



**Financial Statements
December 31, 2024**

**Together with
Independent Auditors' Report**

MOMS AGAINST POVERTY

Table of Contents

December 31, 2024

	PAGE
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 19



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Moms Against Poverty
Burlingame, California

Opinion

We have audited the financial statements of Moms Against Poverty (the “Organization”), a California public benefit organization, which comprise the statement of financial position as of December 31, 2024, and the related statement of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2024, 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 controls relevant to the preparation and fair presentation of the 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Board of Directors of
Moms Against Poverty
Burlingame, California

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 controls. 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 controls 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 controls. 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.

RLA LLP

San Jose, California
July 31, 2025

MOMS AGAINST POVERTY

Statement of Financial Position

December 31, 2024

ASSETS

Cash and cash equivalents	\$	1,541,115
Contribution receivables		217,999
Inventories		49,277
Prepaid expenses		73,818
Funds held with custodial agent		405,340
Right-of-use assets, operating leases		105,986
Property and equipment, net		85,448
In-kind rent receivable, net		417,942
Total assets	\$	<u>2,896,925</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued payroll	\$	193,166
Accrued expenses		23,028
Refundable advances		415,345
Funds due to foreign agent organizations		289,038
Operating lease liabilities		<u>112,358</u>
Total liabilities		<u>1,032,935</u>
Commitments and contingencies (Note 13)		
Net assets without donor restrictions		255,513
Net assets with donor restrictions		<u>1,608,477</u>
Total net assets		<u>1,863,990</u>
Total liabilities and net assets	\$	<u><u>2,896,925</u></u>

The accompanying notes are an integral part of these financial statements

MOMS AGAINST POVERTY
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>REVENUE AND SUPPORT</u>			
Contributions	\$ 1,111,678	\$ 3,011,034	\$ 4,122,712
In-kind contributions	6,359	423,195	429,554
Other income	18,048	-	18,048
Special event revenue	662,432	-	662,432
Special event revenue - in-kind donations	17,683	-	17,683
Less: Special events expense	(422,191)	-	(422,191)
Net revenue from special events	<u>257,924</u>	<u></u>	<u>257,924</u>
Net assets released from restrictions	<u>3,125,450</u>	<u>(3,125,450)</u>	<u>-</u>
Total revenue and support	<u>4,519,459</u>	<u>308,779</u>	<u>4,828,238</u>
<u>EXPENSES</u>			
Program services	3,528,455	-	3,528,455
Supporting services:			
Management and general	435,966	-	435,966
Fundraising	<u>128,768</u>	<u>-</u>	<u>128,768</u>
Total expenses	<u>4,093,189</u>	<u>-</u>	<u>4,093,189</u>
Change in net assets before foreign exchange loss	426,270	308,779	735,049
Foreign exchange loss	<u>(20,935)</u>	<u>-</u>	<u>(20,935)</u>
Change in net assets	405,335	308,779	714,114
Net assets (deficit), beginning of year	<u>(149,822)</u>	<u>1,299,698</u>	<u>1,149,876</u>
Net assets, end of year	<u>\$ 255,513</u>	<u>\$ 1,608,477</u>	<u>\$ 1,863,990</u>

The accompanying notes are an integral part of these financial statements

MOMS AGAINST POVERTY
Statement of Functional Expense
For the Year Ended December 31, 2024

