

WORLD HELP

Financial Statements
With Independent Auditors' Report

March 31, 2019

WORLD HELP

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Statement of Functional Expenses – 2019	6
Notes to Financial Statements	7

INDEPENDENT AUDITORS' REPORT

Board of Directors
World Help
Forest, Virginia

We have audited the accompanying financial statements of World Help (Organization) (a nonprofit corporation), which comprise the statement of financial position as of March 31, 2019, and the related statements of activities, cash flows, and functional expenses for the fifteen months then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 financial statements based on our audit. We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity'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 financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
World Help
Forest, Virginia

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of World Help as of March 31, 2019, and the changes in its net assets, cash flows, and functional expenses for the fifteen months then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, World Help has adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. This has had a material effect on the presentation of the March 31, 2019, financial statements. Our opinion is not modified with respect to this matter.

Capin Crouse LLP

New York, New York
July 29, 2019

WORLD HELP

Statement of Financial Position

March 31, 2019

ASSETS:

Cash and cash equivalents	\$ 1,309,252
Investments	988,869
Prepaid expenses and other assets	441,041
Inventory	56,553
Property and equipment—net	661,167
Investments held for long term purposes	<u>165,476</u>

Total Assets \$ 3,622,358

LIABILITIES AND NET ASSETS:

Liabilities:

Accounts payable	\$ 296,085
Accrued payroll and payroll taxes	274,064
Grants payable	266,941
Deferred revenue	340,964
Revolving line of credit	1,250,000
Notes payable	33,298
Capital lease obligation	<u>58,273</u>
	<u>2,519,625</u>

Net assets:

Without donor restrictions	(1,539,118)
With donor restrictions	<u>2,641,851</u>
	<u>1,102,733</u>

Total Liabilities and Net Assets \$ 3,622,358

See notes to financial statements

WORLD HELP

Statement of Activities

Fifteen Months Ended March 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:			
Contributions and grants:			
Cash	\$ 14,638,905	\$ 3,375,307	\$ 18,014,212
Gifts-in-kind	23,247,993	-	23,247,993
Special events-net	1,340,914	-	1,340,914
Product sales	64,736	-	64,736
Investment income	7,499	5,950	13,449
Other income	2,729	-	2,729
	<u>39,302,776</u>	<u>3,381,257</u>	<u>42,684,033</u>
RECLASSIFICATIONS:			
Satisfaction of program restrictions	2,757,890	(2,757,890)	-
	<u>2,757,890</u>	<u>(2,757,890)</u>	<u>-</u>
EXPENSES:			
Program services:			
International ministries	34,150,543	-	34,150,543
Outreach ministries	757,138	-	757,138
Total program services	<u>34,907,681</u>	<u>-</u>	<u>34,907,681</u>
Supporting activities:			
Management and general	5,346,033	-	5,346,033
Fundraising	2,863,481	-	2,863,481
Total supporting activities	<u>8,209,514</u>	<u>-</u>	<u>8,209,514</u>
Total expenses	<u>43,117,195</u>	<u>-</u>	<u>43,117,195</u>
Change in Net Assets	(1,056,529)	623,367	(433,162)
Net Assets, Beginning of Period	<u>(482,589)</u>	<u>2,018,484</u>	<u>1,535,895</u>
Net Assets, End of Period	<u>\$ (1,539,118)</u>	<u>\$ 2,641,851</u>	<u>\$ 1,102,733</u>

See notes to financial statements

WORLD HELP

Statement of Cash Flows

Fifteen Months Ended March 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (433,162)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:	
Depreciation	124,200
Net realized and unrealized gain on investments	24,026
Changes in:	
Prepaid expenses and other assets	59,009
Purchased inventory	2,857
Accounts payable	26,583
Grants payable	39,099
Accrued payroll and payroll taxes	159,343
Deferred revenue	(37,940)
Net Cash Used by Operating Activities	<u>(35,985)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of property and equipment	(11,258)
Purchase of investments	(528,393)
Proceeds from sale of investments	605,229
Net Cash Provided by Investing Activities	<u>65,578</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Borrowings on line of credit	2,006,471
Payments on line of credit	(1,606,309)
Payments on notes payable and capital lease obligation	(30,300)
Net Cash Provided by Financing Activities	<u>369,862</u>

