MOMS AGAINST POVERTY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2022

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, 2022, 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, 2022, 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.

Adoption of New Accounting Standard

As more fully discussed in Note 2 to the financial statements, the Organization has changed its method of accounting for leases as of January 1, 2022 due to the adoption of the new lease standard. Our opinion is not modified with respect to this matter.

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.

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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.

Seiler LLP

Redwood City, California
September 26, 2023

MOMS AGAINST POVERTY
Statement of Financial Position
December 31, 2022

ASSETS

Cash and cash equivalents	$	1,502,876
Contribution receivables		225,276
Inventory		39,960
Prepaid expenses		84,858
Funds held with custodial agent		314,314
Property and equipment, net		9,555
Operating lease right-of-use assets		223,021
Contribution receivable - office lease		258,116
Total assets	$	2,657,976

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued expenses	$	56,233
Refundable advances		498,098
Funds due to foreign agent organizations		293,295
Operating lease liabilities		228,251
Total liabilities		1,075,877
Commitments and contingencies (Notes 7, 10, and 11)		
Net Assets:		
Without donor restrictions		87,744
With donor restrictions		1,494,355
Total net assets		1,582,099
Total liabilities and net assets	$	2,657,976

See Notes to Financial Statements

MOMS AGAINST POVERTY
Statement of Activities
For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions	$ 995,186	$ 3,277,098	$ 4,272,284
In-kind contributions	105,291	289,347	394,638
Special events:			
Special event revenue	504,432	-	504,432
Special events revenue - in-kind donations	102,923	-	102,923
Less: Special events expense	(347,186)	-	(347,186)
Net revenue from special events	260,169	-	260,169
Other income	71	-	71
Net assets released from restrictions	2,899,940	(2,899,940)	-
Total support and revenues	4,260,657	666,505	4,927,162
EXPENSES			
Program services	4,376,478	-	4,376,478
Management and general	371,310	-	371,310
Fundraising	101,857	-	101,857
Total expenses	4,849,645	-	4,849,645
CHANGE IN NET ASSETS	(588,988)	666,505	77,517
NET ASSETS, BEGINNING OF YEAR	676,732	827,850	1,504,582
NET ASSETS, END OF YEAR	$ 87,744	$ 1,494,355	$ 1,582,099

MOMS AGAINST POVERTY
Statement of Functional Expenses
For the Year Ended December 31, 2022

	Program									
	Basic Provisions	Disaster Relief	Education	Food/ Hunger Relief	Health Care	Orphan Care	Total Program	General and Administrative	Fundraising	Total Expenses
Grants and other assistance	$ 576,535	$ 400,413	$ 1,545,508	$ 1,249,964	$ 89,401	$ 188,645	$ 4,050,466	$ -	$ -	$ 4,050,466
Salaries and payroll taxes	15,561	11,299	46,423	38,485	2,585	2,584	116,937	55,592	84,772	257,301
Outside services	22,607	14,928	36,933	37,087	432	7,521	119,508	54,280	226,625	400,413
Professional fees	3,648	2,648	10,071	9,020	1,781	606	27,774	106,127	5,800	139,701
Travel	1,443	261	1,441	2,856	179	61	6,241	2,791	11,138	20,170
Supplies	591	19	72	9,732	4,070	4	14,488	6,517	23,388	44,393
Utilities and maintenance	3	2	387	558	1	1	952	4,417	135	5,504
Printing, copying, and publishing	132	92	424	625	22	22	1,317	1,607	2,247	5,171
Lease expense	-	-	-	2,700	-	-	2,700	57,830	-	60,530
Special event venue rental	-	-	-	-	-	-	-	-	72,224	72,224
Insurance	-	-	-	-	-	-	-	11,152	-	11,152
Advertising	562	408	1,553	1,391	94	94	4,102	2,051	17,704	23,857
Service charges	-	-	-	-	-	-	-	48,726	45	48,771
Exchange rate translation loss	3,766	95	13,818	13,228	567	403	31,877	-	-	31,877
Depreciation	-	-	-	-	-	-	-	6,005	-	6,005
Other	16	11	45	40	2	2	116	14,215	4,965	19,296
Total expenses by function	$ 624,864	$ 430,176	$ 1,656,675	$ 1,365,686	$ 99,134	$ 199,943	$ 4,376,478	$ 371,310	$ 449,043	$ 5,196,831
Less expenses included in revenues on the statement of activities for special event expenses	-	-	-	-	-	-	-	-	(347,186)	(347,186)
Total	$ 624,864	$ 430,176	$ 1,656,675	$ 1,365,686	$ 99,134	$ 199,943	$ 4,376,478	$ 371,310	$ 101,857	$ 4,849,645

See Notes to Financial Statements

MOMS AGAINST POVERTY
Statement of Cash Flows
For the Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ 77,517
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	6,005
In-kind contribution for below market rent	(258,116)
Amortization of operating lease right-of-use assets	23,035
Changes in operating assets and liabilities:	
Increase in contribution receivables	(18,252)
Decrease in inventory	(24,808)
Decrease in prepaid expenses	(75,056)
Increase in funds held with custodial agents	(314,314)
Increase in accounts payable and accrued liabilities	(51,122)
Increase in refundable advances	498,098
Increase in funds due to foreign agent organizations	293,295
Decrease in operating lease liabilities	(17,805)
Net cash provided by operating activities	138,477
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property, plant, and equipment	(3,770)
Net cash used in investing activities	(3,770)
INCREASE IN CASH AND CASH EQUIVALENTS	134,707
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,368,169
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,502,876
SUPPLEMENTAL INFORMATION	
Right-of-use assets obtained in exchange for lease obligations:	
New operating leases	$ 58,488
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash outflows for operating leases	$ 23,520

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.

