Love A Child, Inc.

Consolidated Financial Statements

Years Ended December 31, 2019 and 2018

DIXON HUGHES GOODMAN LLP

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DIXON HUGHES GOODMAN LLP

Independent Auditors' Report

Board of Directors
Love A Child, Inc.

We have audited the accompanying consolidated financial statements of Love A Child, Inc. (the "Organization") which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – New Accounting Pronouncement

As discussed in Note 1 to the financial statements, the Organization has changed its method of accounting for revenue recognition in accordance with Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* and Accounting Standards Update ("ASU") 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made,* effective January 1, 2019. The Organization adopted these standards using a modified retrospective approach and modified prospective approach, respectively. Our opinion is not modified with respect to these matters.

Dixon Hughes Goodman LLP

Raleigh, North Carolina
June 29, 2020

Love A Child, Inc.
Consolidated Statements of Financial Postion
December 31, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	$ 10,312,993	$ 8,245,557
Prepaid expenses	82,978	58,255
Investments	458,966	350,991
Property and equipment, net	5,493,620	5,260,502
Deposits	1,858	1,858
Total assets	$ 16,350,415	$ 13,917,163
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 233,213	$ 254,410
Note payable	895,537	1,063,615
Total liabilities	1,128,750	1,318,025
Net assets:		
Net assets without donor restrictions	15,119,777	11,763,407
Net assets with donor restrictions	101,888	835,731
Total net assets	15,221,665	12,599,138
Total liabilities and net assets	$ 16,350,415	$ 13,917,163

See accompanying notes.

Love A Child, Inc.
Consolidated Statements of Activities
Years Ended December 31, 2019 and 2018

	2019	2018
Net assets without donor restrictions:		
Revenues and gains and other support without donor restrictions:		
Contributions	**$ 15,575,756**	$ 15,951,299
In-kind contributions	**40,754,440**	47,637,582
Investment income, net	**4,360**	1,162
Realized and unrealized gain (loss) on investments	**96,528**	(15,126)
Miscellaneous income	**69,389**	148,453
Net assets released from restriction	**835,731**	-
Total revenues, gains and other support without donor restrictions	**57,336,204**	63,723,370
Expenses:		
Program services:		
Humanitarian	**50,010,545**	57,147,599
Supporting services:		
Management and general	**1,589,446**	1,496,119
Fundraising	**2,379,843**	2,190,894
Total supporting services	**3,969,289**	3,687,013
Total expenses	**53,979,834**	60,834,612
Net increase in net assets without donor restrictions	**3,356,370**	2,888,758
Net assets with donor restrictions:		
Contributions	**101,888**	835,731
Net assets released from restriction	**(835,731)**	-
Net increase (decrease) in net assets with donor restrictions	**(733,843)**	835,731
Increase in net assets	**2,622,527**	3,724,489
Net assets, beginning of year	**12,599,138**	8,874,649
Net assets, end of year	**$ 15,221,665**	$ 12,599,138

Love A Child, Inc.
Consolidated Statements of Functional Expenses
Year Ended December 31, 2019

	Program Services	Supporting Services			
	Humanitarian	Management & General	Fundraising	Total	Total Expenses
Contributed food and supplies	$ 40,706,963	$ -	$ -	$ -	$ 40,706,963
Compensation	1,888,758	875,522	31,001	906,523	2,795,281
Contract labor	19,291	3,087	15,219	18,306	37,597
Fringe benefits	61,770	28,404	1,511	29,915	91,685
Payroll taxes	140,004	66,183	1,642	67,825	207,829
Communication	102,708	14,670	84,128	98,798	201,506
Consulting and design	12,328	64,150	858	65,008	77,336
Rent	31,740	29,594	-	29,594	61,334
Supplies	135,963	40,170	-	40,170	176,133
Shipping and freight	1,355,745	10,227	-	10,227	1,365,972
Churches/schools/childcare	2,817,884	-	-	-	2,817,884
TV ministry	643,169	-	1,500,728	1,500,728	2,143,897
Utilities	249,264	4,388	-	4,388	253,652
Insurance	21,812	18,233	106	18,339	40,151
Vehicle maintenance	240,380	530	-	530	240,910
Travel and lodging	162,275	18,030	-	18,030	180,305
Postage	287,788	-	737,098	737,098	1,024,886
Dues and subscriptions	2,532	14,632	3,005	17,637	20,169
Advertising	1,624	-	4,547	4,547	6,171
Equipment lease	-	11,855	-	11,855	11,855
Interest expense	30,040	9,487	-	9,487	39,527
Professional--accounting	-	74,978	-	74,978	74,978
Professional--legal	21,021	16,719	-	16,719	37,740
Bank charges	103,724	30,331	-	30,331	134,055
Credit card processing fees	-	179,485	-	179,485	179,485
Taxes and licenses	67,846	8,189	-	8,189	76,035
Depreciation	555,525	15,651	-	15,651	571,176
Building cleaning and maintenance	333,426	40,993	-	40,993	374,419
Promotional events	8,471	8,471	-	8,471	16,942
Education/seminars	3,346	2,184	-	2,184	5,530
Miscellaneous	5,148	3,283	-	3,283	8,431
Total expenses	$ 50,010,545	$ 1,589,446	$ 2,379,843	$ 3,969,289	$ 53,979,834