CHANGE IN CASH AND CASH EQUIVALENTS 399,455

CASH AND CASH EQUIVALENTS:

Beginning of period	<u>909,797</u>
End of period	<u>\$ 1,309,252</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash paid for interest	<u>\$ 36,902</u>
------------------------	------------------

NONCASH INVESTING AND FINANCING ACTIVITY:

Property and equipment acquired through capital lease	<u>\$ 75,943</u>
---	------------------

See notes to financial statements

WORLD HELP

Statement of Functional Expenses

Fifteen Months Ended March 31, 2019

	Program Services			Supporting Activities			Cost of Direct Benefit to Donors	Total
	International Programs	Outreach Ministries	Total Program	Management and General	Fundraising	Total Supporting		
Humanitarian aid	\$ 23,247,993	\$ -	\$ 23,247,993	\$ -	\$ -	\$ -	\$ -	\$ 23,247,993
Contributions to ministry partners	9,071,866	-	9,071,866	-	463,093	463,093	-	9,534,959
Payroll and employee benefits	1,114,602	389,413	1,504,015	3,596,687	857,071	4,453,758	-	5,957,773
Printing and mailing	26,841	17,018	43,859	2,127	594,486	596,613	-	640,472
Postage and freight	517,792	5,407	523,199	676	460,976	461,652	-	984,851
Travel	66,291	154,474	220,765	111,408	111,408	222,816	-	443,581
Promotional items	-	-	-	110,486	160,345	270,831	-	270,831
Special events	-	-	-	-	192,429	192,429	771,298	963,727
Professional fees	-	88,133	88,133	531,005	11,017	542,022	-	630,155
Taxes and licenses	-	-	-	361,800	-	361,800	-	361,800
Rent	105,158	-	105,158	76,618	-	76,618	-	181,776
Depreciation	-	47,629	47,629	70,617	5,954	76,571	-	124,200
Other	-	55,064	55,064	484,609	6,702	491,311	-	546,375
Total expenses	34,150,543	757,138	34,907,681	5,346,033	2,863,481	8,209,514	771,298	43,888,493
Less cost of direct benefit to donors	-	-	-	-	-	-	(771,298)	(771,298)
Total expenses on statement of activities	\$ 34,150,543	\$ 757,138	\$ 34,907,681	\$ 5,346,033	\$ 2,863,481	\$ 8,209,514	\$ -	\$ 43,117,195

See notes to financial statements

WORLD HELP

Notes to Financial Statements

March 31, 2019

1. NATURE OF ORGANIZATION:

World Help (Organization) was established as an unincorporated not-for-profit association in 1991. World Help is a Christian humanitarian organization serving the physical and spiritual needs of people in impoverished communities around the world. The Organization's primary activities are described below:

International Programs—The Organization works with partners to provide humanitarian, medical and educational assistance and ensuring clean water and people's spiritual needs by providing Bibles and establishing churches in as many communities as possible.

Outreach Ministries—The Organization's outreach ministries primarily consists of "Children of the World", which is a program designed to educate the perils of children in the developing world. Annually, the Organization forms a choir of children from its child sponsorship program and tours the United States to promote awareness of the needs of children to overcome malnutrition, obtain clean water, education, etc.

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state laws. However, the Organization is subject to federal income tax on any unrelated business taxable income. In addition, the Organization is not classified as a private foundation within the meaning of Section 509(a) of the IRC.

2. SIGNIFICANT ACCOUNTING POLICIES:

The Organization prepares its financial statements on the accrual basis of accounting. The Organization uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements. The more significant accounting policies are described below.

CHANGE IN FISCAL YEAR END

The Organization elected to change its fiscal year end from December 31 to March 31. Accordingly, the financial statements and related notes are for the fifteen months ended March 31, 2019.

CASH AND CASH EQUIVALENTS

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents unless held for reinvestment as part of the investment portfolio, pledged to secure loan agreements, or otherwise designated or restricted. The carrying amount approximates fair value because of the short maturity of those instruments. At March 31, 2019, the cash accounts exceeded FDIC insured limits by approximately \$922,000. The Organization has not experienced any losses on such accounts and does not believe it is exposed to any significant credit risk on these accounts.

