Love A Child, Inc.

Independent Auditor's Report and Consolidated Financial Statements

December 31, 2023 and 2022

Contents

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Independent Auditor's Report

The Board of Directors
Love A Child, Inc.
Fort Myers, Florida

Opinion

We have audited the consolidated financial statements of Love A Child, Inc. (the "Organization") which comprise the statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Love A Child, Inc. as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Love A Child, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Love A Child, Inc.'s ability to continue as a going concern within one year after the date that these consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Love A Child, Inc.'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Love A Child, Inc.'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.

Forvis Mazars, LLP

Norfolk, Virginia
June 27, 2024

Love A Child, Inc.
Consolidated Statements of Financial Position
December 31, 2023 and 2022

	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents	$ 29,015,406	$ 24,951,082
Investments	732,131	531,161
Prepaid expenses and other assets	92,430	80,490
Cash restricted for project	225,589	384,400
Total current assets	30,065,556	25,947,133
Property and Equipment, Net	8,857,670	6,438,723
Right of Use Asset on Operating Lease	21,958	17,129
Total assets	$ 38,945,184	$ 32,402,985
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	$ 231,363	$ 232,561
Operating lease liability, current	8,402	8,744
Total current liabilities	239,765	241,305
Long-Term Operating Lease Liability	13,532	8,481
Total liabilities	253,297	249,786
Net Assets		
Without donor restrictions	38,466,298	31,768,799
With donor restrictions	225,589	384,400
Total net assets	38,691,887	32,153,199
Total liabilities and net assets	$ 38,945,184	$ 32,402,985

Love A Child, Inc.
Consolidated Statements of Activities
Years Ended December 31, 2023 and 2022

	2023	2022
Net Assets without Donor Restrictions		
Revenue and Gains and other Support without Donor Restrictions		
Contributions	$ 18,066,430	$ 18,325,911
Contributed nonfinancial assets and services	22,406,455	16,300,236
Other revenue	54,885	78,241
Investment income, net	543,926	20,045
Realized and unrealized gain (loss) on investments	188,854	(122,308)
Foreign exchange gain (loss)	16,695	(63,971)
Net assets released from restriction	384,400	94,083
Total revenues, gains and other support without donor restrictions	41,661,645	34,632,237
Expenses		
Program Services		
Humanitarian	30,752,074	26,350,436
Supporting Services		
Management and general	1,768,928	1,872,468
Fundraising	2,443,144	2,975,312
Total supporting services	4,212,072	4,847,780
Total expenses	34,964,146	31,198,216
Net increase in net assets without donor restrictions	6,697,499	3,434,021
Net Assets with Donor Restrictions		
Contributions	225,589	383,400
Net assets released from restriction	(384,400)	(94,083)
Net (decrease) increase in net assets with donor restrictions	(158,811)	289,317
Increase in Net Assets	6,538,688	3,723,338
Net Assets, Beginning of Year	32,153,199	28,429,861
Net Assets, End of Year	$ 38,691,887	$ 32,153,199

Love A Child, Inc.
Consolidated Statement of Functional Expenses
Year Ended December 31, 2023

	Program Services	Supporting Services			
	Humanitarian	Management & General	Fundraising	Total	Total Expenses
Goods distributed	$ 22,375,008	$ -	$ -	$ -	$ 22,375,008
Salaries, benefits, taxes - U.S.	1,691,632	1,136,634	176,370	1,313,004	3,004,636
Disaster, hunger/medical relief and community development	2,212,714	-	-	-	2,212,714
Salaries and taxes - Haiti	1,799,872	-	-	-	1,799,872
Airtime	-	-	1,678,402	1,678,402	1,678,402
Occupancy	610,660	46,278	58,086	104,364	715,024
Depreciation	667,858	17,147	1,270	18,417	686,275
Print and supplies	78,171	90,716	510,318	601,034	679,205
Shipping	531,989	2,958	219	3,177	535,166
Office	178,860	234,668	3,253	237,921	416,781
Maintenance and repairs	354,037	49,308	3,398	52,706	406,743
Professional services	29,335	131,925	-	131,925	161,260
Travel and lodging	127,230	20,636	6,867	27,503	154,733
Other	94,708	38,658	4,961	43,619	138,327
Total expenses	$ 30,752,074	$ 1,768,928	$ 2,443,144	$ 4,212,072	$ 34,964,146

Love A Child, Inc.
Consolidated Statement of Functional Expenses
Year Ended December 31, 2022