	Basic Provisions	Disaster Relief	Education	Food/ Hunger Relief	Healthcare	Orphan Care	Total Program	Management and General	Fundraising	Total
Grants and other assistance	\$ 621,662	\$ 158,102	\$ 927,476	\$ 440,232	\$ 547,203	\$ 286,209	\$ 2,980,884	\$ -	\$ -	\$ 2,980,884
Outside services	3,912	995	14,458	78,634	3,860	1,801	103,660	55,398	283,411	442,469
Salaries and payroll taxes	30,351	7,719	47,258	20,735	26,716	13,973	146,752	68,502	123,052	338,306
Lease expense	-	-	-	194,359	-	-	194,359	48,859	41,738	284,956
Professional fees	8,878	2,258	13,824	6,065	7,815	4,087	42,927	161,862	18,245	223,034
Supplies	1,035	106	918	22,691	948	192	25,890	4,294	21,022	51,206
Fees, fines, and service charges	2,236	569	3,482	1,528	1,968	1,030	10,813	10,834	27,140	48,787
Other	130	16	97	42	55	29	369	36,992	6,595	43,956
Travel	2,740	407	2,492	6,126	1,643	737	14,145	1,264	9,273	24,682
Advertising and marketing	674	171	1,050	460	593	310	3,258	4,346	13,126	20,730
Insurance	-	-	57	-	57	-	114	17,860	225	18,199
Depreciation	-	-	-	-	-	-	-	16,161	-	16,161
Printing, copying, publishing, and postage	147	34	917	125	119	62	1,404	3,121	7,072	11,597
Utilities and maintenance	37	10	1,387	1,073	1,356	17	3,880	6,473	60	10,413
Total expenses by function	<u>671,802</u>	<u>170,387</u>	<u>1,013,416</u>	<u>772,070</u>	<u>592,333</u>	<u>308,447</u>	<u>3,528,455</u>	<u>435,966</u>	<u>550,959</u>	<u>4,515,380</u>
Less: special event expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(422,191)</u>	<u>(422,191)</u>
Total	<u>\$ 671,802</u>	<u>\$ 170,387</u>	<u>\$ 1,013,416</u>	<u>\$ 772,070</u>	<u>\$ 592,333</u>	<u>\$ 308,447</u>	<u>\$ 3,528,455</u>	<u>\$ 435,966</u>	<u>\$ 128,768</u>	<u>\$ 4,093,189</u>

The accompanying notes are an integral part of these financial statements

MOMS AGAINST POVERTY
Statement of Cash Flows
For the Year Ended December 31, 2024

Cash flows from operating activities:	
Change in net assets	\$ 714,114
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	16,161
Increase in carrying amount of ROU assets	69,955
Discount on in-kind rent receivable	4,891
Inventory shrinkage	6,255
Changes in operating assets and liabilities:	
Contribution receivable	29,311
Inventories	17,641
Prepaid expenses	141,794
Funds held with custodial agents	(25,552)
In-kind rent receivable	(189,478)
Accounts payable and accrued payroll	152,641
Accrued expenses	23,028
Refundable advances	(243,051)
Funds due to foreign agent organizations	(196,588)
Operating lease liabilities	<u>(69,593)</u>
Net cash provided by operating activities	<u>451,529</u>
Cash flows from investing activities:	
Purchases of property and equipment	<u>(61,777)</u>
Net cash used by investing activities	<u>(61,777)</u>
Increase in cash and cash equivalents	389,752
Cash and cash equivalents, beginning of year	<u>1,151,363</u>
Cash and cash equivalents, end of year	\$ <u><u>1,541,115</u></u>

The accompanying notes are an integral part of these financial statements

MOMS AGAINST POVERTY

Notes to Financial Statements

December 31, 2024

Note 1 - Organization and operations:

Moms Against Poverty (the “Organization”) is a California nonprofit organization which was established in 2006 and 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 health care. Then using education and vocation 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 are supported primarily through contributions and grants from individuals, corporations, donor advised funds and other nonprofit organizations.

The Organization has been classified as a publicly supported, tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from California franchise taxes under Revenue and Taxation Code Section 23701(d).

Note 2 - Summary of significant accounting policies:

Basis of accounting - The financial statements have been prepared on the accrual basis of accounting which recognizes revenue when earned, expenses when incurred, and reflects all significant receivables, payables, and other liabilities accordingly.

Basis of presentation - The Organization presents information regarding its financial position and activities according to two classes of net assets:

- *Without donor restrictions* - net assets which are available to support all activities of the Organization without restrictions and include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract or board designation.
- *With donor restrictions* - net assets which represent contributions whose use is limited to donor-imposed stipulations that either expire by passage of time or other restrictions and for which the applicable restriction was not met as of the end of the current reporting period.

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, 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 these estimates under different assumptions or conditions.

MOMS AGAINST POVERTY

Notes to Financial Statements

December 31, 2024

Note 2 - Summary of significant accounting policies (continued):

Fair value of financial instruments - Unless otherwise indicated, the fair values of all reported assets and liabilities approximate the carrying values of such amounts.

Cash and cash equivalents - Cash and cash equivalents consist of cash and highly liquid financial instruments. The Organization considers all highly liquid investments with a maturity of three months or less at the date of purchase to be cash equivalents. The carrying amount in the statement of financial position approximates fair value.