WORLD HELP

Notes to Financial Statements

March 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

INVESTMENTS

The Organization's primary investment objective is to preserve and protect its assets by earning a total return for each account appropriate to each account's liquidity requirements, distribution requirements, and risk tolerance. Investments are stated at fair value, except for closely held stock and a note receivable which is reported at cost. The note receivable was donated to the Organization during 2016. The note receivable is unsecured with an interest rate of 7% and requires monthly interest only payments until its maturity on December 31, 2020.

INVENTORY

Inventory procured by the Organization is stated at the lower of cost or net realizable value. The Organization receives donations of medical equipment, medical supplies, clothing and food for use in the Organization's humanitarian aid programs. Gifts-in-kind contributions are valued at their estimated fair value on the date of donation. Fair value is determined using the market approach. This approach uses prices and other relevant information generated for market transactions involving comparable assets. In-kind contributions of inventory included in total contributions received were \$23,247,993 for the fifteen months ended March 31, 2019.

For the fifteen months ended March 31, 2019, \$20,038,860 of donated inventory was delivered to the Organization before being distributed, respectively, and the remaining amounts of approximately \$3,209,133 were shipped directly from the donor to other organizations.

The Organization is a member of the Accord Network, a group of charities performing and providing regulation and oversight for those organizations doing relief and development work. In accordance with standards the group revised in December 2009 (the Interagency Gift-in-kind Standards), the Organization only recognizes amounts related to the value of gifts-in-kind when the Organization (i) is the original recipient of the gift, or (ii) is in partnership with another organization for distribution, or (iii) uses the gifts-in-kind in a program.

FIXED ASSETS AND DEPRECIATION

Property and equipment purchased by the Organization are recorded at cost. The Organization follows the practice of capitalizing all expenditures for property and equipment over \$2,000 with a useful life in excess of one year. The fair value of donated fixed assets are similarly capitalized. Depreciation is computed on the straight-line method based upon the following estimated useful lives of the assets:

Building	39 years
Office equipment and computers	3-7 years
Office furniture	7 years
Vehicles	5 years

WORLD HELP

Notes to Financial Statements

March 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES

The Organization follows the provisions of the *Fair Value Measurements and Disclosure* topic of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC). These standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

Level 1

Quoted prices in active markets for identical assets or liabilities.

Level 2

Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in active markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3

Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statement of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Investments

Investments include equity securities, exchange traded funds, and mutual funds and are recorded at fair value based on readily determinable values which are considered Level 1 under the *Fair Value* topic of the FASB ASC. The fair value of the Level 1 securities are determined by reference to quoted market prices and other relevant information generated by market transactions.

NET ASSETS

The Organization classifies net assets into two categories: without donor restrictions and with donor restrictions. All net assets are considered to be available for use unless specifically restricted by the donor or by law. Board designated net assets are set aside to begin funding a retirement plan for the Organization's current CEO. Net assets with donor restrictions include contributions with temporary, donor-imposed time or purpose restrictions. Net assets with donor-imposed time or purpose restrictions become without donor restrictions and are reported in the statement of activities as net assets released from restrictions when the time restrictions expire or the contributions are used for the restricted purpose. Net assets with donor restrictions in perpetuity include contributions with donor-imposed restrictions requiring resources to be maintained in perpetuity but permitting use of all or part of the investment income earned on the contributions. Management has elected to omit the reporting disclosures associated with the *Endowment* topic of the FASB ASC due to the lack of significance to its financial statements.

WORLD HELP

Notes to Financial Statements

March 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

CONTRIBUTIONS, REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS

Revenue is reported when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to the Organization.

Contributions and grants are recorded as with donor restrictions if they are received with donor stipulations that limit their use through purpose and/or time restrictions. When donor restrictions expire, that is, when the purpose restriction is fulfilled or the time restriction expires, the net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions, which have been fully expended for their intended purposes within the reporting period, are reported as without donor restrictions. Donor restricted contributions are subject to assessments averaging a range from 20% to 40%, which are used for general and administrative expenses.

ALLOCATION OF FUNCTIONAL EXPENSES

Expenses are reported when incurred. The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. These expenses include depreciation, salaries and benefits, and other expenses. These expenses are allocated based on time and efforts or based on the programmatic purpose of the asset being depreciated. Costs of other categories were allocated based on programmatic purpose of the employees directly affected by the expense.

