

## LIFE FOR RELIEF AND DEVELOPMENT, INC. AND SUBSIDIARY

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### Independent Auditor's Report

To the Board of Directors of Life for Relief and Development, Inc. and Subsidiary

#### **Opinion**

We have audited the accompanying consolidated financial statements of Life for Relief and Development, Inc. (a not-for-profit organization) and Subsidiary (a for-profit organization), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Life for Relief and Development, Inc. and Subsidiary as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Life for Relief and Development, Inc. and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 consolidated 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 of Life for Relief and Development, Inc. and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

#### Auditor's Responsibilities for the Audit of the 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 Life for Relief and Development, Inc. and Subsidiary'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 Life for Relief and Development, Inc. and Subsidiary'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.

October 29, 2025

Ichlaupity Madhavan, P.C.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2024

### **ASSETS**

Current assets		
Cash and cash equivalents	\$	9,717,753
Pledges receivable, net of allowance		23,693
Prepaid expenses and other		246,431
Inventories (contributed non-financial assets)		14,400
Total current assets		10,002,277
Property and equipment		
Land		57,750
Building		327,250
Building improvements		456,304
Furniture, fixtures and equipment		76,774
Vehicles		183,261
Total cost		1,101,339
Less, accumulated depreciation		809,298
Total property and equipment		292,041
Total assets	\$	10,294,318
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$	180,134
Accrued expenses	•	461,535
Total current liabilities		641,669
Total current habilities	_	041,007
Net assets		
Without donor restrictions		299,630
With donor restrictions		9,353,019
Total net assets		9,652,649
Total liabilities and net assets	\$	10,294,318

# CONSOLIDATED STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2024

	Without Donor	With Donor	
	Restrictions	Restrictions	Total
Support and revenue			
Contributions	\$ 4,470,357	\$ 17,014,221	\$ 21,484,578
Contributed nonfinancial assets:			
Medicine and medical supplies	-	19,605,468	19,605,468
Educational materials	-	4,651,047	4,651,047
Food baskets	-	949,622	949,622
Emergency and disaster relief	-	385,553	385,553
Other income	118,120	-	118,120
Interest income	76,940		76,940
Total support and revenue before releases	4,665,417	42,605,911	47,271,328
Net assets released from restrictions	40,795,379	(40,795,379)	
Total support and revenue	45,460,796	1,810,532	47,271,328
Expenses			
Program services	41,473,504	-	41,473,504
Management and general	2,305,560	-	2,305,560
Fundraising	1,569,454		1,569,454
Total expenses	45,348,518		45,348,518
Change in net assets	112,278	1,810,532	1,922,810
Net assets, beginning of year	187,352	7,542,487	7,729,839
Net assets, end of year	\$ 299,630	\$ 9,353,019	\$ 9,652,649

# CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2024

			Program	Services		
	Health and Safety Program	Educational Program	Emergency Disaster Relief Program	Orphans Program	Food Basket Programs	Clean Water Project Programs
Payroll Expenses:						
Compensation	\$ 17,259	\$ 17,259	\$ 517,091	\$ 870,390	\$ 180,361	\$ 114,602
Employment taxes and benefits	4,562	4,562	136,668	230,046	47,670	30,290
Total payroll expenses	21,821	21,821	653,759	1,100,436	228,031	144,892
Other Expenses:						
Contributed nonfinancial assets:						
Medicine and medical supplies	19,605,468	-	-	-	-	-
Educational materials	-	4,651,047	-	-	-	-
Food	-	-	-	-	1,002,900	-
Emergency disaster	-	-	385,553	-	-	-
Program Expenses:						
Health and safety program expense	184,900	-	-	-	-	-
Education program expense	-	1,059,633	-	-	-	-
Emergency disaster program expense	-	-	4,031,447	-	-	-
Orphans sponsorship	-	-	-	4,152,242	-	-
Family assistance	-	-	-	-	-	-
Food baskets	-	-	-	-	253,193	-
Food baskets (Ramadan)	-	-	-	-	332,062	-
Meat (Udhiyah)	-	-	-	-	151,580	-
Meat and other distribution	_	_	_	_	71,250	_
Water and sanitation program expense	_	_	_	_	- 1,200	323,730
Community development	_	_	_	_	_	-
Field office expenses	6,571	6,571	196,852	331,350	68,662	43,628
Litigation settlements and reimbursement	3,335	3,335	99,929	168,205	34,855	22,147
Credit card processing and bank fees	3,210	3,210	96,163	161,866	33,541	21,312
Freight	1,222	1,222	36,618	61,637	12,772	8,116
Printing	2,512	2,512	75,260	126,682	26,251	16,680
Software fees	3,736	3,736	111,917	188,384	39,037	24,804
Expenses Including Management						
and General						
Insurance	-	-	-	-	-	-
Professional fees	388	388	11,630	19,576	4,057	2,578
Rent	414	414	12,396	20,866	4,324	2,747
Repairs and maintenance	-	-	-	-	-	-
Telephone and internet	401	401	12,005	20,207	4,187	2,661
Utilities	-	-	-	-	-	-
Office expense and license fees	550	550	16,464	27,713	5,743	3,649
Media and communications	6,837	6,837	204,845	344,804	71,450	45,400
Bad debt expense	-	-	-	-	-	-
Depreciation	285	285	8,533	14,363	2,976	1,891
Postage and delivery fees	-	-	-	-	-	-
Travel	34	34	1,019	1,715	355	226
Fundraising Expenses:						
Fundraising event expenses	-	-	-	-	-	-
Marketing material	703	703	21,068	35,462	7,348	4,669
Total functional expenses	\$19,842,387	\$ 5,762,699	\$ 5,975,458	\$ 6,775,508	\$ 2,354,574	\$ 669,130

# CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (Continued) YEAR ENDED DECEMBER 31, 2024

		Program Services		Supporting Services		
	Community Development Programs	Family Assistance Program	Total Program Services	Management and General	Fundraising	Total Functional Expenses
Payroll Expenses:						
Compensation	\$ 1,208	\$ 7,767	\$ 1,725,937	\$ 394,500	\$ 345,188	\$ 2,465,625
Employment taxes and benefits	319	2,053	456,170	104,267	91,234	651,671
Total payroll expenses	1,527	9,820	2,182,107	498,767	436,422	3,117,296
Other Expenses:						
Contributed nonfinancial assets:						
Medicine and medical supplies	-	-	19,605,468	-	-	19,605,468
Educational materials	-	-	4,651,047	-	-	4,651,047
Food	-	-	1,002,900	-	-	1,002,900
Emergency disaster	-	-	385,553	-	-	385,553
Program Expenses:						
Health and safety program expense	-	-	184,900	-	-	184,900
Education program expense	-	-	1,059,633	-	-	1,059,633
Emergency disaster program expense	-	-	4,031,447	-	-	4,031,447
Orphans sponsorship	-	-	4,152,242	-	-	4,152,242
Family assistance	-	7,500	7,500	-	-	7,500
Food baskets	-	-	253,193	-	-	253,193
Food baskets (Ramadan)	_	_	332,062	_	_	332,062
Meat (Udhiyah)	_	_	151,580	_	_	151,580
Meat and other distribution	_	_	71,250	_	_	71,250
Water and sanitation program expense			323,730			323,730
	59,200	_	59,200	_	_	59,200
Community development		2.057	,	-	-	
Field office expenses	460	2,957	657,051	-	-	657,051
Litigation settlements and reimbursement	233	1,502	333,541	-	-	333,541
Credit card processing and bank fees	225	1,444	320,971	-	-	320,971
Freight	86	550	122,223	-	-	122,223
Printing	176	1,130	251,203	293,064	296,354	840,621
Software fees	261	1,681	373,556	-	-	373,556
Expenses Including Management						
and General						
Insurance	-	-	-	31,701	-	31,701
Professional fees	27	175	38,819	242,134	-	280,953
Rent	29	186	41,376	-	27,584	68,960
Repairs and maintenance	-	-	-	7,473	-	7,473
Telephone and internet	28	180	40,070	26,713	-	66,783
Utilities	-	-	-	16,501	-	16,501
Office expense and license fees	38	247	54,954	91,125	-	146,079
Media and communications	479	3,077	683,729	514,059	305,827	1,503,615
Bad debt expense	-	-,	-	19,881	-	19,881
Depreciation	20	128	28,481	18,634	-	47,115
Postage and delivery fees	_	_	_	444,858	5,171	450,029
Travel	2	15	3,400	30,331	153,357	187,088
Fundraising Expenses:	2	13	3, 100	55,551	130,037	237,000
Fundraising event expenses	-	-	-	-	339,500	339,500
Marketing material	49	316	70,318	70,319	5,239	145,876
Total functional expenses	\$ 62,840	\$ 30,908	\$41,473,504	\$ 2,305,560	\$ 1,569,454	\$45,348,518
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# CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2024

