

Partners Relief & Development

(a nonprofit Nevada corporation)

Financial Statements

December 31, 2024 and 2023

Partners Relief & Development

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Independent Auditor's Report

To the Board of Directors
Partners Relief & Development
Grand Rapids, Michigan

Opinion

We have audited the financial statements of Partners Relief & Development (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years 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 Partners Relief & Development as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Partners Relief & Development and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 these 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 Partners Relief & Development's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Independent Auditor's Report (continued)

Auditor's Responsibility 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 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the 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 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 Partners Relief & Development'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 Partners Relief & Development'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.

Brock and Company, CPAs, P.C.

Certified Public Accountants

Boulder, Colorado
July 28, 2025

Partners Relief & Development

Statements of Financial Position

December 31	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,359,515	\$ 1,685,424
Contributions receivable, current portion	58,484	115,950
Inventories	3,727	4,570
Prepaid expenses and other current assets	810	210
Total current assets	<u>1,422,536</u>	<u>1,806,154</u>
Equipment and Software		
Equipment	20,148	12,148
Software	11,760	11,760
	<u>31,908</u>	<u>23,908</u>
Less accumulated depreciation	(18,863)	(17,775)
Net equipment and software	<u>13,045</u>	<u>6,133</u>
Other Assets		
Contributions receivable, net	4,784	-
Deposit	4,557	2,947
Right-of-use operating lease asset	1,590	19,788
Investments, at cost	185,000	185,000
Total other assets	<u>195,931</u>	<u>207,735</u>
Total assets	<u>\$ 1,631,512</u>	<u>\$ 2,020,022</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 47,381	\$ 120,898
Accrued compensation and benefits	16,812	16,890
Current maturities of operating lease obligation	1,590	18,198
Total current liabilities	<u>65,783</u>	<u>155,986</u>
Long-Term Liabilities		
Operating lease obligation, net of current maturities	-	1,590
Total liabilities	<u>65,783</u>	<u>157,576</u>
Net Assets		
Without donor restrictions	1,413,211	1,689,540
With donor restrictions	152,518	172,906
Total net assets	<u>1,565,729</u>	<u>1,862,446</u>
Total liabilities and net assets	<u>\$ 1,631,512</u>	<u>\$ 2,020,022</u>

The accompanying Notes are an integral
part of these financial statements

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Partners Relief & Development

Statement of Activities

Year ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support			
Contributions and grants	\$ 2,051,410	\$ 152,518	\$ 2,203,928
Net assets released from restrictions			
Satisfaction of program restrictions	56,956	(56,956)	-
Expiration of time restrictions	115,950	(115,950)	-
Total operating support	<u>2,224,316</u>	<u>(20,388)</u>	<u>2,203,928</u>
Operating Expenses			
Program services	2,019,660	-	2,019,660
Supporting services			
General and administrative	255,564	-	255,564
Fundraising	334,454	-	334,454
Total operating expenses	<u>2,609,678</u>	<u>-</u>	<u>2,609,678</u>
 Total operating expenses in excess of operating support	 (385,362)	 (20,388)	 (405,750)
Other Changes			
Investment income, net	103,142	-	103,142
Other income	5,558	-	5,558
Merchandise sales, net	333	-	333
Total other changes	<u>109,033</u>	<u>-</u>	<u>109,033</u>
 Change in Net Assets	 (276,329)	 (20,388)	 (296,717)
 Net Assets, Beginning of Year	 <u>1,689,540</u>	 <u>172,906</u>	 <u>1,862,446</u>
 Net Assets, End of Year	 <u>\$ 1,413,211</u>	 <u>\$ 152,518</u>	 <u>\$ 1,565,729</u>

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Partners Relief & Development

Statement of Activities

Year ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support			
Contributions and grants	\$ 2,876,854	\$ 216,906	\$ 3,093,760
Net assets released from restrictions			
Satisfaction of program restrictions	88,500	(88,500)	-
Expiration of time restrictions	53,461	(53,461)	-
Total operating support	<u>3,018,815</u>	<u>74,945</u>	<u>3,093,760</u>
Operating Expenses			
Program services	2,902,085	-	2,902,085
Supporting services			
General and administrative	380,540	-	380,540
Fundraising	306,179	-	306,179
Total operating expenses	<u>3,588,804</u>	<u>-</u>	<u>3,588,804</u>
Total operating support in excess (deficit) of operating expenses	(569,989)	74,945	(495,044)
Other Changes			
Investment loss, net	(29,576)	-	(29,576)
Other income	2,000	-	2,000
Loss on merchandise sales, net	(3,416)	-	(3,416)
Total other changes	<u>(30,992)</u>	<u>-</u>	<u>(30,992)</u>
Change in Net Assets	(600,981)	74,945	(526,036)
Net Assets, Beginning of Year	<u>2,290,521</u>	<u>97,961</u>	<u>2,388,482</u>
Net Assets, End of Year	<u>\$ 1,689,540</u>	<u>\$ 172,906</u>	<u>\$ 1,862,446</u>

