

**MOMS AGAINST POVERTY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2021**

MOMS AGAINST POVERTY
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Independent Auditors' Report

To the Board of Directors of
MOMS AGAINST POVERTY

Opinion

We have audited the accompanying financial statements of Moms Against Poverty (the "Organization"), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

TO THE BOARD OF DIRECTORS OF
MOMS AGAINST POVERTY

Auditors' 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 auditors' 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 the Organization'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 the Organization'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.



Redwood City, California
February 16, 2023

MOMS AGAINST POVERTY
Statement of Financial Position
December 31, 2021

ASSETS

Cash and cash equivalents	\$ 1,368,169
Receivables	207,024
Inventory	15,152
Prepaid expenses	9,802
Property and equipment, net	11,790
	<hr/>
Total assets	<u>\$ 1,611,937</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable and accrued expenses	\$ 107,355
	<hr/>
Total liabilities	107,355
	<hr/>
Commitments and contingencies (Notes 7, 9, and 10)	
Net Assets:	
Without donor restrictions	676,732
With donor restrictions	827,850
	<hr/>
Total net assets	1,504,582
	<hr/>
Total liabilities and net assets	<u>\$ 1,611,937</u>

See Notes to Financial Statements

MOMS AGAINST POVERTY
Statement of Activities
For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions	\$ 2,067,100	\$ 1,739,494	\$ 3,806,594
Special events:			
Special event revenue	718,601	-	718,601
Less: Special events expense	(249,503)	-	(249,503)
Net revenue from special events	469,098	-	469,098
Forgiveness of payroll protection program loans	69,790	-	69,790
Other income	27,677	-	27,677
Net assets released from restrictions	1,309,938	(1,309,938)	-
Total support and revenues	<u>3,943,603</u>	<u>429,556</u>	<u>4,373,159</u>
EXPENSES			
Program services	3,056,547	-	3,056,547
Management and general	382,111	-	382,111
Fundraising	34,599	-	34,599
Total expenses	<u>3,473,257</u>	<u>-</u>	<u>3,473,257</u>
CHANGE IN NET ASSETS	470,346	429,556	899,902
NET ASSETS, BEGINNING OF YEAR	<u>206,386</u>	<u>398,294</u>	<u>604,680</u>
NET ASSETS, END OF YEAR	<u><u>\$ 676,732</u></u>	<u><u>\$ 827,850</u></u>	<u><u>\$ 1,504,582</u></u>

See Notes to Financial Statements

MOMS AGAINST POVERTY
Statement of Functional Expenses
For the Year Ended December 31, 2021

	Program						Total Program	General and Administrative	Fundraising	Total Expenses
	Basic	Disaster		Food/	COVID -					
	Provisions	Relief	Education	Hunger Relief	Health Care	Orphan Care				
Grants and other assistance	\$ 377,454	\$ 181,748	\$ 939,888	\$ 487,928	\$ 315,047	\$ 526,931	\$ 2,828,996	\$ 99	\$ -	\$ 2,829,095
Salaries and payroll taxes	16,725	9,861	51,067	25,913	17,093	28,848	149,507	113,862	33,563	296,932
Outside services	-	-	-	2,732	-	-	2,732	3,930	151,567	158,229
Professional fees	12,933	-	1,350	47,727	-	4,780	66,790	127,890	1,775	196,455
Travel	3,789	-	-	1,229	-	-	5,018	5,023	4,383	14,424
Supplies	-	-	-	1,896	-	-	1,896	23,667	23,930	49,493
Utilities and maintenance	-	-	-	-	-	-	-	3,715	25	3,740
Printing, copying, and publishing	566	-	-	642	-	-	1,208	12,524	6,027	19,759
Rent	-	-	-	-	-	-	-	27,280	43,358	70,638
Insurance	-	-	-	-	-	-	-	9,173	-	9,173
Advertising	-	-	-	360	-	-	360	16,157	10,660	27,177
Dues and memberships	-	-	-	-	-	-	-	967	-	967
Fees, fines, and service charges	40	-	-	-	-	-	40	25,946	299	26,285
Depreciation	-	-	-	-	-	-	-	7,192	-	7,192
Income taxes	-	-	-	-	-	-	-	870	325	1,195
In-kind donations	-	-	-	-	-	-	-	-	8,190	8,190
Other	-	-	-	-	-	-	-	3,816	-	3,816
Total expenses by function	\$ 411,507	\$ 191,609	\$ 992,305	\$ 568,427	\$ 332,140	\$ 560,559	\$ 3,056,547	\$ 382,111	\$ 284,102	\$ 3,722,760
Less expenses included in revenues on the statement of activities for special event expenses	-	-	-	-	-	-	-	-	(249,503)	(249,503)
Total	\$ 411,507	\$ 191,609	\$ 992,305	\$ 568,427	\$ 332,140	\$ 560,559	\$ 3,056,547	\$ 382,111	\$ 34,599	\$ 3,473,257