RECENTLY ADOPTED ACCOUNTING STANDARDS

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The Organization adopted the provisions of this new standard during the fifteen months ended March 31, 2019. In addition to changes in terminology used to describe the categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and the availability of resources (Note 3), and disclosures related to functional allocation of expenses were expanded.

WORLD HELP

Notes to Financial Statements

March 31, 2019

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the Organization's financial assets as of March 31, 2019, reduced by amounts not available for general use because of contractual or donor-imposed restrictions, as well as board designations, within one year of the statement of financial position date.

Financial assets:

Cash and cash equivalents	\$ 1,309,252
Investments	988,869
Investments held for long term purposes	<u>165,476</u>
Financial assets, at period end	<u><u>2,463,597</u></u>

Less those unavailable for general expenditure within one year, due to:

Contractual or donor-imposed restrictions:

Restricted by donors in perpetuity	(64,300)
Subject to appropriation from endowment	(16,946)
Restrictions by donors with time or purpose restrictions	(1,064,541)
Board designation	<u>(98,316)</u>
	<u><u>(1,244,103)</u></u>

Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 1,219,494</u></u>
--	----------------------------

The Organization is substantially supported by contributions on an unrestricted and restricted basis. Those contributions with donor restriction require resources to be used in a particular manner or in a future period. The Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. The Organization has \$2,577,551 in net assets with donor restrictions for projects, bibles, and other purposes, of which \$1,513,010 is considered available to meet needs for general expenditures within one year. Additionally, as discussed in Note 2, donor restricted contributions are charged an administrative fee, calculated at a percentage rate range averaging from 20% to 40%, in order to offset the costs of administering those activities.

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage liquidity needs, the Organization maintains a line of credit in the amount of \$1,250,000 (Note 7).

WORLD HELP

Notes to Financial Statements

March 31, 2019

4. INVESTMENTS:

At March 31, 2019, investments consist of:

Investments at cost:

Cash equivalents	\$ 10,996
Note receivable	170,000
Closely held stock	3,658
	<u>184,654</u>

Investments at fair value:

Marketable equity securities:

Consumer defensive	128,771
Consumer cyclical	30,943
Exchange-traded funds	54,533

Mutual funds:

Balanced	112,123
Mid-cap	224,335
Multi-strategy	65,860
International developed markets	130,305
Intermediate bond	57,826
International emerging markets	39,299
International bond	36,146
Alternative fixed income	60,832
REITs	14,397
Managed futures	14,321
	<u>969,691</u>

\$ 1,154,345

WORLD HELP

Notes to Financial Statements

March 31, 2019

4. INVESTMENTS, continued:

At March 31, 2019, investments are reported in the statement of financial position as follows:

Investments	\$ 988,869
Investment held for long-term purposes	165,476
	<u>\$ 1,154,345</u>

For the fifteen months ended investment income consists of:

Interest and dividends	\$ 37,475
Net realized and unrealized gains on investments	(24,026)
	<u>\$ 13,449</u>

5. INVENTORY:

Inventory consists of CDs, cassettes, books and t-shirts, at cost, and amounted to \$56,553 as of March 31, 2019.

6. PROPERTY AND EQUIPMENT:

At March 31, 2019, property and equipment consists of:

	Cost	Accumulated Depreciation	Net
Land	\$ 144,406	\$ -	\$ 144,406
Buildings	652,971	327,601	325,370
Office equipment	530,179	449,192	80,987
Office furniture	91,903	83,290	8,613
Transportation equipment	511,021	409,230	101,791
	<u>\$ 1,930,480</u>	<u>\$ 1,269,313</u>	<u>\$ 661,167</u>

Depreciation expense for the fifteen months ended March 31, 2019, was \$124,200.

WORLD HELP

Notes to Financial Statements

March 31, 2019

7. REVOLVING LINE OF CREDIT:

The Organization maintains a \$1,250,000 revolving line of credit with a financial institution with variable interest payable monthly, secured by a deed of trust on the land and building. The outstanding balance and any unpaid interest is payable on demand or upon maturity at June 1, 2021.

8. NOTES PAYABLE:

At March 31, 2019, notes payable consists of a note payable to a financial institution with a fixed interest rate of 3.04%. The note is payable in monthly installments of \$945 and secured by a vehicle. The note matures in April 2022.