See accompanying notes.

Love A Child, Inc.
Consolidated Statements of Functional Expenses
Year Ended December 31, 2018

	Program Services	Supporting Services			
	Humanitarian	Management & General	Fundraising	Total	Total Expenses
Contributed food and supplies	$ 47,549,204	$ -	$ -	$ -	$ 47,549,204
Compensation	2,113,453	787,863	12,721	800,584	2,914,037
Contract labor	10,342	-	15,220	15,220	25,562
Fringe benefits	64,580	30,684	1,511	32,195	96,775
Payroll taxes	144,751	60,988	897	61,885	206,636
Communication	81,882	12,031	83,869	95,900	177,782
Consulting and design	37,523	50,445	959	51,404	88,927
Rent	27,514	23,970	-	23,970	51,484
Supplies	131,401	34,724	-	34,724	166,125
Shipping and freight	1,429,291	10,625	22	10,647	1,439,938
Churches/schools/childcare	2,987,636	-	-	-	2,987,636
TV ministry	609,826	-	1,422,928	1,422,928	2,032,754
Utilities	286,174	4,328	-	4,328	290,502
Insurance	43,927	31,605	401	32,006	75,933
Vehicle maintenance	148,524	546	-	546	149,070
Travel and lodging	188,773	23,492	1,261	24,753	213,526
Postage	238,225	-	648,119	648,119	886,344
Dues and subscriptions	2,094	39,357	2,155	41,512	43,606
Advertising	878	-	831	831	1,709
Equipment lease	-	10,483	-	10,483	10,483
Interest expense	33,316	10,521	-	10,521	43,837
Professional--accounting	-	72,253	-	72,253	72,253
Professional--legal	20,661	11,507	-	11,507	32,168
Bank charges	5,430	30,272	-	30,272	35,702
Credit card processing fees	-	159,751	-	159,751	159,751
Taxes and licenses	67,747	8,132	-	8,132	75,879
Depreciation	555,429	16,093	-	16,093	571,522
Building cleaning and maintenance	337,506	46,217	-	46,217	383,723
Loss on disposal of assets	18,882	-	-	-	18,882
Promotional events	10,654	10,654	-	10,654	21,308
Education/seminars	1,325	925	-	925	2,250
Miscellaneous	651	8,653	-	8,653	9,304
Total expenses	$ 57,147,599	$ 1,496,119	$ 2,190,894	$ 3,687,013	$ 60,834,612

Love A Child, Inc.
Consolidated Statements of Cash Flows
Years Ended December 31, 2019 and 2018

	2019	2018
Operating activities:		
Change in net assets	$ 2,622,527	$ 3,724,489
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	571,176	571,522
Non-operating in-kind contributions	(47,477)	(88,378)
Contributions restricted	(101,888)	(835,731)
Realized and unrealized (gain) / loss on investments	(96,528)	15,126
Loss on disposal of property and equipment	-	18,882
Net change in:		
Deposits	-	(813)
Prepaid expenses	(24,723)	(58,255)
Accounts payable and accrued expenses	(21,197)	(220,519)
Net cash provided by operating activities	2,901,890	3,126,323
Investing activities:		
Proceeds from sale of investments	2,079	1,987
Proceeds from sale of property and equipment	-	1,600
Purchase of property and equipment	(770,343)	(714,733)
Net cash used in investing activities	(768,264)	(711,146)
Financing activities:		
Principal payments on note payable	(168,078)	(64,011)
Proceeds from contributions restricted for purchase of property and equipment	101,888	835,731
Net cash provided by (used in) financing activities	(66,190)	771,720
Net change in cash and cash equivalents	2,067,436	3,186,897
Cash and cash equivalents at beginning of year	8,245,557	5,058,660
Cash and cash equivalents at end of year	$ 10,312,993	$ 8,245,557
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 39,527	$ 43,837
Noncash investing and financing activities:		
Contributed investments	$ 13,526	$ 48,378
Contributed property and equipment	$ 33,950	$ 40,000

See accompanying notes.

