

CHILD AID

FINANCIAL STATEMENTS
Year Ended December 31, 2020

With

Independent Auditor's Report

**CHILD AID
DECEMBER 31, 2020
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Treasurer's Report

The financial statements and other information contained in this report have been prepared by management, which is responsible for the information's integrity and objectivity. The financial statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis and are deemed to present fairly the financial position of Child Aid and the changes in its net assets and cash flows. Where necessary, management has made informed judgments and estimates of the outcome of events and transactions, with due consideration given to materiality.

As a means of fulfilling its responsibility for the integrity of financial information included in this report, management relies on a system of internal controls established to ensure, within reasonable limits, that assets are safeguarded against loss or unauthorized use, that transactions are properly recorded and executed in accordance with management's authorization, and that the accounting records can be relied upon to prepare financial statements in accordance with generally accepted accounting principles. This system is augmented by careful selection and training of qualified personnel and the dissemination of written policies and procedures.

The financial statements have been examined by Child Aid's independent accountants, Richman & Associates, LLC whose report follows. Their examination was made in accordance with generally accepted auditing standards, per the Independent Auditors' Report. The Board of Directors meets periodically with management and the independent accountants to review accounting, auditing, internal accounting controls, and financial reporting matters, and to ensure that all responsibilities are fulfilled with regard to the objectivity and integrity of the Child Aid's financial statements. The Board of Directors also reviews the scope and results of Child Aid's audit, and current and emerging accounting and financial requirements and practices affecting Child Aid.

Richard Carroll
Co-founder & Treasurer
Board of Directors
Child Aid

Richman & Associates, LLC
Certified Public Accountant
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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Child Aid
Portland, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of Child Aid (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Child Aid as of December 31, 2020, 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.

Report on Summarized Comparative Information

We have previously audited Child Aid's financial statements as of and for the year ended December 31, 2019, and our report dated June 12, 2020, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Richman & Associates, LLC

Portland, Oregon
July 8, 2021

CHILD AID
STATEMENT OF FINANCIAL POSITION
December 31, 2020
(With Comparative Amounts for 2019)

	2020	2019
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and equivalents	\$ 151,594	\$ 282,731
Accounts receivable	-	3,558
Unconditional promises to give	154,635	99,972
Prepaid expenses	8,281	11,328
Total current assets	314,510	397,589
NON-CURRENT UNCONDITIONAL PROMISES TO GIVE	-	43,359
INVESTMENTS	1,584,021	1,539,215
EQUIPMENT	4,392	9,065
TOTAL ASSETS	\$ 1,902,923	\$ 1,989,228
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 9,102	\$ 56,108
Payroll liabilities	10,597	14,509
Accrued compensated absences	156,838	123,042
Paycheck Protection Program advance	123,849	-
Total current liabilities	300,386	193,659
NET ASSETS:		
Without donor restrictions	1,340,496	1,496,862
With donor restrictions	262,041	298,707
Total net assets	1,602,537	1,795,569
TOTAL LIABILITIES AND NET ASSETS	\$ 1,902,923	\$ 1,989,228

See accompanying notes to financial statements.

CHILD AID
STATEMENT OF ACTIVITIES
December 31, 2020
(With Comparative Amounts for 2019)

	2020		Total	2019
	Without Donor Restrictions	With Donor Restrictions		
SUPPORT AND REVENUE:				
Contributions and grants	\$ 1,010,805	\$ 321,731	\$ 1,332,536	\$ 1,269,075
In-kind contributions of books, materials and services	163,650	-	163,650	276,260
Realized investment gains	170,523	8,024	178,547	228,653
Unrealized investment gains (losses)	(199,880)	29,526	(170,354)	(52,771)
Interest, dividends and fees	28,438	3,073	31,511	45,564
Other	(5,123)	-	(5,123)	(2,227)
	<u>1,168,413</u>	<u>362,354</u>	<u>1,530,767</u>	<u>1,764,554</u>
Net assets released from restrictions:				
Satisfaction of purpose restrictions	343,242	(343,242)	-	-
Expiration of time restrictions	55,778	(55,778)	-	-
	<u>399,020</u>	<u>(399,020)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>1,567,433</u>	<u>(36,666)</u>	<u>1,530,767</u>	<u>1,764,554</u>
EXPENSES:				
Program services	1,434,468	-	1,434,468	1,376,810
Management and general	96,683	-	96,683	122,812
Fund raising	192,648	-	192,648	234,178
Total expenses	<u>1,723,799</u>	<u>-</u>	<u>1,723,799</u>	<u>1,733,800</u>
CHANGE IN NET ASSETS	(156,366)	(36,666)	(193,032)	30,754
NET ASSETS AT BEGINNING OF YEAR	<u>1,496,862</u>	<u>298,707</u>	<u>1,795,569</u>	<u>1,764,815</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,340,496</u>	<u>\$ 262,041</u>	<u>\$ 1,602,537</u>	<u>\$ 1,795,569</u>

See accompanying notes to financial statements.

