

**CHILD AID**

FINANCIAL STATEMENTS  
Year Ended December 31, 2018

With

Independent Auditor's Report

**CHILD AID  
DECEMBER 31, 2018  
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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  
One SW Columbia, Suite 400  
Portland, OR 97258  
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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, 2018, 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, 2018, 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.

## ***Emphasis of Matter***

As discussed in Note 2 to the financial statements, in 2018, the Organization adopted Accounting Standards Update (ASU) 2016-14 *Not for Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified in respect to this matter.

## ***Report on Summarized Comparative Information***

We have previously audited Child Aid's financial statements as of and for the year ended December 31, 2017, and our report dated April 24, 2018, 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, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Rickman & Associates, LLC*

Portland, Oregon  
April 29, 2019

**CHILD AID**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2018**  
**(With Comparative Amounts for 2017)**

	2018	2017
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS:</b>		
Cash and equivalents	\$ 187,508	\$ 78,499
Accounts receivable	2,797	2,794
Unconditional promises to give	208,569	206,135
Prepaid expenses	5,878	5,265
Total current assets	404,752	292,693
<b>NON-CURRENT UNCONDITIONAL PROMISES TO GIVE</b>	94,936	62,910
<b>INVESTMENTS</b>	1,417,866	1,834,604
<b>EQUIPMENT</b>	3,484	2,937
<b>TOTAL ASSETS</b>	<b>\$ 1,921,038</b>	<b>\$ 2,193,144</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 50,215	\$ 68,971
Payroll liabilities	7,366	5,442
Accrued compensated absences	98,642	74,635
Total current liabilities	156,223	149,048
<b>NET ASSETS:</b>		
Without donor restrictions	1,356,703	1,628,105
With donor restrictions	408,112	415,991
Total net assets	1,764,815	2,044,096
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,921,038</b>	<b>\$ 2,193,144</b>

See accompanying notes to financial statements.

**CHILD AID**  
**STATEMENT OF ACTIVITIES**  
**December 31, 2018**  
**(With Comparative Amounts for 2017)**

	2018		Total	2017
	Without Donor Restrictions	With Donor Restrictions		
<b>SUPPORT AND REVENUE:</b>				
Contributions and grants	\$ 897,653	\$ 326,509	\$ 1,224,162	\$ 1,012,534
In-kind contributions of books, materials and services	277,732	-	277,732	232,395
Realized investment gains	324,517	9,397	333,914	422,479
Unrealized investment gains (losses)	(463,811)	(25,369)	(489,180)	(250,715)
Interest, dividends and fees	46,083	3,405	49,488	50,531
Other	706	-	706	(567)
	<u>1,082,880</u>	<u>313,942</u>	<u>1,396,822</u>	<u>1,466,657</u>
Net assets released from restrictions:				
Satisfaction of purpose restrictions	168,304	(168,304)	-	-
Expiration of time restrictions	153,517	(153,517)	-	-
	<u>1,404,701</u>	<u>(7,879)</u>	<u>1,396,822</u>	<u>1,466,657</u>
<b>EXPENSES:</b>				
Program services	1,378,825	-	1,378,825	1,126,781
Management and general	121,585	-	121,585	93,837
Fund raising	175,693	-	175,693	109,179
Total expenses	<u>1,676,103</u>	<u>-</u>	<u>1,676,103</u>	<u>1,329,797</u>
<b>CHANGE IN NET ASSETS</b>	(271,402)	(7,879)	(279,281)	136,860
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>1,628,105</u>	<u>415,991</u>	<u>2,044,096</u>	<u>1,907,236</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 1,356,703</u>	<u>\$ 408,112</u>	<u>\$ 1,764,815</u>	<u>\$ 2,044,096</u>

See accompanying notes to financial statements.

**CHILD AID**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**December 31, 2018**  
**(With Comparative Amounts for 2017)**

	2018				2017
	Program Services	Management and General	Fund Raising	Total	
Compensation and related expenses:					
Compensation	\$ 601,695	\$ 65,574	\$ 107,374	\$ 774,643	\$ 548,994
Employee benefits	40,521	11,347	13,088	64,956	40,550
Payroll taxes and fees	56,309	5,387	8,190	69,886	53,622
Grants and allocations	270,596	-	-	270,596	217,543
Bank fees	3,642	671	686	4,999	6,889
Depreciation expense	-	3,103	-	3,103	3,505
Conference and meetings	39,085	3,400	2,519	45,004	37,530
Licenses and fees	41,390	3,622	13,803	58,815	59,580
Rent	31,974	3,546	3,546	39,066	32,180
Postage	1,362	208	208	1,778	1,693
Printing and publications	33,518	5,304	12,151	50,973	72,818
Professional fees	170,655	16,669	9,043	196,367	160,444
Supplies	15,520	242	750	16,512	8,752
Telephone	18,170	314	314	18,798	16,161
Travel	54,388	2,198	4,021	60,607	69,436
Bad debt	-	-	-	-	100
Total expenses	<u>\$ 1,378,825</u>	<u>\$ 121,585</u>	<u>\$ 175,693</u>	<u>\$ 1,676,103</u>	<u>\$ 1,329,797</u>

See accompanying notes to financial statements.

**CHILD AID**  
**STATEMENT OF CASH FLOWS**  
**December 31, 2018**  
**(With Comparative Amounts for 2017)**

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from grantors and contributors	\$ 977,351	\$ 806,745
Interest and dividends received	49,488	61,564
Cash paid to suppliers and employees	(1,420,732)	(1,172,009)
Net cash used in operating activities	(393,893)	(303,700)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of investments	925,833	940,235
Purchases of investments	(419,281)	(640,025)
Purchases of equipment	(3,650)	(530)
Net cash provided by investing activities	502,902	299,680
<b>NET CHANGE IN CASH AND EQUIVALENTS</b>	109,009	(4,020)
<b>CASH AND EQUIVALENTS, BEGINNING OF YEAR</b>	78,499	82,519
<b>CASH AND EQUIVALENTS, END OF YEAR</b>	\$ 187,508	\$ 78,499

See accompanying notes to financial statements.