Foreign currency translation - Foreign assets and liabilities denominated in foreign currencies are translated into U.S dollars, the reporting currency at exchange rates in effect at the statement of financial position date, and revenue and expenses are translated at rates, which approximate those in effect on transaction dates. Net translation gains and losses are included as foreign exchange gain or loss in the statement of activities and changes in net assets.

Inventories - Inventories, consisting primarily of designer jewelry, accessories, and food pantry items are valued at the lower of cost or net realizable value, determined by the first-in, first-out (“FIFO”) method. Net realizable value is the estimated selling price net of selling costs. Inventories are held for auction sales and/or held for distribution to needy communities (food pantry items).

Funds held with custodial agent - Funds held with custodial agent represent cash transferred to bank accounts that are held by an intermediary prior to funds being transferred to the foreign agent organization’s bank account to carry out the various projects in Iran. The accounts are assets of the Organization until such time the funds are sent to the foreign agent organization.

Property and equipment - The acquisition of property and equipment more than \$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 the 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.

Accounts payable and accrued payroll - Accounts payable and accrued payroll include the Organization’s trade accounts payable and other payroll liabilities incurred in the normal course of operations.

MOMS AGAINST POVERTY

Notes to Financial Statements

December 31, 2024

Note 2 - Summary of significant accounting policies (continued):

Funds due to other organizations - Funds due to other organizations include all grant payables. Unconditional grants are recognized when approved by the Board of Directors. Grants payable represent 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, 2024. Conditional grants are expensed and considered payable in the period the conditions are substantially satisfied. As of December 31, 2024, the Organization did not have any outstanding conditional grants.

Leases - When management enters new contractual arrangements, the terms of each contract are analyzed to determine if the contract meets the definition of a lease or, alternatively, contains terms that are the equivalent of a lease agreement that requires separate accounting for the lease and non-lease components of the contract. Operating leases are presented under the captions operating lease right-of-use (“ROU”) assets and operating lease liabilities on the statement of financial position.

ROU assets represent the intangible right to use an underlying asset for the lease term and lease liabilities represent the Organization’s obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at lease commencement date based on the present value of the lease payments over the lease term.

As the Organization’s leases do not provide an implicit rate, management has elected to use an incremental borrowing rate of 3.0% for its office lease and 9.7% for its warehouse lease based on the information available at commencement date in determining the present value of lease payments. The lease terms may include options to extend or terminate the lease. Such options are not included in computing the lease term when, in management’s judgement, it is not reasonably certain that the Organization will exercise an option to extend the lease or decline to terminate the lease.

MOMS AGAINST POVERTY

Notes to Financial Statements

December 31, 2024

Note 2 - Summary of significant accounting policies (continued):

Leases (continued) - Operating lease expense is recognized on a straight-line basis over the remaining lease term. The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants. The Organization has lease agreements that include both lease and non-lease components, which are generally accounted for separately. For office space leases, the Organization has elected to account for the lease and non-lease components as a single lease component. For arrangements accounted for as a single lease component, there may be variability in future lease payments as the amount of the non-lease components typically vary between periods. These variable lease payments, which are primarily comprised of common area maintenance ("CAM") and utilities that are passed on from the lessor in proportion to the space leased, are recognized in lease expenses in the period in which the obligation for those payments is incurred. The Organization is also typically responsible, under the terms of its real estate operating leases, for reimbursing its proportionate share of certain costs of the lessor including real estate taxes and the lessor's insurance premium.

Revenue recognition - The Organization records the following revenues in its statement of activities and changes in net assets for the year ending December 31, 2024:

Contribution revenue - 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 refundable advances. 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. Approximately 52% of the Organization's contributions for 2024 came from two donors.

Donated services and in-kind contributions - The fair value of donated services is to be recognized as a contribution on the statement of activities and changes in net assets 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 and changes in net assets 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, the contribution is adjusted for the amount sold and the expenditure is recorded.

MOMS AGAINST POVERTY

Notes to Financial Statements

December 31, 2024

Note 2 - Summary of significant accounting policies (continued):

Donated services and in-kind contributions (continued) - The Organization received in-kind rent relating to their office and warehouse leases. The market rate of the donated rent was recorded as an in-kind contribution in the year of the lease inception or in the year the lease was amended to include a portion of donated rent. The Organization also received in-kind contributions of below market leases. The difference between the market rate and the monthly rental rate over the life of the lease is recorded as an in-kind contribution in the year of the lease inception. See Note 7 for further information on lease commitments.