Notes to Consolidated Financial Statements

1. Summary of Organization and Significant Accounting Policies

Love A Child, Inc. (the "Organization") exists to support needy individuals, primarily children, through humanitarian care such as medical and educational services, child support programs, orphanages, volunteer work programs, feeding programs and various other projects. The Organization is supported through contributions from the general public. The Organization offers the following programs:

- Food Program
- Medical Outreach
- Children's Education
- Sustainability Programs

The consolidated financial statements include the accounts of Love A Child Holding Limited Liability Company ("LLC"). The Organization is the sole member of the LLC. All significant intercompany transactions and account balances have been eliminated in consolidation.

Basis of Accounting and Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting. Net assets of the Organization and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met either by action of the Organization and/or the passage of time. Additionally, net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Net assets with donor restrictions were $101,888 and $835,731 as of December 31, 2019 and 2018, respectively.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("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 consolidated financial statements and the reported amounts of revenue and other support and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include checking and money market accounts. The Organization considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values and all debt securities are reported at their fair value on the consolidated statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Property and Equipment

Acquisitions of property and equipment in excess of $5,000 are capitalized. Property and equipment are carried at cost, or if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method. The general range of estimated useful lives for buildings, building improvements, and leasehold improvements are 10 to 40 years and the general range for furniture and equipment and vehicles is 3 to 10 years.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as support without donor restriction unless the donor has restricted the donated assets to a specific purpose. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

Revenue and Revenue Recognition

The Organization recognizes revenue from mission team trips and medical research when products are transferred and services are performed. The revenues from these activities are recorded as miscellaneous revenue on the consolidated statement of activities. All goods and services are transferred at a point in time.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor restricted contributions in which restriction is expired in the same period are recorded as net assets without donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Contributions considered to be nonexchange transactions that include donor-imposed conditions are recognized as revenue when the condition is met. Unconditional promises to give due in the next year, are recorded at their net realizable value. Funds received by the Organization for conditional contributions are recorded as a liability until the conditions are met. Unconditional promises to give due in subsequent years are reported based on the net present value of the projected fair value at the date that those assets are expected to be received, considering the likelihood of the promise being fulfilled. In 2019 and 2018, there were no conditional or unconditional promises to give.

In-kind contributions consist of food, clothes, medical supplies, equipment and investments. These contributions are recorded at fair value when received.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and is classified as other than a private foundation within the meaning of Section 509(a) of the Internal Revenue Code; accordingly, the accompanying consolidated financial statements do not reflect a provision or liability for federal and state income taxes. The Organization has determined that it does not have any material unrecognized tax benefits or obligations as of December 31, 2019.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis on the consolidated statements of activities and consolidated statements of functional expenses. Accordingly, certain costs have been allocated among program and supporting services. Salaries and other expenses associated with a specific program are charged directly to that program while salaries that benefit more than one program are allocated to the various programs based on management's estimates of how time was spent. Other expenses that benefit more than one program are allocated by use of such methods as floor space usage and salary percentages as appropriate.

New Accounting Pronouncements

On January 1, 2019, the Organization adopted Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606),* which replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization has adopted under the modified retrospective approach. There was not a material impact on the financial statements as a result of the adoption.

On January 1, 2019, The Organization adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transaction and determining whether a contribution is conditional. The Organization adopted the provisions of ASU 2018-08 applicable to both contributions received and contributions made in the accompanying consolidated financial statements under a modified prospective basis. Accordingly, there is no effect on net assets as a result of implementation.