See Notes to Financial Statements

MOMS AGAINST POVERTY
Statement of Cash Flows
For the Year Ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 899,902
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	7,192
Forgiveness of payroll protection program loans	(69,790)
Changes in operating assets and liabilities:	
Increase in receivables	(100,808)
Decrease in inventory	1,230
Decrease in prepaid expenses	8,898
Increase in accounts payable and accrued liabilities	49,502
	<u>796,126</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property, plant, and equipment	<u>(6,136)</u>
	<u>(6,136)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on loan payable	(150,000)
Proceeds from payroll protection program loans	69,790
	<u>(80,210)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	709,780
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>658,389</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,368,169</u>

See Notes to Financial Statements

MOMS AGAINST POVERTY

Notes to Financial Statements

1. ORGANIZATION

Moms Against Poverty (the “Organization”) is a California nonprofit organization which was established in 2006. Moms Against Poverty is a global non-profit organization with the mission to nurture and educate impoverished children to their fullest potential, so that one day they can contribute and lead within their own communities and break the cycle of poverty. The organization’s work is holistically minded, advancing communities one program at a time toward well-being and self- sufficiency. First, the organization addresses children’s basic needs, such as food, shelter, and healthcare. Then, using education and vocational programs, it provides them with the tools and environment they need to thrive and become successful members of their community and the world at large. The organization’s programs include education, hunger relief and basic provisions, health and wellness, and orphan care. The Organization’s programs are supported primarily through contributions and grants from individuals, corporations, and other nonprofit organizations.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation:

The Organization’s financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Revenues are reported as increases in net assets without donor restrictions unless there are donor-imposed purposes and/or time restrictions on the gifted assets. Expenses are reported as decreases in net assets without donor restrictions. Gains or losses on other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Net assets and revenues, expenses, gains, and 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 (or certain grantor) restrictions.

Net Assets with Donor Restrictions - Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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.

MOMS AGAINST POVERTY

Notes to Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation: (continued)

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Use of Estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents :

Cash and cash equivalents consist primarily of cash on deposit and highly liquid financial instruments that are readily convertible into cash and purchased with original maturities of three months or less.

Property and Equipment:

All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repair and maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are stated at cost or, if donated, at the approximate fair market value at the time of date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the property and equipment of three to five years.

Inventories:

Inventories, consisting primarily of logo t-shirts, mugs, hats, and other merchandise, are valued at the lower of cost or market, determined by the first-in, first-out ("FIFO") method.

MOMS AGAINST POVERTY

Notes to Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes:

The Organization is exempt from income taxes under the provisions of Internal Revenue Code Section 501(c)(3) and under Section 23701(d) of the California Revenue and Taxation Code. The Organization has been determined by the Internal Revenue Service (IRS) not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code and is annually required to file annual federal and state informational returns. To the extent the Organization carries out investment or other activities that are subject to the unrelated business income tax, it is subject to federal and state income taxation. There were no such unrelated business activities for the year ended December 31, 2021.

The Organization evaluates tax positions taken and recognizes a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the applicable tax authority. The Organization has reviewed its tax positions for its open tax year and believes that it has appropriate support for the tax positions taken. Therefore, no liability has been recorded.

