

Three Angels Children's Relief

Financial Report

March 31, 2018



Education | Orphan Care | Medical Care | Community | Hope



THREE ANGELS CHILDREN'S RELIEF

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ACCOUNTANT'S COMPILATION REPORT

To the Governing Board
Three Angels Children's Relief
Santa Clarita, California

Management is responsible for the accompanying financial statements of Three Angels Children's Relief (TACR), which comprise the statement of financial position as of March 31, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We are not independent with respect to Three Angels Children's Relief.



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September 27, 2018
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THREE ANGELS CHILDREN'S RELIEF
 STATEMENT OF FINANCIAL POSITION
 MARCH 31, 2018

ASSETS

CURRENT ASSETS

Cash	\$ 168,718
Prepaid expenses	<u>4,500</u>
Total current assets	<u>173,218</u>

PROPERTY AND EQUIPMENT - NET

123,607

TOTAL ASSETS

\$ 296,825

LIABILITIES AND NET ASSETS

NET ASSETS

Unrestricted	\$ 263,701
Temporarily restricted - direct mailing project	<u>33,124</u>
Total net assets	<u>296,825</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 296,825

See accountant's compilation report.
 The accompanying notes are an integral part of this statement.



THREE ANGELS CHILDREN'S RELIEF
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions	\$ 202,779	\$ 52,106	\$ 254,885
Program revenue	191,643	-	191,643
Sponsorship revenue	-	284,110	284,110
Net assets released from restrictions	<u>315,246</u>	<u>(315,246)</u>	<u>-</u>
	<u>709,668</u>	<u>20,970</u>	<u>730,638</u>
EXPENSES			
Program	592,714	-	592,714
General and administrative	117,901	-	117,901
Fundraising	<u>31,923</u>	<u>-</u>	<u>31,923</u>
Total expenses	<u>742,538</u>	<u>-</u>	<u>742,538</u>
CHANGE IN NET ASSETS	(32,870)	20,970	(11,900)
OTHER COMPREHENSIVE INCOME (LOSS)			
Foreign translation loss	<u>(1,007)</u>	<u>-</u>	<u>(1,007)</u>
CHANGE IN NET ASSETS AND OTHER COMPREHENSIVE INCOME (LOSS)	(33,877)	20,970	(12,907)
NET ASSETS AT BEGINNING OF YEAR	<u>297,578</u>	<u>12,154</u>	<u>309,732</u>
NET ASSETS AT END OF YEAR	<u>\$ 263,701</u>	<u>\$ 33,124</u>	<u>\$ 296,825</u>

See accountant's compilation report.
The accompanying notes are an integral part of this statement.



THREE ANGELS CHILDREN'S RELIEF
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED MARCH 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

CHANGE IN NET ASSETS \$ (11,900)

Adjustments to reconcile change in net assets to cash
 used for operating activities:

Depreciation expense 10,487

Changes in operating assets and liabilities:

Prepaid expenses (4,500)

CASH USED FOR OPERATING ACTIVITIES (5,913)

CASH USED FOR INVESTING ACTIVITIES

Purchase of fixed assets (14,056)

OTHER COMPREHENSIVE INCOME (LOSS) (1,007)

NET DECREASE IN CASH (20,976)

CASH AT BEGINNING OF YEAR 189,694

CASH AT END OF YEAR \$ 168,718

CASH PAID DURING THE YEAR FOR:

INTEREST \$ -

INCOME TAXES \$ -

See accountant's compilation report.
 The accompanying notes are an integral part of this statement.



THREE ANGELS CHILDREN'S RELIEF
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NATURE OF ORGANIZATION

Three Angels Children's Relief (TACR) was incorporated in 2010. TACR is incorporated in California as a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It is also exempt from state income taxes. Contributions by the public are deductible for income tax purposes.

TACR exists to serve orphans and at-risk families in Haiti. The mission of TACR is to help children in Haiti escape poverty so that they may experience God's love, become part of a healthy home, and grow into who they are called to be.

In order to build up children and families in Christ, TACR operates the Angel House Orphanage, Three Angels Christian Academy, and the Halos Medical Clinic, which are all located in Haiti.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of TACR are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

CASH

Cash consists of cash on hand and cash on deposit. For purposes of the statement of cash flows, TACR considers all short-term debt securities with a maturity of three months or less to be cash equivalents.

PROPERTY AND EQUIPMENT

Expenditures for furniture and equipment are capitalized at cost. TACR capitalizes all furniture and equipment purchases greater than \$500. Depreciation is computed on the straight-line basis over estimated useful lives of the assets, which range from three to seven years.

INCOME AND EXPENSE RECOGNITION

The financial statements of TACR have been prepared on the accrual basis of accounting. All donations received are considered available for unrestricted use unless restricted by the donor. Restricted funds are recorded as revenue upon receipt.

BASIS OF PRESENTATION

TACR reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets as described below:

Unrestricted, includes funds which are expendable for the support of TACR's operations.

Temporarily restricted, includes funds which donors have restricted for specific purposes or for use according to specific timetables, or both.

Permanently restricted, includes funds where donors stipulate that principal be invested in perpetuity and income be used for operating purposes.

At March 31, 2018, there were no permanently restricted net assets.

See accountant's compilation report.



THREE ANGELS CHILDREN'S RELIEF
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2018

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

PUBLIC SUPPORT, REVENUE AND EXPENSES

Contributions are recorded when cash or unconditional promises-to-give have been received, or ownership of donated assets is transferred to TACR.

TACR records contributions as temporarily restricted if donors restrict their use for a specific purpose or for use according to a specific time schedule or both. When donor restrictions expire, that is, when the purpose restriction is fulfilled or the time restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. It is TACR's policy to record temporarily restricted contributions received and expended in the same accounting period as unrestricted contributions.

Revenue is recorded when earned and expenses are recorded when incurred in accordance with the accrual basis of accounting.

Non-cash gifts received by TACR are recorded as support at their estimated fair market value on the date received.

JOINT COST ALLOCATION

TACR incurs costs that are shared by program, management and general, and fundraising activities. The amount allocated to each area depends upon the purpose and content of the costs incurred. TACR determined the allocation based on current and historical data.

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

FURNITURE AND EQUIPMENT

Furniture and equipment consisted of the following:

Land	\$ 115,000
Leasehold improvements	14,056
Vehicles	<u>6,500</u>
	135,556
Less accumulated depreciation	<u>(11,949)</u>
Net furniture and equipment	<u>\$ 123,607</u>

Depreciation expense for the year ended March 31, 2018 was \$10,487.

See accountant's compilation report.



THREE ANGELS CHILDREN'S RELIEF
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2018

LEASE COMMITMENT

TACR leases property under a non-cancelable operating lease. The monthly payment is \$850 and the lease ends December 2018. Future required minimum lease payments total \$7,650 for the year ended March 31, 2019.

Rent and lease expense for the year ended March 31, 2018 was \$27,900.

SUBSEQUENT EVENTS

TACR has evaluated subsequent events through September 27, 2018, which is the date these financial statements were issued, and has determined that no events that require disclosure have occurred.

See accountant's compilation report.