Cash flows from operating activities:		
Change in net assets	\$	1,922,810
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation		47,115
Bad debt expense		19,881
Changes in operating assets and liabilities (Increase) decrease in		
Pledges receivables		65,077
Prepaid expenses and other Increase (decrease) in		403,242
Accounts payable		(876,929)
Accrued expenses		383,871
Net cash provided by operating activities		1,965,067
Cash flows from investing activities: Purchase of property and equipment		(2,650)
Net increase in cash and cash equivalents		1,962,417
Cash and cash equivalents at beginning of year		7,755,336
Cash and cash equivalents at end of year	\$	9,717,753
Noncash investing activities: Contributions of stock	<u>\$</u>	136,863

#### **NOTE 1 - NATURE OF ORGANIZATION**

Life for Relief and Development, Inc. (the "Organization") is a California not-for-profit organization founded in 1992 and is headquartered in Southfield Michigan. The Organization's mission is deeply rooted in the belief that saving lives should be a priority of all mankind. In response to poverty, famine, social and economic turmoil, natural disasters, and other catastrophes, the Organization works to provide assistance to people across the globe by offering humanitarian services such as food, water, and temporary shelter as well as healthcare and education. The Organization's mission is accomplished through the following programs:

Health and Safety Program - Medicines, medical supplies, and medical equipment are distributed to underserved hospitals and clinics around the world and to communities in areas that lack adequate health services. The hearing impaired in many countries receive hearing aids through hearing aid medical missions.

Educational Program – The Organization promotes literacy through the distribution of books to colleges, universities, primary and secondary schools. Through this program the Organization also donates classroom furniture to Native American schools in the United States of America and needy schools throughout the world and gives orphans and poor school children uniforms, shoes, and school bags filled with stationary, pens, and other educational items through its back to school program.

Emergency Disaster Relief Program – In response to areas suffering from natural or man-made disasters, the Organization provides emergency humanitarian relief to those in need in the form of shelters, food, water, and urgent medical care.

Orphans Program – The orphan sponsorship program provides orphans throughout the world and the vulnerable needy families of the orphans their education, health, nutrition, shelter, and other needs.

Food Basket Programs – The food basket programs include various seasonal projects that help feed needy families in many countries throughout the world. During Ramadan, the Organization distributes food baskets to poor and needy individuals and also provide hot cooked meals to various communities. Additionally, the Organization partners with Islamic centers, grocery stores, and supermarkets in communities in the United States to distribute Udhiyah/Qurbani to individuals and families that may otherwise not have access to meat throughout the year. Through the Christmas and Thanksgiving programs, the Organization may also support a community event by providing a meal and gifts or may distribute food baskets for Thanksgiving to poor and homeless individuals.

Clean Water Project Programs – Through the water programs, the Organization assists communities that have little or no access to clean water by constructing water wells or providing water tanks. Water is a necessity of life needed for proper heath, hygiene, and sanitation and for livestock populations.

Community Development Programs – The Organization builds community centers where community members gather for social events as well as funds small human development projects for poor families to enable them to start their own businesses to support their families.

Family Assistance Program - The family assistance program works to improve the living conditions of vulnerable single mothers and disabled heads of households in various countries, who have lost everything from the devastating impact of war and famine. Through this program, the Organization also provides winter-aid to families which may include warm blankets, winter clothes and jackets.

#### **NOTE 1 - NATURE OF ORGANIZATION (Continued)**

In addition to contributions to the various programs, the Organization helps Muslims carry out their Zakat duties by collecting Zakat payments. The unrestricted Zakat contributions provides the Organization the ability to fund eligible programs where most needed and allows the Organization to fulfill their mission of offering humanitarian assistance to those in need.

Life Managements, L3C, a limited liability company was organized in February 2016 under the laws of the State of Michigan. Life Managements, L3C ("Subsidiary") provides management services to the Organization. Life for Relief and Development, Inc. owns 100% of Life Managements, L3C and accordingly, consolidates the accounts of this entity in the consolidated financial statement. All intercompany accounts and transactions between Life for Relief and Development, Inc., and Life Managements, L3C are eliminated in consolidation.

