



Aid in Difficulty Christian International Ministry
Vancouver, Washington

Financial Statements and Independent Auditor's Report
For the Year Ended December 31, 2023

Aid in Difficulty Christian International Ministry

Vancouver, Washington

December 31, 2023

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PAYNE, WHITE & SCHMUTZ

CERTIFIED PUBLIC ACCOUNTANTS, PA

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Independent Auditor's Report

The Board of Directors
Aid in Difficulty Christian International Ministry
Vancouver, Washington

Opinion

We have audited the financial statements of Aid in Difficulty Christian International Ministry, which comprise the statement of financial position as of December 31, 2023, 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 our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Aid in Difficulty Christian International Ministry as of December 31, 2023, 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 (GAAS). 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 Aid in Difficulty Christian International Ministry 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 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 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Aid in Difficulty Christian International Ministry's ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the 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 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 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 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 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 Aid in Difficulty Christian International Ministry'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Aid in Difficulty Christian International Ministry'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.

Payne, White & Schmutz, CPA, PA

Payne, White & Schmutz, CPA, PA
Seneca, South Carolina
April 23, 2024

Financial Statements

Aid in Difficulty Christian International Ministry

Statement of Financial Position

December 31, 2023

Assets:

Cash and cash equivalents	<u>\$ 100,735</u>
Total assets	<u><u>\$ 100,735</u></u>

Liabilities:

Accounts payable	<u>\$ -</u>
Total liabilities	<u>-</u>

Net assets:

Without donor restrictions	19,535
With donor restrictions	<u>81,200</u>
Total net assets	<u>100,735</u>
Total liabilities and net assets	<u><u>\$ 100,735</u></u>

The notes to financial statements are an integral part of these statements.

Aid in Difficulty Christian International Ministry

Statement of Activities

For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Contributions of cash	\$ 184,126	\$ 2,974,600	\$ 3,158,726
Contributions of nonfinancial assets	129,850	39,985	169,835
Total revenue and support	313,976	3,014,585	3,328,561
Reclassifications:			
Satisfaction of program restrictions	2,966,501	(2,966,501)	-
Program expenses	3,207,530	-	3,207,530
Administrative expenses	108,484	-	108,484
Fundraising expenses	16,141	-	16,141
Total expenses	3,332,155	-	3,332,155
Change in net assets	(51,678)	48,084	(3,594)
Net assets, beginning of year	71,213	33,116	104,329
Net assets, end of year	\$ 19,535	\$ 81,200	\$ 100,735

The notes to financial statements are an integral part of these statements.

Aid in Difficulty Christian International Ministry

Statement of Functional Expenses

For the Year Ended December 31, 2023

	<u>Program</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Grants and assistance	\$ 3,179,680	\$ -	\$ -	\$ 3,179,680
Donated services	27,850	102,000	-	129,850
Newsletters and related expenses	-	-	13,944	13,944
Travel	-	6,333	-	6,333
Other fees	-	-	2,197	2,197
Supplies	-	141	-	141
Postage	-	10	-	10
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	<u>\$ 3,207,530</u>	<u>\$ 108,484</u>	<u>\$ 16,141</u>	<u>\$ 3,332,155</u>

The notes to financial statements are an integral part of these statements.

Aid in Difficulty Christian International Ministry

Statement of Cash Flows

For the Year Ended December 31, 2023

Cash flows from operating activities:

Change in net assets	<u>\$ (3,594)</u>
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Net cash provided (used) by operating activities	<u>(3,594)</u>
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Net increase (decrease) in cash	(3,594)
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Cash and cash equivalents, beginning of year	<u>104,329</u>
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Cash and cash equivalents, end of year	<u><u>\$ 100,735</u></u>
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The notes to financial statements are an integral part of these statements.

Notes to Financial Statements

Aid in Difficulty Christian International Ministry

Notes to Financial Statements

For the Year Ended December 31, 2023

Note 1 - Summary of Significant Accounting Policies:

General

Aid in Difficulty Christian International Ministry (AID) is incorporated as a non-profit organization under the laws of Washington State. Its primary purpose is to provide relief and support to people suffering from poor economic conditions located in the neighboring countries of Russia. AID provides funding to various churches and individuals located in these countries. These partners-in-ministry purchase a wide range of products including food, garden tools, clothing, livestock, and other items and distribute them to those in need. Many distribution events include the presentation of a Biblical message prior to the distribution. It is the goal of AID to relieve human suffering and minister to the spiritual needs of those that receive assistance.

Basis of Accounting and Presentation

Financial statement presentation follows accounting principles generally accepted in the United States of America (GAAP) pertaining to Financial Statements of Nonprofit Organizations. Under Financial Statements of Nonprofit Organizations, AID is required to report information regarding its financial position and activities according to two classes of net assets consisting of net assets without donor restrictions and net assets with donor restrictions.