Revenue Recognition:

Contributions are recognized as revenue when cash, securities, or unconditional promises to give notifications have been received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Any funds received in advance of the conditions being met are accounted for as deferred revenue. Contributions received are recorded as with or without donor restrictions depending on the existence and/or nature of any donor-imposed restrictions. Non-cash donations are recorded at the fair value of the gift at the date of the donation.

Contributions are recorded at net realizable value if expected to be collected in one year and at fair value using present value techniques if expected to be collected in more than one year.

Special Events:

Contributions may be solicited by special events such as fund-raising dinners or by “sales” of items. These special events generate both revenue from the exchange transaction (the “sale” of goods or services) and support from the excess price charged, which represents a contribution. The gross revenues raised by special fundraising events are recorded as special event revenues, and the associated costs are recorded as special event expenses when the events occur.

MOMS AGAINST POVERTY

Notes to Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition: (continued)

Donated Services and In-Kind Contributions:

The fair value of donated services is to be recognized as contributions on the statement of activities if either the services create or enhance non-financial assets or require specialized skills performed by people with those skills and would otherwise be purchased by the Organization. Donated goods are recognized as contributions on the statement of activities at the fair market value of the goods at the time of the contribution. Once the goods are contributed to subrecipients or sold at special events auctions, a contribution is recorded and reported as such on the statement of functional expenses.

During the year ended December 31, 2021, the Organization value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. During the year ended December 31, 2021, the Organization received \$166,647 of in-kind contributions in the form of donated goods that is included in contributions on the statement of activities.

Grants:

Unconditional grants are recognized when approved by the Board of Directors. Grants payable represents all unconditional grants that have been authorized prior to year-end but remain unpaid as of the statement of financial position date. Grants scheduled for payment in more than one year are discounted to the expected value of future payments. The Organization did not have any unpaid grants as of December 31, 2021.

Conditional grants are expensed and considered payable in the period the conditions are substantially satisfied. As of December 31, 2021, the Organization had \$40,000 in outstanding conditional grants that has not been recognized as the conditions have not been met.

Functional Allocation of Expenses:

The costs of providing programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses that are direct costs of a single program are charged directly to a program. Certain type of expenses including payroll expenses, professional fees and contract services, and travel and meetings are allocated to multiple programs or supporting services based on estimates of time and effort determined by management.

MOMS AGAINST POVERTY

Notes to Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising:

The Organization uses advertising to promote its programs and special events among the audiences it serves. The costs are expensed as incurred. Total advertising expense for the year ended December 31, 2021 was \$27,177.

Recent Accounting Pronouncements:

In September 2020, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2020-07 – Not-for-Profit Entities (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The amendment in the ASU improves the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. The ASU should be applied on a retrospective basis. The ASU is effective for the Organization’s year ending December 31, 2022. The Organization does not anticipate that this ASU will have a material impact on the Organization’s financial statements.

In January 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. Under the new guidance under this ASU, lessees will be required to recognize a right-of-use asset and a lease liability, measured at the present value of the lease payments, in its statement of financial position. The ASU also expands the required quantitative and qualitative disclosures surrounding leases and simplifies the accounting for sale and leaseback transactions. On June 3, 2020, the FASB issued ASU No. 2020-05 that defers the effective dates of FASB standards for Topic 842 due to the global concerns about the effects of the COVID-19 pandemic on financial reporting. The ASU permits not-for-profits organizations to apply the new lease standard for annual reporting periods beginning after December 15, 2021. The ASU is effective for the Organization’s year ending December 31, 2022. Management is currently assessing the impact that the requirement to record a right- to-use asset and lease liability for operating leases will have on the Organization’s financial statements.

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Cash and cash equivalents	\$	1,368,169
Receivables		<u>207,024</u>
Total financial assets at December 31, 2021		1,575,193
Less:		
Amounts unavailable for general operating support within one year due to donors-imposed purposes (Note 8)		<u>(827,850)</u>
Total available financial assets	\$	<u><u>747,343</u></u>

MOMS AGAINST POVERTY
Notes to Financial Statements

3. LIQUIDITY AND AVAILABILITY OF RESOURCES (continued)

The Organization endeavors to structure its financial assets to be available and liquid as its general expenditures, liabilities, and other obligations come due. The Organization receives significant contributions restricted by donors, and considers contributions restricted for programs, which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

4. CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash and cash equivalents in bank-deposit accounts which, at times, may exceed federally insured limits. The uninsured balances totaled approximately \$922,000 at December 31, 2021. The deposits at these financial institutions bear the credit risk associated with institutions. The Organization has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

Approximately 28% of the Organization's contributions for 2022 was from one donor.

