

THREE ANGELS CHILDREN'S RELIEF
FINANCIAL STATEMENTS
AND
ACCOUNTANT'S COMPILATION REPORT
YEAR ENDED MARCH 31, 2022

THREE ANGELS CHILDREN'S RELIEF

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CERTIFIED PUBLIC ACCOUNTANTS

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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, 2022, and the related statements of activities, functional expenses 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.

A handwritten signature in blue ink that reads "Goehner Accountancy".

August 25, 2022
Pasadena, California

THREE ANGELS CHILDREN'S RELIEF
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2022

ASSETS	
CURRENT ASSETS	
Cash	\$ 97,285
Receivables	<u>2,411</u>
Total current assets	<u>99,696</u>
PROPERTY AND EQUIPMENT - NET	<u>237,556</u>
TOTAL ASSETS	<u><u>\$ 337,252</u></u>
LIABILITIES AND NET ASSETS	
NET ASSETS	
Without donor restriction	\$ <u>337,252</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 337,252</u></u>

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, 2022

	<u>Without donor restriction</u>
SUPPORT AND REVENUE	
Contributions	\$ 300,087
Program revenue	58,860
Sponsorship revenue	<u>308,003</u>
	<u>666,950</u>
EXPENSES	
Program	650,112
General and administrative	45,221
Fundraising	<u>17,526</u>
Total expenses	<u>712,859</u>
CHANGE IN NET ASSETS	(45,909)
OTHER COMPREHENSIVE INCOME	
Foreign translation gain	<u>2,139</u>
CHANGE IN NET ASSETS AND OTHER COMPREHENSIVE INCOME	<u>(43,770)</u>
NET ASSETS AT BEGINNING OF YEAR	<u>381,022</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 337,252</u></u>

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

THREE ANGELS CHILDREN'S RELIEF
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2022

	<u>Program services</u>	<u>General and administrative</u>	<u>Fundraising</u>	<u>Total</u>
PERSONNEL EXPENSES				
Salaries, taxes, and benefits	\$ 303,470	\$ 24,041	\$ 14,314	\$ 341,825
Total personnel expenses	<u>303,470</u>	<u>24,041</u>	<u>14,314</u>	<u>341,825</u>
OTHER EXPENSES				
Direct cost of programs	119,691	-	-	119,691
Grants	30,063	-	-	30,063
Occupancy	104,347	3,424	2,290	110,061
Office expense	19,135	4,024	511	23,670
Insurance	3,959	9,069	-	13,028
Professional fees	37,027	3,129	3	40,159
Travel	6,532	751	408	7,691
Conferences, conventions and meetings	9,434	1,288	-	10,722
Bank fees	3,616	(5)	-	3,611
Miscellaneous	2,403	(500)	-	1,903
Total other expenses	<u>336,207</u>	<u>21,180</u>	<u>3,212</u>	<u>360,599</u>
Depreciation	<u>10,435</u>	<u>-</u>	<u>-</u>	<u>10,435</u>
TOTAL EXPENSES	<u>\$ 650,112</u>	<u>\$ 45,221</u>	<u>\$ 17,526</u>	<u>\$ 712,859</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, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

CHANGE IN NET ASSETS \$ (45,909)

Adjustments to reconcile change in net assets to cash
provided by operating activities:

Depreciation expense 10,435

Changes in operating assets and liabilities:
Receivables (2,411)

CASH USED FOR OPERATING ACTIVITIES (37,885)

CASH USED FOR INVESTING ACTIVITIES
Purchase of fixed assets (17,735)

OTHER COMPREHENSIVE INCOME 2,139

NET DECREASE IN CASH (53,481)

CASH AT BEGINNING OF YEAR 150,766

CASH AT END OF YEAR \$ 97,285

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, 2022

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.

LIQUIDITY

TACR had cash of \$97,285 available within one year of the date of the statement of financial position as of March 31, 2022. TACR has a goal to maintain financial assets on hand to meet a minimum of 60 days of normal operating expenses, which were, on average \$117,000 for a 60 day period during the year ended March 31, 2022.

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 land, buildings and equipment that exceed \$500 are capitalized at cost. Donated items are recorded at fair market value on the date received. Depreciation is computed on a straight-line basis over estimated useful lives of 5 to 28 years.

INCOME AND EXPENSE RECOGNITION

TACR's material revenue-generating activities and related accounting policies are as follows:

Program Revenue

TACR recognizes revenue from various school and program activities at a point in time. Revenue is recognized when title to goods is passed to customers or students, or at a time when a specific service is provided to children or families, in an amount that reflects the consideration TACR expects to be entitled in exchange for those products and services.

See accountant's compilation report.

THREE ANGELS CHILDREN'S RELIEF
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

Contributions are recorded when cash or unconditional promises-to-give have been received, or when ownership of donated assets is transferred to TACR. TACR records contributions as with donor restriction 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, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the Statement of Activities as net assets released from restrictions. It is TACR's policy to record contributions with donor restriction that are received and expended in the same accounting period as contributions with donor restriction and as net assets released from restrictions.

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

BASIS OF PRESENTATION

TACR reports information regarding its financial position and activities according to two classes of net assets: without donor restriction and with donor restriction described below:

Without donor restriction, includes funds which are expendable for the support of TACR's operations.

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

JOINT COST ALLOCATION

TACR incurs costs that are shared by program services, general and administrative, 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.

CONCENTRATIONS

TACR maintains cash, which is not insured, in banks and on hand in Haiti. At March 31, 2022, the total uninsured cash balance from these accounts was \$27,153.

During the year ended March 31, 2022, TACR received contributions from one donor that made up approximately 17% of contribution revenue.

See accountant's compilation report.

THREE ANGELS CHILDREN'S RELIEF
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2022

PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

Land	\$	50,000
Building		65,000
Leasehold improvements		153,695
Vehicles		<u>6,500</u>
		275,195
Less accumulated depreciation		<u>(37,639)</u>
Net property and equipment	\$	<u><u>237,556</u></u>

Depreciation expense for the year ended March 31, 2022 was \$10,435.

LEASE COMMITMENT

TACR leases property under a quarter to quarter operating lease. The quarterly payment is \$1,950.

Rent and lease expense for the year ended March 31, 2022 was \$7,800.

RISKS AND UNCERTAINTIES

In March 2020, the World Health Organization declared the spread of Coronavirus disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global, national, and local markets, supply chains, businesses, and communities. Specific to TACR, COVID-19 may impact various parts of its operations and financial results. TACR is taking appropriate actions to mitigate the negative impact; however, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of August 25, 2022.

SUBSEQUENT EVENTS

TACR has evaluated subsequent events through August 25, 2022, the date these financial statements were available to be issued. Management has determined that no events occurred that require disclosure.

See accountant's compilation report.