Recently issued accounting standards:

Leases
In February 2016, the FASB issued ASU 2016-02, "*Leases*". Under the new standard, lessees will need to recognize a right-of-use asset and a lease liability for virtually all their leases (other than leases that meet the definition of a short-term lease). The liability will be equal to the present value of lease payments. For statement of activities purposes, the FASB continued the dual model, requiring leases to be classified as either operating or finance. Operating leases will result in straight-line expense (similar to current operating leases) while finance leases will result in a front-loaded expense pattern (similar to current capital leases). Classification will be based on criteria that are largely similar to those applied to current lease accounting. Extensive quantitative and qualitative disclosures will be required to provide greater insight into the extent of revenue and expense recognized and expected to be recognized from existing contracts. The new standard will be effective January 1, 2022 for the Organization, and the Organization is currently evaluating the effect this ASU may have on its financial statements.

Subsequent Events

The Organization evaluated the effect of subsequent events would have on the consolidated financial statements through June 29, 2020, which is the date the consolidated financial statements were available to be issued.

Subsequent to the consolidated statement of financial position date, the World Health Organization declared the outbreak of COVID-19, a novel strain of Coronavirus, a pandemic. The coronavirus outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of the outbreak on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our donors, employees and vendors, and governmental, regulatory and private sector responses. The consolidated financial statements do not reflect any adjustments as a result of the subsequent increase in economic uncertainty.

2. Investments

The organization held $458,966 and $350,991 of marketable equity securities at December 31, 2019 and 2018, respectively.

Investment income at December 31 are summarized as follows:

	2019	2018
Interest and dividends	$ **4,360**	$ 1,162
Realized gains (losses)	**9,409**	(10,205)
Unrealized gains (losses)	**87,119**	(4,921)
	$ **100,888**	$ (13,964)

3. Fair Values of Assets and Liabilities

Fair value as defined under U.S. GAAP is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a measurement date. Accounting principles generally accepted in the United States of America establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

- Level 1: Observable inputs such as quoted prices in active markets.
- Level 2: Inputs other than quoted prices in active markets that are either directly or indirectly observable.
- Level 3: Unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Organization's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value of assets and liabilities and their placement within the fair value hierarchy levels.

Assets and Liabilities at Fair Value on a Recurring Basis

When quoted prices are available in active markets for identical instruments, investment securities are classified within Level 1 of the fair value hierarchy. Level 1 investments include common stocks, mutual funds, and exchange-traded funds which are valued based on prices readily available in the active markets in which those securities are traded. The organization does not have any Level 2 investments.

The Organization does not have any financial assets or liabilities measured at fair value on a recurring basis categorized as Level 3, and there were no transfers in or out of Level 3 during 2019. There were no changes during 2019 to the Organization's valuation techniques used to measure asset and liability fair values on a recurring basis.

The table below presents the balances of assets measured at fair value on a recurring basis.

	December 31, 2019			
	Total	**Level 1**	**Level 2**	**Level 3**
Common stocks	$ **258,562**	$ **258,562**	$ **-**	$ **-**
Mutual funds	**100,869**	**100,869**	**-**	**-**
Exchange-traded funds	**20,401**	**20,401**	**-**	**-**
Total investments	$ **379,832**	$ **379,832**	$ **-**	$ **-**

The Organization had $79,134 of cash included within investments which are not included in the fair value hierarchy.

	December 31, 2018			
	Total	**Level 1**	**Level 2**	**Level 3**
Common stocks	$ 197,458	$ 197,458	$ -	$ -
Mutual funds	66,375	66,375	-	-
Exchange-traded funds	16,667	16,667	-	-
Total investments	$ 280,500	$ 280,500	$ -	$ -

The Organization had $70,491 of cash included within investments which are not included in the fair value hierarchy.

4. Property and Equipment

Property and equipment include the following at December 31:

	2019	**2018**
Furniture and equipment	**$ 765,742**	$ 753,070
Vehicles	**1,771,393**	1,668,143
Land	**2,293,171**	2,293,171
Land improvements	**414,444**	401,065
Buildings	**6,392,541**	5,947,150
Building improvements	**1,223,683**	1,203,454
Construction in progress	**374,663**	418,645
	13,235,637	12,284,698
Less accumulated depreciation	**(7,742,017)**	(7,424,196)
Property and equipment, net	**$ 5,493,620**	$ 5,260,502

5. Note Payable

In May 2011, the Organization purchased an office building in Fort Myers, Florida in part using the proceeds of a $1,704,250 note payable. Monthly payments of principal and interest at 3.95% will be made over a 60 month amortization period with a balloon payment of all principal and interest due in June 2021. The note payable is secured by the assignment of rents as well as essentially all property located in the United States of the Organization. The note payable is subject to certain debt covenants including a requirement to maintain a debt service coverage ratio of 1.3 to 1 at fiscal year end. The Organization was in compliance with this covenant for the year ended December 31, 2019.