CHILD AID
STATEMENT OF FUNCTIONAL EXPENSES
December 31, 2020
(With Comparative Amounts for 2019)

	2020				2019
	Program Services	Management and General	Fund Raising	Total	
Compensation and related expenses:					
Compensation	\$ 750,752	\$ 51,703	\$ 131,056	\$ 933,511	\$ 840,148
Employee benefits	40,177	3,514	10,313	54,004	69,473
Payroll taxes and fees	75,844	3,345	13,672	92,861	81,431
Grants and allocations	278,814	-	-	278,814	266,898
Bank fees	4,935	2,291	1,026	8,252	4,952
Depreciation expense	-	4,673	-	4,673	2,455
Conference and meetings	16,319	2,099	2,851	21,269	61,121
Licenses and fees	43,551	13,407	3,551	60,509	50,013
Insurance	5,638	4,784	-	10,422	8,956
Rent	39,402	4,056	4,056	47,514	39,677
Postage	23	1,820	1,177	3,020	3,041
Printing and publications	17,168	952	19,800	37,920	26,106
Professional fees	87,073	2,853	3,186	93,112	136,860
Supplies	10,355	537	436	11,328	25,225
Telephone	27,830	360	344	28,534	18,899
Travel	32,984	289	1,180	34,453	94,545
Bad debt	-	-	-	-	4,000
Miscellaneous	3,603	-	-	3,603	-
Total expenses	<u>\$ 1,434,468</u>	<u>\$ 96,683</u>	<u>\$ 192,648</u>	<u>\$ 1,723,799</u>	<u>\$ 1,733,800</u>

See accompanying notes to financial statements.

CHILD AID
STATEMENT OF CASH FLOWS
December 31, 2020
(With Comparative Amounts for 2019)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from grantors and contributors	\$ 1,038,558	\$ 1,268,867
Interest and dividends received	31,511	45,564
Cash paid to suppliers and employees	(1,526,192)	(1,514,172)
Net cash used in operating activities	(456,123)	(199,741)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	665,365	776,757
Purchases of investments	(340,379)	(473,757)
Purchases of equipment	-	(8,036)
Net cash provided by investing activities	324,986	294,964
NET CHANGE IN CASH AND EQUIVALENTS	(131,137)	95,223
CASH AND EQUIVALENTS, BEGINNING OF YEAR	282,731	187,508
CASH AND EQUIVALENTS, END OF YEAR	\$ 151,594	\$ 282,731

See accompanying notes to financial statements.

CHILD AID
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Child Aid is a 501(c)(3) public benefit nonprofit corporation whose mission is social and economic development through literacy. We focus on rural villages in Guatemala, where illiteracy disproportionately affects indigenous people, and in the early grades where education can make the biggest impact on literacy and overall life chances.

Our program consists of a scaffolded, four-year curriculum of workshops in schools (2 per year) and one-on-one classroom coaching (2 individual sessions after each workshop). We also provide high quality, grade appropriate Spanish language books to each school, along with rolling bookshelves and a classification system. When we leave a school, we have built a book collection with between 7-15 volumes per student. In addition, our staff spends additional time in each school, meeting with the school Reading Committee and the school principal to increase the use of books across content areas and providing additional coaching sessions as requested and desired. Finally, we hold a 4-6 week, school break program, called *Adventures in Reading*, to help children retain literacy gains made during the school year through the long summer vacation. In total, our 4-year intervention represents at least 350 hours spent with each school.

Child Aid also provides financial support for the independent nonprofit organization FUNDIT (Fundacion para Desarrollo Integral de El Tejar), located in El Tejar, Guatemala. FUNDIT's programs comprise a Montessori-style pre-school for children in the town of El Tejar; a community library; a music program for primary and middle school children; and a scholarship program for primary and secondary students who otherwise would not be able to continue in school.

Child Aid is supported solely through contributions from individuals and grants from foundations and businesses.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors.

Basis of Presentation

The financial statements of Child Aid have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require Child Aid. to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Child Aid's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Child Aid or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity; Child Aid has no such net assets with perpetual restrictions as of December 31, 2020.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Cash and Equivalents

For purposes of the statement of cash flows, Child Aid considers all cash and other liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Cash and short-term investments held in institutional money market funds are reported as investments instead of cash because of the Organization's investment practices.