5. RECEIVABLES

Receivables consist of the following at December 31, 2021

Contributions receivable – without donor restriction	\$	67,862
Contributions receivable – with donor restriction		70,605
Other receivable		<u>68,557</u>
	\$	<u>207,024</u>

As of December 31, 2021, the receivables are expected to be received in the following year and were considered fully collectible; therefore, no allowance was deemed necessary.

MOMS AGAINST POVERTY
Notes to Financial Statements

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2021

Furniture and Equipment	\$	31,583
Less: Accumulated depreciation		<u>(19,793)</u>
	\$	<u>11,790</u>

Total depreciation expense for the year ended December 31, 2021 was \$7,192.

7. LOANS PAYABLE

The Organization entered into a line of credit (LOC) agreement under a master revolving note with a bank on August 4, 2017. The LOC agreement was renewed and extended on August 3, 2022. The note has a maximum draw amount of \$250,000 with principal due on demand by the bank at any time. The bank is not under obligation to make any advances under this note at any given time. The note carries various covenants that the Organization is required to meet, of which includes that the Organization provide tax returns within 10 days after the end of each filing due date and an annual copy of OFAC license each year, not later than October 15. The Organization is in compliance with these covenants. Advances are subject to floating annual interest rate that changes based upon various indexes. As of December 31, 2021, the Organization did not carry a balance owed on this LOC.

Payroll Protection Program Loans:

In March and May 2021, the Organization obtained two Paycheck Protection Loans (PPP Loans) which were established by Section 1102 of the CARES Act in response to the COVID-19 emergency and the United States Small Business Administration (SBA), each in the amount of \$34,895 with 1% interest. The PPP Loans were fully forgiven in September and November 2021 and have been recorded as loan forgiveness income in the statement of activities.

MOMS AGAINST POVERTY
Notes to Financial Statements

8. NET ASSETS WITH DONOR RESTRICTIONS

Certain donated funds are restricted to specific country and project usage. Net assets were released from donor restrictions by incurring expenses satisfying the donor restricted purpose. For the year ended December 31, 2021, the following table summarizes the purpose for which net assets with donor restrictions are available and the related additions and releases:

	Donor Restricted Net Assets, Beginning of Year	Additions	Released	Donor Restricted Net Assets, End of Year
Basic Provisions	\$ 81,895	\$ 405,400	\$ (405,989)	\$ 81,306
Disaster Relief	125,649	331,745	(191,927)	265,467
Education	92,740	-	(92,740)	-
Food	47,991	1,002,349	(569,263)	481,077
Health Care	42,653	-	(42,653)	-
Orphan Care	7,366	-	(7,366)	-
Total	<u>\$ 398,294</u>	<u>\$ 1,739,494</u>	<u>\$ (1,309,938)</u>	<u>\$ 827,850</u>

Not included above are donor restricted revenues of \$1,407,317 received in the current year for the education, health care, and orphan care programs in which the Organization incurred the related associated expenses to meet the donor-imposed restriction within the current year.

9. DOMESTIC AND FOREIGN OPERATION CONDUCTED THROUGH OTHER ENTITIES

The Organization gives grants and other donations to various organizations (other entities) that operate in foreign countries and the United States. The foreign entity organizations generally are not registered exempt entities with the U.S. Internal Revenue Service. During 2021, the countries/geographical regions these other foreign entity organizations operated in were: Middle East (Afghanistan and Iran), Africa (Sierra Leone, Ghana, and Senegal), Asia (Cambodia, India, and Nepal), and North America (Canada and United States).

Operating in multiple foreign locations, with different languages and business customs, through agency organizations makes for a challenging internal control environment. The Organization monitors the agency organizations and their operations with internal staff and volunteers. The Organization generally enters into written agreements with these other entities called "Grant Agreements", "Memorandums of Understanding" and "Agency Agreements". These agreements generally lay out the Organization's objectives in the applicable country and how the other entity is to spend funds the Organization provides as well as reporting obligations.