Revenue from exchange transactions - In accordance with Accounting Standards Codification (“ASC”) 606, the Organization recognizes revenue upon the transfer of goods or services to a customer at an amount that reflects the expected consideration to be received in exchange for those goods or services. The principles in ASC 606 are applied using the following five steps: (i) identify the contract with a customer; (ii) identify the performance obligation(s) in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligation(s) in the contract; and (v) recognize revenue when (or as) the Organization satisfies its performance obligation(s). The Organization recognizes revenue when control of the promised goods or services are transferred to outside parties in an amount that reflects the consideration. The Organization records the following exchange transactions as special event revenues in its statement of activities and changes in net assets for the year ended December 31, 2024.

Contributions may be solicited by special events such as fundraising galas or by “sales” of items. Special event revenue represents ticket sales for the Organization’s fundraising galas, with major galas being held in the spring and fall of the year. The Organization also has several smaller fundraising events throughout the year. Ticket sales are recognized as revenue in the period the event occurs although sponsorship, which includes attendance, is considered a pledge when received with no right of return. The Organization conducts special events in which a portion of the gross proceeds paid by the participant at the event represents payment for the direct cost of the benefits received by the participant at the event, the exchange component, and a portion represents a contribution to the Organization. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Organization. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The performance obligation is the delivery of the event. The event fee is set by the Organization.

MOMS AGAINST POVERTY

Notes to Financial Statements

December 31, 2024

Note 2 - Summary of significant accounting policies (continued):

Revenue from exchange transactions (continued) - Special event revenues and expenses were as follows for the year ended December 31, 2024:

Contributions	\$	518,402
Ticket sales		138,851
In-kind donations		17,683
Auction and other sales		<u>5,179</u>
Total special event revenue		680,115
Less: costs of direct benefit to donors		<u>(422,191)</u>
Total special event revenue, net	\$	<u><u>257,924</u></u>

Functional expense allocations - The costs of providing the various program and supporting services have been summarized on a functional basis in the statement of activities and changes in net assets. Most expenses can be directly attributed to program or supporting functions which includes grants and supplies. The basis of allocation of these expenses relies mostly on the direct allocation method, which allocates all costs that can be identified specifically with a particular final cost objective to the segment to which the expense relates. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The indirect allocation method, based on either financial or non-financial measurements, is used for costs that have been incurred for common or joint objectives and cannot be readily associated with a specific reporting segment, in accordance with the policy of the Organization. The expenses in this category include wages and salaries, payroll taxes and benefits, consultants and professional fees, meals and travel, meetings and events, IT services, advertising, bank fees, and insurance.

Advertising - Advertising costs are expensed as incurred. Advertising expense for the year ended December 31, 2024, was approximately \$21,000.

Accounting for uncertainty in income taxes - The Organization evaluates its uncertain tax positions and will recognize a loss contingency when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonable estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position for all uncertain tax positions in the aggregate could differ from the amount recognized. As of December 31, 2024, management did not identify any material uncertain tax positions.

MOMS AGAINST POVERTY

Notes to Financial Statements

December 31, 2024

Note 2 - Summary of significant accounting policies (continued):

Concentration of credit risk - Financial instruments that potentially subject the Organization to credit risk consist primarily of cash and cash equivalents. The Organization maintains cash and cash equivalents with commercial banks and other major financial institutions. Cash equivalents include overnight investments and money market funds. These accounts are insured up to \$250,000 per depositor by an agency of the federal government. At times, such amounts might exceed Federal Deposit Insurance Corporation ("FDIC") limits. Any loss incurred or lack of access to such funds could have a significant adverse impact on the Organization's financial condition, results of operations, and cash flows. The uninsured balances totaled approximately \$718,000 on December 31, 2024. 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.

Subsequent events - Subsequent events have been evaluated through the date of the independent auditors' report, which is the date the financial statements were available to be issued. It had been determined that no material subsequent events require an estimate to be recorded or disclosed as of December 31, 2024.