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Partners Relief & Development

Statement of Functional Expenses

Year ended December 31, 2024

	Program Services	Supporting Services		Total
		General and Administrative	Fundraising	
Salaries and wages	\$ 768,392	\$ 106,655	\$ 228,971	\$ 1,104,018
Payroll taxes	25,131	2,273	18,123	45,527
Employee benefits	17,403	1,582	19,453	38,438
Total personnel costs	810,926	110,510	266,547	1,187,983
Program expenses	988,880	-	-	988,880
Legal and professional fees	67,752	77,244	-	144,996
Travel and meals	54,514	7,781	28,614	90,909
Technology and communications	8,916	35,737	11,149	55,802
Occupancy	46,635	539	98	47,272
Insurance	24,243	19,572	-	43,815
Marketing	2,089	-	23,017	25,106
Printing and postage	8,114	46	2,871	11,031
Office expenses	4,559	287	1,344	6,190
Bank and credit card fees	2,530	1,771	-	4,301
Miscellaneous expenses	453	315	639	1,407
Depreciation	-	1,088	-	1,088
Training and education	49	674	175	898
Total operating expenses	\$ 2,019,660	\$ 255,564	\$ 334,454	\$ 2,609,678

The accompanying Notes are an integral
part of these financial statements

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Partners Relief & Development

Statement of Functional Expenses

Year ended December 31, 2023

	Program Services	Supporting Services		Total
		General and Administrative	Fundraising	
Salaries and wages	\$ 660,133	\$ 255,548	\$ 195,795	\$ 1,111,476
Payroll taxes	19,400	12,073	17,148	48,621
Employee benefits	25,670	23,371	21,897	70,938
Total personnel costs	705,203	290,992	234,840	1,231,035
Program expenses	1,909,492	-	-	1,909,492
Travel and meals	80,622	9,393	24,814	114,829
Legal and professional fees	68,343	26,442	148	94,933
Technology and communications	14,600	32,804	13,830	61,234
Occupancy	46,192	2,063	337	48,592
Insurance	31,300	10,391	-	41,691
Office expenses	26,160	4,280	152	30,592
Marketing	1,408	470	26,882	28,760
Printing and postage	7,957	19	3,621	11,597
Bank and credit card fees	6,975	2,133	1	9,109
Miscellaneous expenses	1,753	466	1,554	3,773
Training and education	2,080	-	-	2,080
Depreciation	-	1,087	-	1,087
Total operating expenses	<u>\$ 2,902,085</u>	<u>\$ 380,540</u>	<u>\$ 306,179</u>	<u>\$ 3,588,804</u>

The accompanying Notes are an integral
part of these financial statements

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Partners Relief & Development

Statements of Cash Flows

Increase (Decrease) in Cash and Cash Equivalents

Years ended December 31	2024	2023
Cash Flows From Operating Activities		
Change in net assets	\$ (296,717)	\$ (526,036)
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation	1,088	1,087
Amortization of right-of-use operating lease asset	18,198	16,667
Net realized and unrealized gain on investments	-	(5,973)
Net valuation allowance	216	-
Loss on impairment of investment	-	176,000
Increase (decrease) from changes in assets and liabilities		
Contributions receivable	52,466	(62,489)
Inventories	843	5,116
Prepaid expenses and other current assets	(600)	-
Accounts payable	(73,517)	31,639
Accrued compensation and benefits	(78)	(3,126)
Operating lease obligation	(18,198)	(16,667)
Net cash used by operating activities	<u>(317,909)</u>	<u>(383,782)</u>
Cash Flows From Investing Activities		
Purchases of investments	-	(77,390)
Net proceeds from sale of investments	-	157,476
Purchases of equipment	(8,000)	-
Net cash provided (used) by investing activities	<u>(8,000)</u>	<u>80,086</u>
Net Decrease in Cash and Cash Equivalents	(325,909)	(303,696)
Cash and Cash Equivalents, Beginning of Year	<u>1,685,424</u>	<u>1,989,120</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,359,515</u>	<u>\$ 1,685,424</u>

The accompanying Notes are an integral part of these financial statements

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Partners Relief & Development

Notes to Financial Statements

December 31, 2024 and 2023

Note 1 – Nature of Organization and Significant Accounting Policies

Nature of Organization. Partners Relief & Development (the Organization) is a Nevada non-profit corporation established in 2001 to provide direct care to children and families affected by war and oppression in Southeast Asia and the Middle East through sustainable development, the strengthening of families, and emergency relief. The Organization's work spans the following key areas: nutrition; education; health; care for children; income generation; migrant assistance; shelter and emergency relief. The Organization's revenues and other support are derived principally from charitable contributions from interested parties.