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.

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.

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, 2022.

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 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.

<u>Special Events:</u>
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.

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.

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, 2022.

Conditional grants are expensed and considered payable in the period the conditions are substantially satisfied. As of December 31, 2022, the Organization did not have any outstanding conditional grants that have not been recognized as the conditions have not been met.

Leases:

When management enters into 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 nonlease 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 Company’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 lease payments over the lease term.

As the Organization’s leases do not provide an implicit rate, management has elected to use an adjustable rate of LIBOR (1 or 3 month) + 3% for its leases 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. Operating lease expense is recognized on a straight-line basis over the remaining lease term.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases: (continued)

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 varies between periods. These variable lease payments, which are primarily comprised of common area maintenance, and utilities that are passed on from the lessor in proportion to the space leased ("CAM"), are recognized in operating 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 premiums.

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 types 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.

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, 2022, was $23,857.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Adoption of New Accounting Principle:

In September 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") 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 amendments are effective for annual periods beginning after June 15, 2021. ASU 2020-07 should be applied on a retrospective basis. The Organization adopted the standard in 2022 and presented the Organization's in-kind contributions of nonfinancial assets received during the year as a separate line item in the statement of activities and have made the enhanced note disclosures on the nature and amount of the in-kind contributions received and the basis used for determining the fair value in Note 12.

In February 2016, the FASB issued new guidance Accounting Standards Codification ("ASC") 842, *Leases* which amends the requirements for accounting for leases in order to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the amendments made to the prior standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the new standard, disclosures are required to meet the objective of enabling users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the standard effective January 1, 2022 and recognized and measured leases existing at, or entered into after, January 1, 2022 (the beginning of the period of adoption) and elected certain practical expedients set forth in the amendment.

The Organization elected the package of three practical expedients which allowed the Organization to account for existing operating leases at the date of adoption as operating leases under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, the Organization recognized on January 1, 2022 a lease liability and an operating lease right-of-use (ROU) asset of $187,768, which represents the present value of the remaining operating lease payments of $216,104, discounted using an rate of 3%. There were no indirect costs to apply in the adoption of the standard. The standard had a material impact on the Organization's assets and liabilities as reported on the statement of financial position, but did not have an impact on net assets, the statement of activities, and the statement of cash flows.

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	$	1,502,876
Contribution receivables		225,276
Funds held with custodial agents		314,314
Total financial assets at December 31, 2022		2,042,466
Less:		
Amounts unavailable for general operating support within one year due to donors-imposed purposes (Note 9)		(1,494,355)
Total available financial assets	$	548,111

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, anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources, and has a line of credit of $250,000 (Note 7) to draw upon to meet short-term cash needs.

4. CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash and cash equivalents in bank-deposit accounts which, at times, regularly exceed the federally insured limit of $250,000. 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 $235,000 at December 31, 2022. 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 29% of the Organization’s contributions for 2022 was from one donor.

5. CONTRIBUTION RECEIVABLES

Receivables consist of the following on December 31, 2022

Contribution receivables – without donor restriction	$	31,862
Contribution receivables – with donor restriction		193,414
Total contribution receivables	$	225,276

As of December, 31, 2022, the receivables are expected to be received in the following year and were considered fully collectible; therefore, no allowance was deemed necessary.

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2022

Furniture and Equipment	$	35,353
Less: Accumulated depreciation		(25,798)
	$	9,555

Total depreciation expense for the year ended December 31, 2022, was $6,005.

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 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, 2022, the Organization did not carry a balance owed on this LOC.

8. FUNDS DUE TO FOREIGN AGENT ORGANIZATIONS

The Organization supports relief programs through grants and funding to other organizations. As of December 31, 2022, the Organization had $293,295 of funds payable to their alliance with the Iran organization (See note 10) 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 subsequent to year end.

9. NET ASSETS

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, 2022, the following table summarizes the purpose for which net assets with donor restrictions are available and the related additions and releases:

	Beginning of Year	Additions	Released	End of Year
Subject to expenditure for specified purpose				
Basic Provisions	$ 81,306	$ 297,949	$ (376,935)	$ 2,320
Disaster Relief	265,467	520,276	(325,707)	460,036
Education	-	1,682,052	(1,489,575)	192,477
Food	481,077	404,585	(517,046)	368,617
Health Care	-	168,298	(78,169)	90,129
Orphan Care	-	203,937	(81,278)	122,659
Subject to the passage of time:				
Contribution receivable – office lease	-	289,347	(31,230)	258,117
Total	$ 827,850	$ 3,566,445	$(2,899,940)	$ 1,494,355

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. Certain foreign entity organizations are not registered exempt entities with the U.S. Internal Revenue Service. During 2022, the countries/geographical regions these other foreign entity organizations operated in were: Middle East (Iran), Africa (Sierra Leone, Ghana, and Senegal), Asia (Cambodia, India, Philippines, and Nepal), and North America (Canada, Mexico, and United States).