Note 3 - Liquidity and availability of financial assets:

Financial assets available for general expenditure, that is without restrictions limiting their use, within one year of the current statement of financial position date, consisted of the following at December 31, 2024:

Cash and cash equivalents	\$	1,541,115
Contributions receivables		217,999
Funds held with custodial agents		<u>405,340</u>
Total financial assets		2,164,454
Less amounts unavailable for general expenditures		
within one year, due to donor-imposed purposes (Note 9):		<u>1,608,477</u>
Total financial assets available to meet general		
expenditures within one year	\$	<u><u>555,977</u></u>

MOMS AGAINST POVERTY

Notes to Financial Statements

December 31, 2024

Note 3 - Liquidity and availability of financial assets (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 the financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget, anticipated collecting sufficient revenue to cover general expenditures not covered by donor restricted resources and has a line of credit of \$250,000 (See Note 6) to draw upon to meet short-term cash needs.

Note 4 - Contribution receivables:

Receivables consist of the following on December 31, 2024:

Contribution receivables without donor restrictions	\$	34,195
Contribution receivables with donor restrictions		<u>183,804</u>
Total contribution receivables	\$	<u>217,999</u>

Contribution receivables without donor restrictions consist primarily of outstanding pledges and undeposited funds which are payments held with third party processors for contributions received by the processor but not yet deposited to the Organization's bank account until after year end. As of December 31, 2024, the receivables are expected to be collected in the following year and were considered fully collectible; therefore, no allowance or discount was deemed necessary.

Note 5 - Property and equipment:

Property and equipment consisted of the following on December 31, 2024:

Furniture and equipment	\$	42,065
Website		29,000
Vehicles		<u>67,877</u>
Total property and equipment		138,942
Less: accumulated depreciation		<u>(53,494)</u>
Total property and equipment, net	\$	<u>85,448</u>

Total depreciation expense for the year ended December 31, 2024, was approximately \$16,000.

MOMS AGAINST POVERTY

Notes to Financial Statements

December 31, 2024

Note 6 - Line of credit:

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 on August 3, 2022, with no expiration. 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 the Office of Foreign Assets Control of the US Treasury Department (“OFAC”) license each year, no later than October 15. The Organization is in compliance with these covenants. Borrowings bear interest at the banks’ prime rate plus 1.2% (8.7% at December 31, 2024). As of December 31, 2024, the Organization did not carry a balance owed on this LOC.

Note 7 - Operating leases:

The Organization leases office space in Burlingame, California, under a non-cancelable operating lease that expires in February 2031. The lease agreement calls for escalating rent increases. At the lease inception, the rental rate per the lease agreement was determined to be at below market rates and therefore, the difference between the monthly rental rate and the market rate over the term of the lease was present valued using a discount rate of 3% and recorded as an in-kind contribution in the year ended December 31, 2022. The original contribution was recorded as donor restricted. As the time restrictions are met, an amount is reclassified on the statement of activities and changes in net assets as net assets released from restriction (See Note 9).

The Organization leases warehouse space in San Francisco, California, under a non-cancelable operating lease that expires in February 2026. The lease is entirely in-kind and was recorded as an in-kind contribution in the year ended December 31, 2024. The original contribution was recorded as donor restricted. As the time restrictions are met, an amount is reclassified on the statement of activities and changes in net assets as net assets released from restriction (See Note 9).

During the year ended December 31, 2024, the Organization recognized operating lease expense of approximately \$242,000, which is allocated according to its functional basis of allocation on the statement of functional expenses. At December 31, 2024, the weighted-average remaining lease term for the operating leases was approximately 2.93 years. At December 31, 2024, the weighted-average discount rate associated with the operating leases was 7%.

MOMS AGAINST POVERTY

Notes to Financial Statements

December 31, 2024

Note 7 - Operating leases (continued):

The in-kind rent receivable related to the leases was approximately \$418,000 at December 31, 2024 and is expected to be collected through the use of office and warehouse space as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$ 234,103
2026	54,709
2027	36,907
2028	38,014
2029	39,093
Thereafter	<u>47,253</u>
Total in-kind rent receivable	450,079
Less: present value discount	<u>(32,137)</u>
Total in-kind rent receivable	<u>\$ 417,942</u>

Future minimum lease payments under non-cancellable operating leases for the office and warehouse as of December 31, 2024, were as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$ 3,792
2026	18,959
2027	23,433
2028	24,136
2029	24,922
Thereafter	<u>30,002</u>
Total operating lease payments	125,244
Less: present value discount	<u>(12,886)</u>
Total operating lease liabilities	<u>\$ 112,358</u>

Note 8 - Funds due to foreign agent organizations:

The Organization supports relief programs through grants and funding to other organizations. As of December 31, 2024, the Organization had approximately \$289,000 of funds payable to their alliance with the Iran organization (See Note 13) of which milestones were achieved before year end and are payable to the foreign agent organization in accordance with the agreement. All amounts were paid to the agent subsequent to year end.