The Organization receives most of its support and revenue from public contributions from individuals and businesses and through contributions of non-financial assets.

#### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation** – The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") to focus on the Organization as a whole and to present transactions according to the existence or absence of donorimposed restrictions.

Net assets, revenues, support, expenses and gains or losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time (when applicable) or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues and support are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on other assets or liabilities (when applicable) are reported as increases or decreases in net assets without donor restrictions, unless restricted by the donor or law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Cash and Cash Equivalents – The Organization considers all highly liquid investments purchased with original maturity of three months or less to be cash equivalents. The Organization maintains cash balances in various banks that at times throughout the year, may exceed federally insured limits. Management does not believe that Organization is exposed to any significant credit or other risk from such uninsured balances.

#### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Pledges Receivable – The Organization's pledges receivables are comprised primarily of amounts committed from individuals and businesses for the Organization's activities. Revenue is recognized when an unconditional promise to give is received; in the absence of such promise, revenue is recognized when the promise to give is collected. Unconditional promises to give that are expected to be collected in the future year are recorded at the present value of their estimated future cash flows. The unamortized discount represents the adjustment required to record promises to give expected to be received in future years at their present value. Amortization of the discount (when applicable) is recorded as additional contribution revenue and used in accordance with donor-imposed restrictions over the period of the promise to give.

Pledges receivable are recorded at the amount the Organization expects to collect from outstanding balances. Management of the Organization records an estimate for uncollectible accounts and writes off balances deemed uncollectible. The allowance for doubtful accounts was \$101,637 at December 31, 2024.

Property and Equipment – Purchased property and equipment with a useful life in excess of one year is capitalized at cost. Major improvements are capitalized while ordinary maintenance and repairs are expensed. Donations of property and equipment are capitalized at their estimated fair value at the date contributed. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as contributions with donor restrictions. 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. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment is depreciated using the straight-line method over the estimated useful lives. Depreciation expense for the year ended December 31, 2024 was \$47,114.

**Contributions** –Unconditional contributions are recorded as support at fair value in the year a donation is received from the donor. Unconditional contributions with donor-imposed restrictions are reported at net assets with donor restrictions. When the stipulated purpose has been met, the contribution is reported as net assets without restrictions. Contributions of assets other than cash are recorded at their estimated fair value.

Contributed Non-Financial Assets – Donated goods for use by the Organizations to support their mission are recorded as contributed non-financial assets at their estimated fair value, based on independent supplier quotations. Donated goods held at a public warehouse utilized by the Organization are recorded as inventory at estimated fair value until the donated items are distributed for program use. When the donated goods are shipped to the recipient, the contributed non-financial assets expense is recorded. Donated goods are used exclusively for the Organization's humanitarian assistance programs. See Note 4.

**Contributed Services** – The Organization records the fair value of contributed services in the consolidated financial statements if the services either (a) create or enhance a non-financial asset or (b) require specialized skills, are provided by persons possessing those skills and would need to be purchased if they were not donated. No amounts have been reflected in the consolidated financial statements for contributed services since contributed services received do not meet the criteria for recognition.

**Functional Expense** – The Organization accumulates and reports its expenses by function as for program services, management and general activities, or fundraising purposes. Program services are activities that fulfill the purposes or mission of the Organization. Management and general activities include insurance, professional fees, and utilities and certain other costs other than the direct cost for program services.

**Fundraising and Cost Allocations** – The Organization solicits funds for ongoing operations from community groups, businesses, and individuals. Fundraising expenses are based on actual amounts paid and percentage of time allocated as it relates to payroll related costs.

#### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fundraising and Cost Allocations (continued)** – The consolidated financial statements also report certain categories of expenses that are attributable to more than one program or supporting services. Therefore, these expenses require allocation on a reasonable basis using a cost allocation method which primarily is based on a percentage of revenue as determined by management. Although the methods of allocations used are considered reasonable, other methods could be used that would produce a different amount.