Basis of Accounting. The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions. Net assets resulting from revenues generated by receiving contributions that have no donor stipulations and receiving investment and other income, less expenses incurred in providing program related services, raising contributions, and performing administrative functions.

Net Assets With Donor Restrictions. Net assets resulting from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents. Cash consists of checking and savings accounts held at financial institutions. For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents.

Contributions Receivable. Unconditional promises to give are recognized as revenue in the period received. Contributions receivable are recorded at the amount the Organization expects to receive, allowing for estimated uncollectible contributions. The allowance for uncollectible contributions is estimated based on management's review of specific contributions outstanding. As of December 31, 2024 and 2023, management believes all contributions receivable are fully collectible, and accordingly, no allowance for doubtful accounts has been recorded. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Inventories. Inventories consist of books, blankets and other accessories, and is stated at the lower of cost (first-in, first-out method) or net realizable value.

Partners Relief & Development

Notes to Financial Statements

December 31, 2024 and 2023

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Equipment and Software. It is the Organization's policy to capitalize equipment and software at cost for purchases over \$2,500, while repair and maintenance items are charged to expense. Donations of equipment and software are capitalized at their estimated fair value at the date of gift. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Equipment and software is depreciated using straight-line methods over the estimated useful lives of the assets, which is generally five to ten years for equipment and software. Depreciation expense totaled \$1,088 and \$1,087 for the years ended December 31, 2024 and 2023, respectively. Amortization of software is included in depreciation expense.

Leases and Right-of-Use Assets. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Organization recognizes a lease liability and a right-of-use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. The Organization made a policy election not to separate lease and nonlease components for all leases. Therefore, all payments are included in the calculation of the right-of-use asset and lease liability. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate if it is readily determinable, or otherwise, the Organization uses its incremental borrowing rate based on the information available at the commencement date for all leases to discount certain lease asset class obligations. The Organization has also elected to exclude leases with terms of 12 months or less from right-of-use asset and operating lease obligation recognition.

Investments. Investments in the form of mineral rights are presented at the lower of cost or market.

Impairment of Long-Lived Assets. In the event that facts and circumstances indicate that equipment, or other assets, may be impaired, an evaluation of recoverability would be performed. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying amount to determine if a write-down to market value would be necessary.

Contributions and Grants. Unconditional contributions and grants are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service. Donor restricted contributions and grants whose restrictions are met in the same reporting period are reported as net assets without donor restrictions. Conditional contributions and grants are recognized when the conditions on which they depend are substantially met. Funding received in advance of fulfilling the conditions and refundable to the donor are reported as refundable advances in the statements of financial position.

Partners Relief & Development

Notes to Financial Statements

December 31, 2024 and 2023

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Functional Allocation of Expenses. The costs of providing programs and other activities have been summarized on a functional basis in the statement of functional expenses and in the statement of activities. Accordingly, direct expenses have been allocated to the applicable program for which the expenses were incurred. Indirect expenses have been allocated between program and supporting services based on an analysis of personnel time and space utilized for the related activities.

Income Taxes. The Organization is a nonprofit corporation exempt from income taxes as described in Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been made.

Subsequent Events. The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through July 28, 2025, the date at which the financial statements were available for release.

Note 2 – Liquidity and Availability

The Organization had \$1,417,999 and \$1,801,374 in financial assets available within one year of December 31, 2024 and 2023, respectively. The Organization receives significant contributions and promises to give that are restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability; maintaining adequate liquid assets to fund near-term operating needs; and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. To achieve these guiding principles, the Organization forecasts its future cash flows and monitors its liquidity monthly. During the years ended December 31, 2024 and 2023, the level of liquidity and reserves was managed within the guiding principles.