Concentrations of Credit Risk

Child Aid deposits its cash in high credit quality institutions. At times such cash deposits may be in excess of the FDIC insurance limit. Child Aid believes no significant concentration of credit risk exists with respect to these cash deposits. Certain receivables may also subject Child Aid to concentrations of credit risk.

Accounts Receivable

Accounts receivable are each stated net of an allowance for doubtful accounts. Uncollectible receivables are charged to an allowance account as they are determined to be uncollectible. The determination is based upon several factors including collection experience, economic conditions, and credit risk quality including past due status, and how recently payments have been received. Management believes that no allowance for doubtful accounts is necessary as of December 31, 2020.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Uncollectible promises to give are charged to an allowance account as they are determined to be uncollectible. Conditional promises to give are not included as support until the conditions are met.

Fixed Assets and Depreciation

Equipment is carried at cost, and at market value when acquired by gift. Depreciation is provided on a double-declining balance basis over the estimated useful lives of the respective assets, which is generally five years. Child Aid follows the practice of capitalizing all expenditures for equipment in excess of \$1,000.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). Child Aid, Inc. groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

- Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

- Level 2 Other observable inputs, either directly or indirectly, including:
 - Quoted prices for similar assets/liabilities in active markets;
 - Quoted prices for identical or similar assets in non-active markets;
 - Inputs other than quoted prices that are observable for the asset/liability; and,
 - Inputs that are derived principally from or corroborated by other observable market data.

- Level 3 Unobservable inputs that cannot be corroborated by observable market data.

Investments

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment return in the statements of activities.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned.

Contributions

Contributions received are 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. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a 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.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

In-Kind Contributions

Contributions of assets other than cash are recorded at their estimated fair market value.

Child Aid recognizes the fair value of contributed services received if such services (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. In-kind services of \$142,650 were recognized during the year ended December 31, 2020.

Child Aid receives contributed services from volunteers who assist in program efforts. Child Aid has not recognized the value of such services on its financial statements in that they do not meet the criteria for recognition stated above.

In-kind contributions of equipment and other materials, as well as the free use of facilities, are recorded when there is an objective basis upon which to value the contribution and where the contribution is an essential part of Child Aid's activities.

In-kind contributions of books and program materials valued at \$21,000 and securities valued at \$361,599 (included in contributions and grants on the statement of activities) were recognized during 2020.

Investment Income

Investment income and gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless a donor or law temporarily or permanently restricts their use.

Advertising Expenses

Advertising costs are charged to expense as they are paid.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include compensation, employee benefits and payroll taxes and fees, licenses and fees, rent and bank fees which are allocated based on estimates of time and effort. Shared costs, including a portion of the total costs of conferences and meetings, postage, printing and publications, professional fees, supplies, telephone and travel are allocated based on estimates of staff time and effort.

Income Taxes

Child Aid is exempt from federal and state income taxes under Sections 501(c)(3) of the Internal Revenue Code and comparable state law. Accordingly, no provision for income taxes is included in the accompanying financial statements.

Under generally accepted accounting principles, an organization must also evaluate its tax positions and provide for a liability for any positions that would not be considered “more likely than not” to be upheld under a tax authority examination. Management has evaluated its tax positions and has concluded that a provision for a tax liability is not necessary at December 31, 2020.

The Organization files Form 990 in the U.S. federal jurisdiction. The Organization is subject to examination by U.S. federal tax authorities generally for three years from the filing of a tax return.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure 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. In the opinion of Child Aid’s management, such differences would not be significant.

Summarized Financial Information for 2019

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Also, prior-year summarized comparative information on the statement of functional expenses is not presented in sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the agency's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

Adoption of New Accounting Standards

ASC Topic 606. Child Aid adopted ASC Topic 606, *Revenue from Contracts with Customers*, on January 1, 2020, using the retrospective method. Analysis of the financial statements for implementation required no changes to the presentation of Child Aid's revenues or financial statements.

Subsequent Events

Subsequent events were evaluated through July 8, 2021, which is the date the financial statements were available to be issued.

NOTE 2 – AVAILABILITY AND LIQUIDITY

The following represents Child Aid's financial assets at December 31, 2020 available to meet general expenditures in the subsequent twelve months:

Financial assets at year-end:	
Cash and cash equivalents	\$ 151,594
Unconditional promises to give	154,635
Investments	1,584,021
Total financial assets	<u>1,890,250</u>
Less amounts not available to be used within one year:	
Total net assets with donor restrictions	262,041
Less net assets with restrictions to be met in less than one year	<u>(91,837)</u>
	<u>170,204</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 1,720,046</u></u>

The above-calculated financial assets as of December 31, 2020 available to meet general expenditures and liabilities during 2020 represent 96% of Child Aid's 2021 projected cash flow requirements.