	Program Services	Supporting Services			
	Humanitarian	Management & General	Fundraising	Total	Total Expenses
Goods distributed	$ 16,263,213	$ -	$ -	$ -	$ 16,263,213
Disaster, hunger/medical relief and community development	2,941,343	-	-	-	2,941,343
Salaries, benefits, taxes - U.S.	1,766,134	1,149,071	177,083	1,326,154	3,092,288
Salaries and taxes - Haiti	1,270,460	-	-	-	1,270,460
Airtime	-	-	2,074,306	2,074,306	2,074,306
Shipping	1,625,641	2,077	-	2,077	1,627,718
Occupancy	769,527	54,791	87,966	142,757	912,284
Print and supplies	109,990	92,115	630,906	723,021	833,011
Depreciation	644,609	17,748	-	17,748	662,357
Maintenance and repairs	512,529	70,098	-	70,098	582,627
Office	142,839	289,536	394	289,930	432,769
Other	149,384	31,398	3,313	34,711	184,095
Travel and lodging	123,958	38,782	1,344	40,126	164,084
Professional services	30,809	126,852	-	126,852	157,661
Total expenses	$ 26,350,436	$ 1,872,468	$ 2,975,312	$ 4,847,780	$ 31,198,216

Love A Child, Inc.
Consolidated Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Operating Activities		
Increase in net assets	$ 6,538,688	$ 3,723,338
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	686,275	662,357
Non-operating contributed nonfinancial assets	(27,435)	(35,944)
Contributions restricted	(225,589)	(383,400)
Realized and unrealized (gain) loss on investments	(187,418)	122,308
Loss on disposal of property and equipment	-	12,975
Noncash operating lease expense	10,354	8,757
Net change in:		
Prepaid expenses and other assets	(11,940)	2,080
Accounts payable and accrued expenses	(1,198)	(159,532)
Operating lease liabilities	(10,474)	(8,661)
Net cash provided by operating activities	6,771,263	3,944,278
Investing Activities		
Proceeds from sale of investments	13,883	98,349
Purchase of investments	-	(87,221)
Purchase of property and equipment	(3,105,222)	(391,556)
Net cash used in investing activities	(3,091,339)	(380,428)
Financing Activities		
Restricted contributions received	225,589	383,400
Net Change in Cash and Cash Equivalents	3,905,513	3,947,250
Cash and Cash Equivalents at Beginning of Year	25,335,482	21,388,232
Cash and Cash Equivalents at End of Year	$ 29,240,995	$ 25,335,482
Cash Reported in the Consolidated Statements of Financial Position as Follows		
Cash and cash equivalents	$ 29,015,406	$ 24,951,082
Cash restricted for project	225,589	384,400
Total cash, cash equivalents, and restricted cash	$ 29,240,995	$ 25,335,482
Noncash Investing and Financing Activities		
Contributed investments	$ 27,435	$ 20,495
Contributed property and equipment	$ -	$ 15,449
Right-of-use assets obtained in exchange for new and existing operating lease liabilities at adoption of ASC 842	$ 15,183	$ 25,886

Note 1. Nature of Activities and Basis of Consolidation

Love A Child, Inc. (the "Organization") was established in 1985 as a Florida not-for-profit corporation. The Organization's purpose is to support children and needy individuals in Haiti through humanitarian care. The Organization is supported by contributions from the general public.

The Organization's programs include:

Food Distributions – Reaching the poor, homeless, and hungry children and families in Haiti through the distribution of nutritious meals.

Medical Outreach – Providing quality health care for the most vulnerable populations in Haiti, including children, the elderly, pregnant women, and those that are chronically ill. This is accomplished through a regional medical center, remote medical clinics, a malnutrition center, a birthing center, and dental and eye care clinics.

Education – Providing education, nutrition, and healthcare to children attending schools operated by the Organization throughout Haiti.

Orphanage Care – Operation of a full care orphanage for children in Fond Parisien, Haiti.

Sustainability – Helping Haitians help themselves through sustainable agricultural and poultry courses. The Organization also supports the local Haitian community through the operations of a marketplace, slaughterhouse, Tilapia farm, and chicken farm.

Building Programs – Construction of new buildings and land improvements to support the Haitian community at large.

Disaster Relief – Providing shelter, water, and food during times of natural disasters for vulnerable communities throughout Haiti.

In conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP")., the consolidated financial statements of the Organization include the accounts of Love A Child Holdings, LLC (the "LLC"). The LLC is a Florida limited liability company formed for the purpose of holding certain property. The Organization is the sole member of the LLC. All significant interorganization transactions and balances have been eliminated in consolidation. References to the Organization in these notes refer to the consolidated entity unless otherwise stated.