Future estimated maturities of notes payable are as follows:

Years Ending March 31,

2019	\$ 10,470
2020	10,793
2021	11,125
2022	910
	<hr/>
	\$ 33,298
	<hr/> <hr/>

9. OBLIGATION UNDER CAPITAL LEASE:

The Organization has a capital lease agreement for office equipment. The net book value of the related equipment for the fifteen months ended March 31, 2019, is as follows:

Office equipment, at capitalized cost	\$ 75,943
Less accumulated amortization	(9,493)
	<hr/>
	\$ 66,450
	<hr/> <hr/>

Future minimum payments under capital lease are as follows:

Years Ending March 31,

2020	\$ 21,296
2021	21,296
2022	21,296
Less: amount representing interest	(5,615)
	<hr/>
	\$ 58,273
	<hr/> <hr/>

WORLD HELP

Notes to Financial Statements

March 31, 2019

10. NET ASSETS:

At March 31, 2019, net assets consists of:

Without donor restrictions:		
Available for operations		\$ (2,207,030)
Board designated		98,316
Equity in property and equipment:		
Property and equipment–net		661,167
Debt attributed to property and equipment		(91,571)
		<u>569,596</u>
Total without donor restrictions		<u>(1,539,118)</u>
With donor restrictions:		
Subject to expenditure for specified purpose or passage of time:		
Ministry projects		1,724,631
Bibles		615,296
Term endowment		46,708
Other purposes		190,916
		<u>2,577,551</u>
Subject to restriction in perpetuity:		
Endowment fund		64,300
		<u>64,300</u>
Total with donor restrictions		<u>2,641,851</u>
Total net assets		<u><u>\$ 1,102,733</u></u>

Net assets with restrictions were released from restrictions because the purpose restrictions were accomplished as follows:

	Net Assets December 31, 2017	Restricted Contributions	Amounts Released	Net Assets March 31, 2019
Ministry projects	\$ 1,424,960	\$ 2,561,824	\$ (2,262,152)	\$ 1,724,632
Bibles	303,175	777,858	(465,738)	615,295
Term endowment	46,708	-	-	46,708
Other purposes	179,341	41,575	(30,000)	190,916
	<u>\$ 1,954,184</u>	<u>\$ 3,381,257</u>	<u>\$ (2,757,890)</u>	<u>\$ 2,577,551</u>

WORLD HELP

Notes to Financial Statements

March 31, 2019

11. SPECIAL EVENTS - NET:

The Organization hosts semi-annual Global Impact Summits as well as golf tournaments and running races with the proceeds of the events going to the Organization. For the fifteen months ended March 31, 2019, special events consist of:

Contributions	\$ 1,903,851
Revenue	208,361
Less: direct expenses	<u>(771,298)</u>
	<u>\$ 1,340,914</u>

12. OPERATING LEASES:

The Organization has several operating leases for housing, warehouse space and equipment that expire at various dates through 2024. Lease expense was approximately \$158,000 for the fifteen months ended March 31, 2019.

Future minimum lease payments under the operating leases are:

Years Ending March 31,

2020	\$ 126,934
2021	8,684
2022	8,684
2023	8,684
2024	<u>6,513</u>
	<u>\$ 159,499</u>

13. RETIREMENT PLAN:

The Organization has established a SIMPLE IRA retirement plan covering all employees who are reasonably expected to receive at least \$5,000 in compensation for the calendar year. The plan allows for employee contributions to the plan up to the maximum allowed by the Internal Revenue Service. The Organization matches 100% of each employee's contributions up to a maximum of 3% of gross wages. The Organization contributed \$75,317 for the fifteen months ended March 31, 2019.

WORLD HELP

Notes to Financial Statements

March 31, 2019

14. RELATED PARTY TRANSACTIONS:

Members of the board of directors, individually or through their business interests, contributed approximately \$1,150,000 to the Organization during the fifteen months ended March 31, 2019.

15. DONOR CONCENTRATION:

Two donors provided approximately 86% of donated inventory received by the Organization for the fifteen months ended March 31, 2019. The organizational implications of these concentrations are recognized by management and the board.

16. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through July 29, 2019, which is the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.