As part of its liquidity management, Child Aid has a policy to structure its financial assets to be available as general expenditures and liabilities become due. Based on the professional expertise of its Co-founder and Board Treasurer, excess cash is invested in fixed income, equities, real estate and other securities that are liquidated as necessary to meet cash flow requirements.

NOTE 3 – PROMISES TO GIVE

Unconditional promises to give amounted to \$154,635 at December 31, 2020, and all are expected to be received within one year. Based on knowledge of the donors, management has determined that no allowance for uncollectible pledges is necessary.

During the 2019 fiscal year, the Organization received a conditional promise of \$126,000 due in \$42,000 increments in 2020, 2021, and 2022. Payment each year is contingent upon meeting program deliverables of the prior program year as specified in the agreement.

NOTE 4 –EQUIPMENT

Equipment consists of the following as of December 31, 2020:

Computer equipment	\$ 24,338
Less accumulated depreciation	<u>19,946</u>
	<u>\$ 4,392</u>

NOTE 5 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

At December 31, 2020, all of Child Aid’s investments are measured at fair value on a recurring basis using quoted prices in active markets for identical assets (i.e., Level 1), and consist of the following:

<u>Description of Securities</u>	<u>Fair Value</u>
Cash and equivalents	\$ 315,446
Fixed income	182,921
Equities	1,013,062
Real estate securities	50,537
Other	<u>22,055</u>
	<u>\$ 1,584,021</u>

Investment return for 2020 is summarized as follows:

Net realized investment gains	\$ 178,547
Net unrealized investment gains (losses)	(170,354)
Interest, dividends, and fees	<u>31,511</u>
	<u>\$ 39,704</u>

NOTE 6 – COVID-19 UNCERTAINTY AND PAYCHECK PROTECTION PROGRAM ADVANCE

The COVID-19 outbreak in the United States beginning in early 2020 has caused business disruption through mandated closings of nonessential businesses and activities. While the disruption is currently expected to be temporary and businesses are beginning to re-open, there is considerable uncertainty around the duration of the pandemic. During 2020 and into 2021, Child Aid has shifted to distance learning where possible since schools continue to be closed. Child Aid has been working virtually with Guatemalan staff and teachers to continue training. In June, 2020 Child Aid began a hunger relief program for Guatemalan families. Child Aid raised donations to purchase food through the United Way Guatemala in 2020 and continues this program in 2021. Child Aid does not expect the COVID-19 outbreak to negatively impact its operating results for fiscal year 2021.

On May 4, 2020, Child Aid received a Paycheck Protection Program Loan from the U.S. Small Business Association for \$123,849, all of which was forgiven on May 10, 2021. Accordingly, Child Aid has recognized the full amount as grant support in the 2021 general ledger. On February 1, 2020, Child Aid received a second Paycheck Protection Program Loan from the U.S. Small Business Association for \$124,390. Under the terms of the loan program, management expects the loan to be forgiven in full upon meeting all applicable program requirements, at which time the additional grant support will be recognized. Any unforgiven portion of the loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months.

NOTE 7- NET ASSETS

The detail of the Child Aid's net asset categories at December 31, 2020 is as follows:

Without donor restrictions:

Undesignated	\$ 1,336,104
Investment in property and equipment	<u>4,392</u>
Total without donor restrictions:	<u>\$ 1,340,496</u>

With donor restrictions:

Specific Purpose:

FUNDIT	\$ 170,204
Guatemalan literacy programming	<u>59,290</u>
	229,494

Passage of time:

Available for future operations	<u>32,547</u>
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Total with donor restrictions	<u>\$ 262,041</u>
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Net assets released from donor restrictions during the year ended December 31, 2020 are as follows:

Specific Purpose:	
FUNDIT	\$ 88,278
Guatemalan literacy programming	24,058
Children International Program	42,000
White Flag Hunger Relief	187,729
Other programming purposes	1,177
	<u>343,242</u>
Passage of time:	
Supporting general operations	55,778
	<u>55,778</u>
Total net assets released from restrictions	<u>\$ 399,020</u>

NOTE 8– RETIREMENT PLAN

Child Aid has adopted a SEP-IRA retirement plan to cover all eligible employees. Child Aid's contributions to the plan in 2020 amounted to \$19,633.

NOTE 9 – LEASE COMMITMENTS

Child Aid conducts its operations in office facilities rented under an operating lease agreement that expires in December, 2021. Child Aid also has entered into various lease agreements in Guatemala that expire between February, 2022 and December, 2023.

The future minimum annual lease payments for the above described leases are as follows:

<u>Year ending December 31,</u>	
2021	\$ 47,256
2022	21,036
2023	16,790
	<u>16,790</u>
Total minimum required payments	<u>\$ 85,082</u>

Total rent expense amounted to \$45,470 for 2020.