**CHILD AID**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

**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 two independent nonprofit organizations operating in Central America. The first is CORAL (Centro Oaxaqueno de Rehabilitacion de Audicion y Lenguaje) located in Oaxaca, Mexico. CORAL provides rehabilitative education and diagnostic services for poor and underserved deaf and hearing impaired children. The second organization receiving support and oversight is 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, 2018.

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, 2018.

## **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 \$500.

## **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 \$151,412 were recognized during the year ended December 31, 2018.

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 \$126,320 and securities valued at \$545,494 (included in contributions and grants on the statement of activities) were recognized during 2018.

## **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 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, 2018.

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 2017**

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, 2017, from which the summarized information was derived.

## **Subsequent Events**

Subsequent events were evaluated through April 29, 2019, which is the date the financial statements were available to be issued.

## **New Accounting Pronouncement**

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Child Aid has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented. The new standards change the following aspects of Child Aid's financial statements:

- The temporarily restricted net asset class has been renamed net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements include a new disclosure about liquidity and availability of resources (Note 2).

Net asset classes as of December 31, 2017 have been renamed as follows:

<u>Net Asset Class</u>	<u>As Originally Presented</u>	<u>After Adoption of ASU 2016-14</u>
Unrestricted net assets	\$ 1,628,105	\$ -
Temporarily restricted net assets	415,991	-
Net assets without donor restrictions		1,628,105
Net assets with donor restrictions		415,991
Total net assets	<u>\$ 2,044,096</u>	<u>\$ 2,044,096</u>

## NOTE 2 – AVAILABILITY AND LIQUIDITY

The following represents Child Aid’s financial assets at December 31, 2018 available to meet general expenditures in the subsequent twelve months:

Financial assets at year-end:	
Cash and cash equivalents	\$ 187,508
Accounts receivable	2,797
Unconditional promises to give	303,505
Investments	1,417,866
Total financial assets	<u>1,911,676</u>
Less amounts not available to be used within one year:	
Total net assets with donor restrictions	408,112
Less net assets with restrictions to be met in less than one year	<u>(186,802)</u>
	221,310
Non-current unconditional promises to give	<u>94,936</u>
	<u>316,246</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,595,430</u>

The above-calculated financial assets as of December 31, 2018 available to meet general expenditures and liabilities during 2019 represents over 100% of Child Aid’s 2019 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 consist of the following as of December 31, 2018:

Receivable in less than one year	\$ 208,569
Receivable in one to five years	102,058
Total face value of unconditional promises to give	<u>310,627</u>
Less unamortized discount to present value based on a 3% rate	<u>(7,122)</u>
Net unconditional promises to give	<u>\$ 303,505</u>
Included on the statement of financial position as:	
Current asset	\$ 208,569
Non-current asset	94,936
	<u>\$ 303,505</u>

Based on knowledge of the donors, management has determined that no allowance for uncollectible pledges is necessary.

#### NOTE 4 –EQUIPMENT

Equipment consists of the following as of December 31, 2018:

Computer equipment	\$ 18,146
Less accumulated depreciation	<u>14,662</u>
	<u>\$ 3,484</u>

#### NOTE 5 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

At December 31, 2018, 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	\$ 231,677
Fixed income	329,122
Equities	750,614
Real estate securities	86,455
Other	<u>19,998</u>
	<u>\$ 1,417,866</u>

Investment return for 2018 is summarized as follows:

Net realized investment gains	\$ 333,914
Net unrealized investment gains (losses)	(489,180)
Interest and dividend income	<u>49,488</u>
	<u>\$ (105,778)</u>

#### NOTE 6- NET ASSETS

The detail of the Child Aid's net asset categories at December 31, 2018 is as follows:

Without donor restrictions:	
Undesignated	\$ 1,353,219
Investment in property and equipment	<u>3,484</u>
Total without donor restrictions:	<u>\$ 1,356,703</u>
With donor restrictions:	
Specific Purpose:	
FUNDIT	\$ 126,374
Guatemalan literacy programming	<u>75,406</u>
	201,780
Passage of time:	
Available for future operations	<u>206,332</u>
Total with donor restrictions	<u>\$ 408,112</u>

Net assets released from donor restrictions during the year ended December 31, 2018 are as follows:

Specific Purpose:	
FUNDIT	\$ 85,818
Coral	13,066
Guatemalan literacy programming	42,561
Other programming purposes	<u>26,859</u>
	168,304
Passage of time:	
Supporting general operations	<u>153,517</u>
Total net assets released from restrictions	<u><u>\$ 321,821</u></u>

**NOTE 7– RETIREMENT PLAN**

Child Aid has adopted a SEP-IRA retirement plan to cover all eligible employees. Child Aid's contributions to the plan in 2018 amounted to \$17,467.

**NOTE 8 – LEASE COMMITMENTS**

Child Aid conducts its operations in office facilities rented under an operating lease agreement that expires in December, 2019. Child Aid also entered into two lease agreement in Guatemala that expire that expires in December, 2019 and December, 2020.

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

<u>Year ending December 31,</u>	
2019	\$ 38,244
2020	<u>9,504</u>
Total minimum required payments	<u><u>\$ 47,748</u></u>

Total rent expense amounted to \$37,353 for 2018.