MOMS AGAINST POVERTY
Notes to Financial Statements

9. DOMESTIC AND FOREIGN OPERATION CONDUCTED THROUGH OTHER ENTITIES
(continued)

These agreements are, in essence, agency agreements that the foreign and domestic entities will act as the Organization’s agent in administering the grants awarded in their region of operation. Generally, all agencies have “Grant Agreements” with the Organization. Below are grants awarded by region/location:

<u>Region/Location</u>	<u>Amount</u>
Iran	\$ 1,970,822
United States	654,028
Cambodia	170,575
Senegal	27,231
Philippines	6,340
	<u>\$ 2,828,996</u>

10. COMMITMENTS AND CONTINGENCIES

Foreign Operations:

The Organization gives grants and other donations to various other agent organizations that operate in foreign countries. Some of these entities are non-profit charitable organizations/NGOs registered under the laws of their country jurisdictions and operating as such locally but are not registered exempt entities within the U.S. Internal Revenue Service. Monitoring the use of these grants and other donations in foreign countries is challenging due to distance, remote locations, local languages, government regulations, and currency transactions. The Organization believes it has taken the necessary steps to be in compliance with the applicable regulatory and exemption requirements.

The Organization has a license from the US Treasury Department to conduct charitable activities in Iran through November 30, 2024.

The Organization’s board of directors have made commitments, contingent upon availability of funds, to donate approximately \$4,083,100 to ongoing charitable operations and new projects during 2022. The details of these commitments are contained in the Organization’s 2022 budget.

MOMS AGAINST POVERTY
Notes to Financial Statements

10. COMMITMENTS AND CONTINGENCIES (continued)

Foreign Operations: (continued)

	Board Designated Commitments	Budgeted Upon Availability	Total
Iran	\$ 3,422,000	\$ -	\$ 3,422,000
United States	350,000	-	350,000
Cambodia	176,000	-	176,000
Senegal	95,000	-	95,000
Sierra Leone	-	11,250	11,250
Philippines	19,100	-	19,100
India	-	40,000	40,000
Mexico	-	8,000	8,000
Ghana	-	8,000	8,000
Operations and management	21,000	719,650	740,650
Total	<u>\$ 4,083,100</u>	<u>\$ 786,900</u>	<u>\$ 4,870,000</u>

Lease Commitments:

The Organization leases office space in Burlingame, California, under a non-cancelable operating lease that commenced in March 2021 and expires in February 2031. The lease agreement calls for escalating rent increases. As the straight-lining of rent compared to the rental payments over the term of the lease is immaterial, management has recorded rent expense based on the payments made.

Minimum future lease commitments are as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2022	\$ 20,820
2023	21,445
2024	22,088
2025	22,751
Thereafter	128,937
	<u>\$ 216,041</u>

Office rent expense, including operating expenses, was \$21,800 for the year ended December 31, 2021.

MOMS AGAINST POVERTY
Notes to Financial Statements

10. COMMITMENTS AND CONTINGENCIES (continued)

Economic Conditions:

In March 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic, and governments, businesses and individuals around the world have taken strong, temporary measures to slow the spread of the virus. Since March 2020, in many countries, businesses have been forced to cease or limited operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to business worldwide, resulting economic slowdowns. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. The extent and duration of the impact of COVID-19 on the Organization, its grantees, employees, and business partners is uncertain as new outbreaks, such as those related to new variants of the COVID-19 virus are active. The Organization has determined that these events are non-adjusting current and subsequent events. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank response, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Organization for future periods.

11. SUBSEQUENT EVENTS

Management has reviewed subsequent events and transactions that occurred after the statement of financial position date through February 16, 2023, the date the financial statements were available to be issued. Management has determined that there are no unrecognized subsequent events that require additional disclosure except for the following:

Subsequent to year end, the Organization entered into a two-year lease with Racola Investments, LLC for warehouse space in Burlingame, California commencing on November 1, 2022. The lease calls monthly rental payments of \$2,700.