Maturities of the note payable as of December 31 are as follows:

2020	$ 69,697
2021	825,840
Total	$ 895,537

6. Operating Leases

The Organization is obligated under non-cancelable operating leases for certain administrative facilities and equipment. Most of the leases include options for renewal at the end of the current lease term. Total lease and rent expense for 2019 and 2018 was approximately $73,000 and $62,000, respectively. The following is a schedule by year of future minimum lease payments as of December 31, 2019:

2020	$ 6,080
2021	932
	$ 7,012

7. Concentrations

Financial instruments that potentially expose the Organization to concentrations of credit risk, as defined by U.S. GAAP, consist primarily of bank accounts with balances in excess of amounts insured by the Federal Deposit Insurance Corporation.

The Organization receives in-kind contributions from various organizations which consist primarily of food, seeds, vitamins, medicines, and labor related to the enhancement of the Organization's mission. The Organization received its in-kind contributions from the following organizations:

	2019	**2018**
MAP International	**$ 33,881,222**	$ 40,342,722
Children's Care Outreach	**-**	83,228
Feed My Starving Children	**5,776,531**	5,805,043
World Vision	**161,659**	1,121,857
International Aid	**575,136**	99,847
Hope Seed	**188,585**	25,630
Idahoan	**54,750**	-
Other	**116,557**	159,255
Total	**$ 40,754,440**	$ 47,637,582

8. Foreign Operations

The Organization conducts humanitarian and other program operations in Haiti and has property and equipment, with a net book value of approximately $2,782,000 and $2,814,000 located in Haiti at December 31, 2019 and 2018, respectively. The Organization's revenues are from sources within the United States and it maintains its bank accounts in the United States. Account balances relating to foreign operations are reflected in the consolidated financial statements in United States dollars.

9. Donated Materials and Services

The Organization receives donated materials from a variety of sources as disclosed in Note 7. The Organization also receives donated services from a variety of unpaid volunteers. Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Donated services and materials for the years ended December 31 are summarized as follows:

	2019	2018
Clothes, food and medicine	$ 40,706,964	$ 47,549,204
Equipment	33,950	40,000
Investments	13,526	48,378
Total	$ 40,754,440	$ 47,637,582

10. Join Activities Disclosures

During the years ended December 31, 2019 and 2018, the Organization incurred $2,143,897 and $2,032,754, respectively, of costs related to production of television programming. The joint costs related to this activity that have been allocated among functional expenses are as follows:

	2019	2018
Program services	$ 643,169	$ 609,826
Fundraising	1,500,728	1,422,928
	$ 2,143,897	$ 2,032,754

11. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes at December 31:

	2019	2018
Malnutrition Center	$ 16,641	$ -
Jesus Healing Center	85,247	-
Birthing Center	-	492,960
University Road	-	267,937
Gas Station	-	50,523
Other	-	24,311
	$ 101,888	$ 835,731

12. 401(k) Plan

The Organization maintains a 401(k) plan for all eligible employees. An eligible employee is one that is a U.S. Citizen, has attained the age of twenty-one and has completed six months of service. The Organization makes matching contributions on the first 3% of compensation. The Organization contributed approximately $47,000 and $50,000 to the plan for the years ended December 31, 2019 and 2018, respectively.

13. Liquidity and Availability

As part of its liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenses, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily operating funds in short-term investments such as stocks, mutual funds, and exchange-traded funds.

The following schedule reflects the Organization's financial assets to meet cash needs for general expenses within one year. The financial assets were derived from the total assets on the balance sheets by excluding the assets that are unavailable for general expenses in the next 12 months.

The Organization seeks to maintain sufficient liquid assets to cover three months' operating and capital expenses.

Financial assets available for general expenditure within one year of the statement of financial position, consist of the following:

	2019	2018
Cash and cash equivalents	**$ 10,312,993**	$ 8,245,557
Investments	**458,966**	350,991
Less: Restricted by donors	**(101,888)**	(835,731)
	$ 10,670,071	$ 7,760,817