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

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.

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 agreements with the Organization. Below are funds expended by region/location:

Region/Location	Amount
Iran	$ 3,190,438
United States	482,697
Cambodia	179,151
Senegal	62,031
India	40,000
Canada	25,000
Philippines	19,150
Mexico	14,143
Sierra Leone	11,860
Poland	10,000
Ghana	9,996
Nepal	6,000
	$ 4,050,466

11. 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.

11. COMMITMENTS AND CONTINGENCIES (continued)

Foreign Operations: (continued)

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.

In January 2022, the Organization was given permission by the Ministry of the Interior 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 $3,250,000 to ongoing charitable operations and new projects during 2023. The details of these commitments are contained in the Organization's 2023 budget and are detailed below:

	Board Designated Commitments
Iran	$ 2,650,580
United States	392,100
Cambodia	119,760
Senegal	74,460
Philippines	13,100
Total	$ 3,250,000

11. COMMITMENTS AND CONTINGENCIES (continued)

Lease Commitments:

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. 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 3.00% and recorded as an in-kind contribution and contribution receivable of $281,224. The market rental rate was determined by the information provided by the landlord and is consistent with the market rates for similar office space in the area. 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 restrictions. The contribution receivable related to the lease was $258,116 as of December 31, 2022 and is expected to be collected through use of the office space as follows:

Within 1 year	$	32,167
In one to five years		138,612
Thereafter		121,987
	$	292,766
Less unamortized discount		(34,650)
Total contribution receivable – office lease	$	258,116

In addition, in November 2022, the Organization entered into a warehouse lease that expires in October 2024.

For the year ended December 31, 2022 the components of lease expense included in on statement of functional expenses were as follows:

		2022
Operating fixed lease expense	$	28,750
In-kind rent expense		31,230
Variable lease expense		550
Total lease expense	$	60,530

Other information related to leases for the year ended December 31, 2022 was as follows:

	2022
Weighted average remaining lease term	
Operating leases	6.69 years
Weighted average discount rate	
Operating leases	3.36%

11. COMMITMENTS AND CONTINGENCIES (continued)

Lease Commitments: (continued)

Future minimum lease payments under non-cancellable operating leases as of December 31, 2022 were as follows:

2023	$	53,845
2024		49,088
2025		22,750
2026		23,433
2027		24,136
Thereafter		81,432
Total future minimum lease payments		254,684
Less: discount to present value		(26,433)
Total operating lease liabilities		228,251
Less: current portion		(46,299)
Noncurrent operating lease liabilities	$	181,952

Economic Conditions:

In March 2020, a global COVID-19 pandemic resulted in strong temporary measures to slow the spread of the virus, which had a broad and negative impact on commerce and financial markets around the world. The extent to which the continued impact on the Organization's financial position, operations and cash flows in the future is uncertain and the accompanying financial statements included no adjustments related to the effects of this pandemic.

12. CONTRIBUTIONS OF IN-KIND SERVICES AND DONATIONS

The Organization received the following contributions of nonfinancial assets for the year ended December 31, 2022:

Computer	$	2,460
Professional services		11,580
Supplies and gift cards for fundraisers		14,533
Food inventory		76,720
Rental of office space at below market rate		289,345
	$	394,638
Auction items	$	102,923

A computer was donated to support the education program for children. The fair value of the contribution was calculated based on current retail price of the computer donated.

12. CONTRIBUTIONS OF IN-KIND SERVICES AND DONATIONS (continued)

Professional services include volunteer hours for education and contributed legal services to provide support to the organization. Contributed services were recorded based on current rates for similar services times number of hours contributed.

The supplies of hand sanitizers, auction items, and gift cards were donated for use at the fundraising events. The value of donated supplies were determined based on publicly available wholesale value of items received. Gift cards were recorded at the face value of the cards and contributed auction items were valued at the gross selling price received.

Donated food inventory is utilized to carry out the Organization’s hunger relief program and was restricted by the donor to be used for this purpose. The value of food inventory is based on the current average price located on a publicly available website for similar items.

The Organization entered into a lease agreement for office space for which the rental payments stated in the agreement are less than the amount that would be charged for similar space that is rented under similar terms. See note 11, for further details on determination.

All donated services and assets were utilized by the Organization’s programs and supporting services. There were no donor-imposed restrictions associated with the donated services and assets other than as noted with the lease agreement (Note 11) and the donated food inventory.

13. SUBSEQUENT EVENTS

Management has reviewed subsequent events and transactions that occurred after the statement of financial position date through September 26, 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.