Note 3 – Contributions Receivable

The following summarizes expected collections of unconditional contributions receivable as of December 31:

	2024	2023
Due within one year	\$ 58,484	\$ 115,950
Due within one to five years	5,000	-
	63,484	115,950
Less present value allowance	(216)	-
	<u>\$ 63,268</u>	<u>\$ 115,950</u>

Partners Relief & Development

Notes to Financial Statements

December 31, 2024 and 2023

Note 3 – Contributions Receivable (continued)

Unconditional promises to give are measured in the aggregate using present value techniques that consider historical trends of collection similar to these fund raising activities, the type of donor, general economic conditions, and market interest rate assumptions. The present value discount rate used at December 31, 2024 was 4.50%. The interest element resulting from amortization of the discount for the time value of money is reported as contribution revenue.

Note 4 – Investments

The Organization's investments consist of mineral rights carried at the lower of cost or market value of \$185,000 as of December 31, 2024 and 2023.

In April 2021, the Organization received overriding royalty interests in oil and gas wells (mineral rights) located in Lea County, New Mexico. An appraisal was performed to value the mineral rights at the date of gift. The ongoing fair value of the mineral rights is not readily determinable and the interests are considered for impairment annually. An impairment loss of \$176,000 was recognized during 2023 due to decreased well production. No impairment losses were recorded during 2024.

Investment income (loss) consisted of the following for the years ended December 31:

	2024	2023
Royalties	\$ 52,022	\$ 98,174
Interest and dividends	51,120	42,632
Net realized gain on investments	-	5,973
Loss on impairment of investment	-	(176,000)
	103,142	(29,221)
Investment fees	-	(355)
Net investment income (loss)	\$ 103,142	\$ (29,576)

Note 5 – Operating Lease and Subsequent Event

The Organization leases office space in Ada, Michigan under a noncancelable operating lease. The lease includes rent escalation terms equal to the national inflation rate and expires in January 2025. The lease also requires the Organization to pay for its share of the shared costs. The rent escalation and the shared costs were determined to be variable lease payments and are not included in lease payments used to determine lease obligations and are recognized as variable costs when incurred. The operating lease obligation and related right-of-use asset as of December 31, 2024 and 2023 each totaled \$1,590 and \$19,788, respectively. The remaining lease term on the operating lease at December 31, 2024 and 2023 was 0.08 years and 1.08 years, respectively. The discount rate applied to the operating lease is 8.82%.

Partners Relief & Development

Notes to Financial Statements

December 31, 2024 and 2023

Note 5 – Operating Lease and Subsequent Event (continued)

Operating lease costs consist of the following for the years ended December 31:

	2024	2023
Amortization of right-of-use asset	\$ 18,198	\$ 16,667
Interest on lease liability	882	2,413
Variable rent expense	3,945	2,411
	<u>\$ 23,025</u>	<u>\$ 21,491</u>

Rent expense on short term lease agreements totaled \$3,000 for the year ended December 31, 2024. There was no rent expense on short term lease agreements for the year ended December 31, 2023.

Cash paid for amounts included in the measurement of operating lease liabilities totaled \$19,080 for each of the years ended December 31, 2024 and 2023.

Scheduled maturities of operating lease liabilities at December 31, 2024 totaled \$1,590 due in 2025.

Beginning in January 2025, a noncancelable operating lease for an office in Grand Rapids, Michigan was signed. The lease requires escalating payments starting at \$1,610 per month and expires in December 2027.

Note 6 – Net Assets With Donor Restrictions

The following summarizes the changes in net assets with donor restrictions:

	Regional Funds	Time Restrictions	Total
Balance, January 1, 2023	\$ 44,500	\$ 53,461	\$ 97,961
Additions	100,956	115,950	216,906
Releases	(88,500)	(53,461)	(141,961)
Balance, December 31, 2023	56,956	115,950	172,906
Additions	89,250	63,268	152,518
Releases	(56,956)	(115,950)	(172,906)
Balance, December 31, 2024	<u>\$ 89,250</u>	<u>\$ 63,268</u>	<u>\$ 152,518</u>

Note 7 – Retirement Plan

The Organization participates in a deferred compensation retirement plan under Internal Revenue Code Section 403(b). The plan covers substantially all employees and allows the Organization to provide a discretionary matching contribution equal to a uniform percentage or dollar amount of each employee's elective deferral. The Organization determines the formula for the discretionary matching contribution annually. The Organization contributed \$20,600 and \$27,350 to the plan for the years ended December 31, 2024 and 2023, respectively.

Partners Relief & Development

Notes to Financial Statements

December 31, 2024 and 2023

Note 8 – Concentrations

Bank Deposits. The Organization routinely maintained cash balances in excess of federally insured limits during the years ended December 31, 2024 and 2023.

Major Donors. The Organization had two donors that comprised 23% and 24% of total revenues for the years ended December 31, 2024 and 2023, respectively.