The Organization conducts humanitarian and other program operations in Haiti. The Organization's revenues are from sources primarily within the United States, although revenues are received from other countries. The Organization maintains bank accounts in the United States, Haiti, and the Dominican Republic. Account balances relating to foreign operations are reflected in the consolidated financial statements in United States dollars.

Note 2. Summary of Significant Accounting Policies

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 require to 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 $225,589 and $384,400 as of December 31, 2023 and 2022, respectively.

Change in Accounting Principle

In June 2016, the FASB issued guidance, *ASU 2016-13, Financial Instruments - Credit Losses* (Topic 326), which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in Topic 326 are patient receivables and contract and other receivables. The Organization adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

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.

Cash Restricted for Projects

Cash restricted for projects consist of amounts restricted for capital projects.

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 using the following lives:

Buildings and building improvements	10 to 40 years
Furniture and fixtures	3 to 10 years
Vehicles 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.

Leases

The Organization determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of right-of-use ("ROU") assets and lease liabilities on the statements of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Organization determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Organization has made a policy election to use a risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk free rate is determined using a period comparable with the lease term or the remaining term for existing leases at date of adoption in 2022. In addition, when the rate implicit in the lease is readily determinable for an individual lease, the Organization uses that rate, rather than the risk-free rate.

The lease term may include options to extend or to terminate the lease that the Organization is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

The Organization has elected not to record leases with an initial term of 12 months or less on the statements of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Revenue Recognition

Contributed nonfinancial assets are recognized as revenue when the Organization receives these donations at the Organization's facilities in Haiti, due to the risk of seizure/diversion by gangs in the Haiti port system and along logistic channels of transportation.

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 2023 and 2022, there were no conditional or unconditional promises to give.

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and statutes of Florida, 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, 2023 and 2022.

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, overall usage estimates, and salary percentages as appropriate.

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.

Subsequent Events

The Organization evaluated the effect of subsequent events would have on the consolidated financial statements through June 27, 2024, which is the date the consolidated financial statements were available to be issued.

Note 3. 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 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 sheet by excluding the assets that are unavailable for general expenses in the next 12 months.

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

	2023	2022
Cash and cash equivalents (with and without restrictions)	$ 29,240,995	$ 25,335,482
Investments	732,131	531,161
Less, restricted by donors	(225,589)	(384,400)
	$ 29,747,537	$ 25,482,243

Note 4. Investments

At December 31, 2023, investments consisted of the following:

	Cost	Fair Market Value	Unrealized Gain
Common stocks	$ 88,768	$ 554,043	$ 465,275
Mutual funds	41,711	151,214	109,503
Exchange traded funds	1,504	26,874	25,370
	$ 131,983	$ 732,131	$ 600,148

At December 31, 2022, investments consisted of the following:

	Cost	Fair Market Value	Unrealized Gain
Common stocks	$ 88,790	$ 381,135	$ 292,345
Mutual funds	41,711	126,396	84,685
Exchange traded funds	1,504	23,630	22,126
	$ 132,005	$ 531,161	$ 399,156

Note 5. 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 2023 and 2022. There were no changes during 2023 and 2022 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, 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Common stocks	$ 554,043	$ -	$ -	$ 554,043
Mutual funds	151,214	-	-	151,214
Exchange-traded funds	26,874	-	-	26,874
Total investments	$ 732,131	$ -	$ -	$ 732,131

	December 31, 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Common stocks	$ 381,135	$ -	$ -	$ 381,135
Mutual funds	126,396	-	-	126,396
Exchange-traded funds	23,630	-	-	23,630
Total investments	$ 531,161	$ -	$ -	$ 531,161

Note 6. Property and Equipment

Property and equipment include the following at December 31:

	2023	2022
Furniture and equipment	$ 835,189	$ 898,610
Vehicles	1,744,277	1,681,127
Land	2,293,171	2,293,171
Land improvements	1,188,633	1,188,633
Buildings	7,899,828	7,621,966
Building improvements	4,279,561	1,367,848
Construction in progress	100,274	303,520
	18,340,933	15,354,875
Less, accumulated depreciation	(9,483,263)	(8,916,152)
Property and equipment, net	$ 8,857,670	$ 6,438,723

Depreciation expense was $686,275 and $662,357 for 2023 and 2022, respectively.