Leases - The Organization determines if an arrangement is a lease at inception and accounts for leases under Accounting Standards Codification ("ASC") Topic 842 ("ASC 842"), Leases. Lease liabilities are recognized at the commencement date based upon the present value of the remaining future minimum lease payments over the lease term using the Organization's incremental borrowing rate. The lease right-of-use assets are initially measured at the carrying amount of the lease liability and adjusted for any prepaid or accrued lease payments, remaining balance of the lease incentives received and unamortized initial direct costs, or impairment charges relating to the right-of-use asset. Lease expense for minimum lease payments are recognized on straight-line basis over the lease.

ASC 842 classifies leases for lessee accounting as two types, finance leases and operating leases. Finance leases are defined as most leases other than real property. A non-property lease is considered a finance lease unless the lease term is for an insignificant part of the total economic life of the underlying asset or the present value of the lease payments is insignificant relative to the fair value of the underlying asset at commencement. Operating leases consist of mostly real property leases. A property lease is considered an operating lease unless the lease term is for the majority of the remaining economic life of the underlying asset or the present value of the lease payments accounts for substantially all of the fair value of the underlying asset at commencement. See Note 8.

**Income Taxes** – The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is exempt from similar state and local taxes. Although the Organization was granted an income tax exemption by the Internal Revenue Service, such exemption does not apply to "unrelated business taxable income". The Organization is not a private foundation.

The Organization analyzes its income tax filing positions in the federal and state jurisdictions where it is required to file income tax returns, for all open tax years in these jurisdictions, to identify any potential uncertain tax positions. The Organization treats interest and penalties attributed to income taxes, and reflects any changes for such, to the extent that they arise, as a component of its management and general expense.

The Organization concluded that there are no significant uncertain tax positions requiring recognition in the consolidated financial statements. The Organization does not expect the total amount of unrecognized tax benefits ("UTB") (e.g. tax deductions, exclusions, or credits claimed or expected to be claimed) to significantly change in the next twelve months. The Organization does not have any amounts accrued for interest and penalties related to UTBs at December 31, 2024, and it is not aware of any claims for such amounts by federal or state income tax authorities.

For Life Managements, L3C ("Subsidiary"), deferred income taxes are recognized for the tax consequences of temporary differences between the financial reporting basis and the federal income tax basis of their assets and liabilities. The accrual basis of accounting is used for financial reporting and the cash basis is used for income tax reporting. Deferred income taxes arise from temporary basis differences as a result of timing of recognition of revenue and expenses related to the accrual to cash adjustment and charitable contributions. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities. Income tax expense and deferred taxes were not significant in 2024.

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Income Taxes (continued)** – Management of the Organization and its Subsidiary concluded that there are no significant uncertain tax positions requiring recognition in the consolidated financial statements. The Organization does not expect the total amount of unrecognized tax benefits ("UTB") (e.g. tax deductions, exclusions, or credits claimed or expected to be claimed) to significantly change in the next twelve months. The Organization does not have any amounts accrued for interest and penalties related to UTBs at December 31, 2024, and it is not aware of any claims for such amounts by federal or state income tax authorities.

**Use of Estimates** – The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reported periods. Actual results could differ from those estimates.

**Subsequent Events-** In preparing the accompanying consolidated financial statements, the Organization has evaluated for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to December 31, 2024, the most recent balance sheet presented herein, through October 29, 2025, the date the accompanying consolidated financial statements were available to be issued.

### **NOTE 3 - PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31, 2024:

		Depreciable
	 2024	Life - Years
Land	\$ 57,750	None
Building	327,250	39
Building improvements	456,304	7-20
Furniture, fixtures and equipment	76,774	5-7
Vehicles	 183,261	5
	1,101,339	
Accumulated depreciation	 809,298	
	\$ 292,041	

Depreciable

#### NOTE 4 - CONTRIBUTED NON-FINANCIAL ASSETS

During 2024, the Organization received contributed non-financial assets as follows:

Program Services	Contributed Non-Financial Assets	
Health and safety program	Medicine and medical supplies	\$ 19,605,468
Educational program	Educational materials	4,651,047
Food basket program	Food	949,622
Emergency disaster relief program	Emergency disaster	385,553
		\$ 25,591,690

The Organization received medicine and medical supplies valued at \$19,605,468 for the year ended December 31, 2024. The Organization values the medicine and medical supplies at fair value on the date received.

### NOTE 4 - CONTRIBUTED NON-FINANCIAL ASSETS (Continued)

The Organization received educational materials and supplies valued at \$4,651,047 for the year ended December 31, 2024. The Organization values the education materials and supplies at fair value on the date received.