Income Taxes

AID is organized within the tax-exempt status provided by Section 501 (c) (3) of the Internal Revenue Code. During the year, AID had no sources of unrelated business income. Therefore, no provision is made for federal and state corporate income taxes.

AID has adopted accounting principles related to accounting for uncertainty in income taxes. AID's policy is to record a liability for any tax position taken that is beneficial to AID, including any related interest and penalties, when it is more likely than not the position taken by management with respect to a transaction or class of transactions will be overturned by a taxing authority upon examination. Penalties and interest related to underpayment of income taxes are not recorded as income taxes but as penalties and interest expense. Management believes there are no such positions for either the current year or prior years and, according, no liability has been accrued.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in bank accounts and include investments in highly liquid debt instruments with an original maturity of three months or less at the time of purchase.

Net Assets

The financial statements report amounts separately by class of net assets:

- a) Net assets without donor restrictions are those available at the discretion of the board for use in AID's programs and for use in its supporting service functions.
- b) Net assets with donor restrictions are those restricted by donors for specific operating purposes or for use in a future reporting period.

Revenue and Support with or without Donor Restrictions

Contributions are recorded with or without donor restrictions depending on the expressed intentions of the donors. Support or revenue is recognized as it is earned or as it is received.

Aid in Difficulty Christian International Ministry

Notes to Financial Statements

For the Year Ended December 31, 2023

Note 1 - Summary of Significant Accounting Policies (Continued):

Functional Classification of Expenses

Natural expenses attributable to more than one functional expense category are allocated to the appropriate functional category based upon reasonable estimates made by management. Administrative expenses are supporting activities that are not directly identifiable with program activities. Fundraising expenses promote the solicitation of support from current and potential donors for its program and supporting activities. Administrative and fundraising expenses are funded from net assets without donor restrictions. When program expenses exceed specific donor funding, the deficit is drawn from net assets without donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events Evaluation

Management has evaluated subsequent events through April 23, 2024, which is the date the financial statements were available to be issued.

Note 2 – Financial Assets and Liquidity Resources:

AID's operations are primarily funded by contributions with and without donor restrictions. These restrictions require that resources be used for specific program activities or in a future period. Therefore, AID must maintain resources to meet the responsibilities to its donors and certain financial assets may not be available for general expenditure within one year. As part of its liquidity management, AID has a policy to structure its financial assets to be available as general expenditures, liabilities and other obligations become due. AID has a goal of maintaining at least \$10,000 of cash available at all times. Should funds run low, management would reduce expenditures until sufficient cash resources become available.

The following schedule reflects AID's financial assets as of the end of 2023, reduced by amounts that are not available for general use due to contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts that are not available also include board designated amounts, if any, that could be utilized if the board of directors approved their use.

Cash and cash equivalents	<u>\$ 100,735</u>
Total financial assets	100,735
Less those unavailable for general expenditures within one year due to:	
Restricted by donor purpose restrictions	<u>(81,200)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 19,535</u>

Aid in Difficulty Christian International Ministry

Notes to Financial Statements

For the Year Ended December 31, 2023

Note 3 – Net Assets with Donor Restrictions:

AID had net assets with donor restrictions as follows:

<u>Purpose</u>	
Eastern Ukraine heating project	\$ 48,300
Eastern Ukraine food project	20,000
Eastern Ukraine potato project	9,000
Eastern Ukraine shoe project	<u>3,900</u>
Total	<u>\$ 81,200</u>

Note 4 – Major Donor:

During the current reporting period, AID received \$2,962,800 of contributions from one donor. These contributions accounted for 89.25% of AID's total revenue for the year.

Note 5 – Contributed Nonfinancial Assets:

For the current reporting period, contributed nonfinancial assets recognized within the statement of activities included the following:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
Clothing and shoes	\$ -	\$ 20,540
Household and other items	-	16,800
Hygiene and school kits	-	2,645
Donated services	<u>129,850</u>	<u>-</u>
Total	<u>\$ 129,850</u>	<u>\$ 39,985</u>

AID recognized contributed nonfinancial assets as revenue which was comprised of the above listed categories. There were donor-imposed restrictions for the donated products in that they were given specifically to aid the needy in Moldova.

Clothing and shoes included new and used pieces and were recorded at estimated fair value. These items were not sold and were utilized in AID's grants and assistance program.

Household and other items included products such as tools, bedding, toys, furniture, etc. and were recorded at estimated fair value. These items were not monetized and were utilized in AID's grants and assistance program.

Hygiene and school kits included products such as soap, toothbrushes, shampoo, notebooks, pens, backpacks, etc. and were recorded at estimated fair value. These items were not sold and were used in AID's grants and assistance program.

Donated services are provided by individuals that have various skills that enable AID to carry out its program and support functions. Services are based on hours of services donated value at a reasonable rate.