MOMS AGAINST POVERTY

Notes to Financial Statements

December 31, 2024

Note 9 - 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, 2024, the following tables summarizes the purpose for which net assets with donor restrictions are available and the related additions and releases.

	Beginning of Year	Additions	Releases	End of Year
<i>Subject to expenditure for a specific purpose:</i>				
Food	\$ 578,299	\$ 303,415	\$ (300,252)	\$ 581,462
Disaster relief	338,715	132,138	(151,588)	319,265
Orphan care	69,739	255,599	(115,319)	210,019
Health care	5,799	838,535	(771,240)	73,094
Basic provisions	73,791	559,878	(620,333)	13,336
Education	-	967,653	(967,653)	-
Total purpose restrictions	<u>1,066,343</u>	<u>3,057,218</u>	<u>(2,926,385)</u>	<u>1,197,176</u>
<i>Subject to passage of time:</i>				
Restricted in-kind rent - office	233,355	25,636	(33,131)	225,860
Restricted in-kind rent - warehouse	-	351,375	(165,934)	185,441
Total time restrictions	<u>233,355</u>	<u>377,011</u>	<u>(199,065)</u>	<u>411,301</u>
Total net assets with donor restrictions	\$ <u>1,299,698</u>	\$ <u>3,434,229</u>	\$ <u>(3,125,450)</u>	\$ <u>1,608,477</u>

Note 10 - Domestic and foreign operation conducted through other entities:

The Organization gives grants, donations, and other funds to various organizations (other entities) that operate in foreign countries and the United States. During 2024, the countries/geographical regions these organizations operated in were Middle East (Iran, Gaza Strip), Africa (Senegal), Asia (Philippines), and North America (the United States). Organizations (local non-government organizations) operating in Iran and Philippines are not registered exempt entities with the U.S. Internal Revenue Service.

MOMS AGAINST POVERTY

Notes to Financial Statements

December 31, 2024

Note 10 - Domestic and foreign operation conducted through other entities (continued):

Operating in multiple foreign locations, with direct 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. However, in Senegal, the Organization runs its own operations.

The 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 agreements with the Organization. Below are funds granted by region/location as of December 31, 2024:

Iran	\$ 2,567,782
United States	315,317
Senegal	40,231
Gaza Strip	32,554
Philippines	<u>25,000</u>
Total domestic and foreign operations	<u>\$ 2,980,884</u>

Note 11 - Contribution of in-kind services and donations:

The Organization received the following contributions of nonfinancial assets for the year ended December 31, 2024:

In-kind rent	\$ 377,011
Donated food inventories	46,184
Auction items	17,683
Professional services	5,359
Computer	<u>1,000</u>
Total in-kind	<u>\$ 447,237</u>

MOMS AGAINST POVERTY

Notes to Financial Statements

December 31, 2024

Note 11 - Contribution of in-kind services and donations (continued):

Donated food inventories are utilized to carry out the Organization's hunger relief program and were restricted by the donor to be used for this purpose. The value of the food inventories is based on the current average price located on a publicly available website for similar items. Auction items are valued at the fair market value determined by the donor and to maximize fundraising potential. They are adjusted to the actual sales price at the time of sale.

Note 12 - Related party transactions:

Amounts received from board members, including both gifts and tickets to fundraising events, totaled approximately \$30,000 for the year ended December 31, 2024.

Note 13 - Commitments and contingencies:

Foreign Operations - The Organization gives grants, donations, and other funds 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 comply with the applicable regulatory and exemption requirements. The Organization has an OFAC license to conduct charitable activities in Iran through May 31, 2027. In January 2022, the Organization was given permission by the Ministry of the Interior of Senegal to create/act as an authorized foreign association in Senegal to carry out the Organization's mission to respond to the basic needs of children and orphanages in Senegal.

The Organization's board of directors have made commitments, contingent upon availability of funds, to donate approximately \$3,580,000 to ongoing charitable operations and new projects during 2025. The details of these commitments are contained in the Organization's 2025 budget as detailed below:

Iran	\$	2,996,675
United States		370,000
Senegal		188,525
Philippines		<u>25,000</u>
Total foreign operations	\$	<u>3,580,200</u>