The Organization received food and supplies valued at \$949,622 for the year ended December 31, 2024. The Organization values the food and supplies at fair value on the date received.

The Organization received emergency and disaster related materials and supplies valued at \$385,553 for the year ended December 31, 2024. The Organization values the emergency and disaster related materials and supplies at fair value on the date received.

#### **NOTE 5 - CONTRIBUTIONS**

The breakdown of category of contributions for the year ended December 31, 2024, are as follows:

	Without		
	Donor	With Donor	
	Restrictions	Restrictions	Total
Health and safety program	\$ -	\$ 34,655	\$ 34,655
Educational program	-	669,513	669,513
Emergency disaster relief program	-	8,872,864	8,872,864
Orphans program	-	5,324,484	5,324,484
Food basket programs	-	1,468,546	1,468,546
Clean water project programs	-	554,357	554,357
Community development programs	-	29,121	29,121
Family assistance program	-	60,681	60,681
Contributions without donor restrictions	4,470,357		4,470,357
	\$ 4,470,357	\$ 17,014,221	<u>\$21,484,578</u>

### **NOTE 6 - NET ASSETS - WITH DONOR RESTRICTIONS**

Changes in net asset with donor restrictions by incurring expenses satisfying the restricted purpose is as follows for the year ended December 31, 2024:

			Releases	
	Beginning		From	Ending
	Balance	Additions	Restrictions	Balance
Health and safety program	\$ -	\$ 19,640,123	\$ 19,640,123	\$ -
Educational program	-	5,320,560	5,320,560	-
Emergency disaster relief program	1,836,961	9,258,417	5,975,458	5,119,920
Orphans program	5,200,698	5,324,484	6,775,508	3,749,674
Food basket programs	-	2,418,168	2,354,572	63,596
Clean water project programs	504,828	554,357	669,129	390,056
Community development programs	-	29,121	29,121	-
Family assistance program		60,681	30,908	29,773
	<u>\$ 7,542,487</u>	\$ 42,605,911	\$ 40,795,379	\$ 9,353,019

#### **NOTE 7 - LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following:

#### **Financial assets**

Cash and cash equivalents Pledges receivable, net of allowance	\$ 9,717,753 23,693
Total financial assets held by the Organization	9,741,446
Less amounts with limits on usage Spendable net assets with donor purpose restrictions	9,353,019
Total financial assets available for general use within one year	\$ 388,427

### **NOTE 8 - DESCRIPTION OF LEASING ARRANGEMENTS**

The Organization is headquartered in Southfield Michigan. To support the Organization with storage needs for donated goods, the Organization leases space from a public warehouse in Southfield Michigan. The rental payment for the warehouse is based on space utilized.

The Organization also leases office spaces in other states in the contiguous United States under one-year operating lease terms, most of which now being on a month-to-month basis. The monthly lease payments on these leases range from approximately \$360 to \$700 per month. Rent expense, which includes lease payments on the office spaces in the United States was \$62,700 for the year ended December 31, 2024.

In addition, the Organization leases office space in Dubai, United Arab Emirates for its international fundraising activities. Annual rent for this office is approximately \$6,260 and is included in program services.

### **NOTE 9 - COMMITMENTS AND CONTINGENCIES**

In the ordinary course of business, claims and legal action, including those involving ordinary routine litigation incidental to its business are pending, or have been asserted, against the Organization. These claims involve vendors who alleged that the Organization improperly terminated their contracts or agreements. An unfavorable outcome in a lawsuit or other litigation could adversely affect the results of the Organization's operations, financial condition, cash flows and liquidity. Even when the Organization prevails or the basis of such litigations are groundless, considerable time and resources may be needed to respond, and such lawsuits or other litigation could adversely affect the results of the Organization's operations, financial condition, and cash flows.

During July 2025, an arbitrator ruled on the above claims finding that the Organization would be required to pay \$333,541 for improperly terminating their contract and additional reimbursable expenses from those vendors. The Organization has filed a motion for reconsideration of the arbitrator's ruling; however, it is not determinable if this motion will be successful. This amount has been included in accrued expenses in the consolidated statement of activities as of December 31, 2024. It has also been included the consolidated statement of functional expenses for the year ended December 31, 2024.