	651,898
Accrued expenses	<u>15,113</u>
Net cash provided by operating activities	1,833,586
Cash flows from investing activities:	
Purchase of property and equipment	(1,612)
Cash and cash equivalents at beginning of year	<u>5,388,152</u>
Cash and cash equivalents at end of year	<u><u>\$ 7,220,126</u></u>

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**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
DECEMBER 31, 2021**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
DECEMBER 31, 2021**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 approximately \$22,635 at December 31, 2021.

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, 2021 was \$18,648.

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**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, 2021, 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 2021.

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, 2021, 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, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events- In preparing the accompanying consolidated financial statements, the Company has evaluated for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to December 31, 2021, the most recent balance sheet presented herein, through November 4, 2022, 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, 2021:

	<u>2021</u>	<u>Depreciable Life - Years</u>
Land	\$ 57,750	None
Building	327,250	39
Building improvements	456,304	7-20
Furniture, fixtures and equipment	67,424	5-7
Vehicles	40,855	5
	<u>949,583</u>	
Accumulated depreciation	<u>722,399</u>	
	<u><u>\$ 227,184</u></u>	

NOTE 4 - 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, 2021:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Releases From Restrictions</u>	<u>Ending Balance</u>
Health and safety program	\$ -	\$ 9,975,700	\$ 9,975,700	\$ -
Educational program	-	782,249	782,249	-
Emergency disaster relief program	443,714	1,105,699	778,120	771,293
Orphans program	2,621,434	4,706,146	4,041,380	3,286,200
Food basket programs	-	1,321,240	1,321,240	-
Clean water project program	283,030	806,328	439,125	650,233
Community development programs	-	5,511,096	5,511,096	-
Family assistance programs	258,711	381,914	525,950	114,675
	<u>\$ 3,606,889</u>	<u>\$ 24,590,372</u>	<u>\$ 23,374,860</u>	<u>\$ 4,822,401</u>

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 - CONTRIBUTIONS

The breakdown of category of contributions for the year ended December 31, 2021, are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Health and safety program	\$ -	\$ 41,824	\$ 41,824
Educational program	-	137,213	137,213
Emergency disaster relief program	-	1,105,699	1,105,699
Orphans program	-	4,706,146	4,706,146
Food basket programs	-	1,321,240	1,321,240
Clean water project program	-	806,328	806,328
Community development programs	-	66,327	66,327
Family assistance programs	-	124,814	124,814
Contributions without donor restrictions	<u>3,763,515</u>	<u>-</u>	<u>3,763,515</u>
	<u>\$ 3,763,515</u>	<u>\$ 8,309,591</u>	<u>\$ 12,073,106</u>

NOTE 6 - IN-KIND CONTRIBUTIONS

During 2021, the Organization received in-kind contributions totaling \$16,280,781 as follows:

Program Services	In-Kind Contributions	
Health and safety program	Medicine & medical supplies	\$ 9,933,876
Community development program	Furniture and equipment	5,444,769
Educational program	Educational materials	645,036
Family assistance program	Family assistance	257,100
		<u>\$ 16,280,781</u>

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:

Financial assets	
Cash and cash equivalents	\$ 7,220,127
Pledges receivable, net of allowance	<u>72,565</u>
Total financial assets held by the Organization	7,292,692
Less amounts with limits on usage	
Spendable net assets with donor purpose restrictions	<u>4,822,401</u>
Total financial assets available for general use within one year	<u><u>\$ 2,470,291</u></u>

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**NOTE 8 - 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 approximately \$350 to \$803 per month. Rent expense, which includes lease payments on the office spaces in the United States was \$37,892 for the year ended December 31, 2021.

In addition, the Organization leases office space in Dubai, United Arab Emirates for its international fundraising activities. Annual rent for this office is approximately \$4,400 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.