As of December 31, 2023 and 2022, the Organization held property and equipment in Haiti with carrying values (net of accumulated depreciation) of approximately $6,900,000 and $4,100,000, respectively.

Note 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:

	2023	2022
MAP International	$ 20,127,466	$ 12,710,496
Feed My Starving Children	1,693,077	2,997,423
World Vision	418,152	504,572
Other	167,760	87,745
Total	$ 22,406,455	$ 16,300,236

The Organization’s operations depend upon continued permission by the Haitian government to operate in Haiti. A major disruption in government operations in Haiti could adversely affect the Organization’s operations in that country. The Organization operates on the basis of faith in God’s will and provision. The Organization has operated in Haiti without significant disruption since 1985.

Note 8. Contributed Nonfinancial Assets

During 2023 and 2022, the Organization recognized the following contributed nonfinancial assets:

	2023	2022
Pharmaceuticals and medical supplies	$ 20,457,148	$ 13,215,068
Food	1,693,077	2,997,423
Equipment	211,639	15,449
Investments	27,435	20,495
Clothes	17,156	51,801
	$ 22,406,455	$ 16,300,236

Contributed items were utilized in the following programs:

Contributed Items	Programs
Pharmaceuticals and Medical Supplies	Medical Outreach
Food	Food Distributions, Disaster Relief, Education, Medical Outreach, Sustainability
Clothes	Disaster Relief, Medical Outreach, Orphanage Care
Equipment	Sustainability
Investments	Management and General

The following basis was used for valuing contributed items:

Contributed Items	Valuation Basis
Pharmaceuticals and Medical Supplies	For items sold in the United States ("U.S.") market, the Organization has determined that the U.S. is the principal or most advantageous market for purposes of estimating fair value. The Organization's management estimates the fair value of donated pharmaceuticals using "wholesale acquisition cost," listed in reference materials, including the IBM Micromedex RED BOOK, a widely-used drug and pricing reference guide for the pharmaceutical industry in the United States.
Food	Estimated costs to acquire products in the United States.
Clothes	Estimated costs to acquire products in the United States.
Equipment	Donor's purchase price (estimated cost to acquire product in the United States)
Investments	Fair value of security at date of donation

Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. Contributions of services include services received from personnel of an affiliate.

Note 9. Net Assets with Donor Restrictions

Net assets with donor restrictions of $225,589 are restricted for a construction project, a food distribution center, and sustainability projects.

Note 10. Operating Leases

The Organization is obligated under two non-cancelable operating leases for equipment with terms through 2029. The Organization also incurred lease cost on facilities for terms less than one year.

Lease cost is included in occupancy expense within the statements of activities and for the years ended December 31, 2023 and 2022 and consists of the following:

	2023	2022
Lease cost:		
Operating lease cost - equipment	$ 9,028	$ 8,966
Short-term lease cost - administrative facilities	95,563	63,375
Total lease cost included in occupancy expense	$ 104,591	$ 72,341
Other information:		
Weighted-average remaining lease terms		
Operating leases	3.91 years	2.05 years
Weighted-average discount rate		
Operating leases	3.39%	.98%

	2023	2022
Total future undiscounted lease payments	$ 23,687	$ 17,401
Less, imputed interest	(1,753)	(176)
Lease liabilities	$ 21,934	$ 17,225

Lease liabilities are presented on the statements of financial position as follows:

Lease liability, current	$ 8,402	$ 8,744
Long-term lease liability	13,532	8,481
Lease liabilities	$ 21,934	$ 17,225

Future minimum lease payments at December 31, 2023 are as follows:

2024	$	9,035
2025		4,684
2026		3,233
2027		3,233
2029		3,233
2029 and thereafter		269
Total future undiscounted lease payments	$	23,687

Note 11. Airtime

The Organization promotes its programs through television broadcasting. Such costs are expensed as incurred. During 2023 and 2022, the Organization incurred airtime expense of $1,678,402 and $2,074,306, which is recognized as fundraising expense in the consolidated statements of activities.

Note 12. Retirement Plan

The Organization contributes to a 401(k) profit-sharing plan (the “Plan”) for its employees. All employees who are at least twenty-one years of age and have completed six months of service are eligible to participate in the Plan. Participating employees may elect to make salary deferral contributions to the Plan. The Plan requires the Organization to make matching contributions of up to 3% of an employee's annual compensation. The Organization may also make an annual discretionary contribution to the Plan on behalf of its employees. Employees vest in employer contributions over a five-year period. The Organization’s contributions to the Plan were approximately $48,500 and $50,000 for 2023 and 2022, respectively.