

**LOVE WITHOUT BOUNDARIES FOUNDATION**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
DECEMBER 31, 2024 AND 2023**

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PADDEN COOPER LLC  
**Certified Public Accountants**  
www.paddencooper.com

Stephen R. Cooper, CPA/PFS  
Bradley H. Denn, CPA/PFS  
Adam D. Drewry, CPA/PFS  
Ginger M. Evans, CPA  
Robyn G. Rusinski, CPA

Member AICPA  
New Jersey Society of CPAs  
Registered Investment Advisors  
Certified QuickBooks ProAdvisors

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Love Without Boundaries Foundation

**Opinion**

We have audited the accompanying financial statements of Love Without Boundaries Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Love Without Boundaries Foundation 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 audit 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 Love Without Boundaries Foundation 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.

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## **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 Love Without Boundaries Foundation's ability to continue as a going concern within 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 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 for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 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 Love Without Boundaries Foundation'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 Love Without Boundaries Foundation'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.

Medford, New Jersey  
August 11, 2025



Padden Cooper  
Certified Public Accountants

## Love Without Boundaries Foundation

### Statements of Financial Position

As of December 31,

<b>Assets</b>	<b>2024</b>	<b>2023</b>
Cash and cash equivalents	\$ 1,076,644	\$ 1,396,001
Advances	-	71,165
Prepaid expenses	5,273	30,916
Investments, short term	1,159,239	1,129,956
Total current assets	<u>2,241,156</u>	<u>2,628,038</u>
Fixed assets, net	367,841	388,023
Investments, long term	199,929	196,090
Total noncurrent	<u>567,770</u>	<u>584,113</u>
Total assets	<u>\$ 2,808,926</u>	<u>\$ 3,212,151</u>
<b>Liabilities</b>		
Due to other organizations	\$ -	\$ 2,710
Total liabilities	<u>-</u>	<u>2,710</u>
<b>Net Assets</b>		
Without donor restriction	\$ 1,065,833	\$ 1,482,664
With donor restriction	1,743,093	1,726,777
Total net assets	<u>2,808,926</u>	<u>3,209,441</u>
Total liabilities and net assets	<u>\$ 2,808,926</u>	<u>\$ 3,212,151</u>

**Love Without Boundaries Foundation**  
**Statements of Activities and Changes in Net Assets**  
**For The Year Ended December 31, 2024**

<b>Revenues</b>	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>
Support:			
Contributions	\$ 983,209	\$ 1,676,249	\$ 2,659,458
In-kind contributions	67,033	73,270	140,303
Grants	35,000	483,720	518,720
Fundraising	-	71,141	71,141
Investment return	98,843	-	98,843
Net assets released from restrictions	2,288,064	(2,288,064)	-
Total revenue	<u>3,472,149</u>	<u>16,316</u>	<u>3,488,465</u>
<b>Operating Expenses</b>			
Program services:			
Medical	1,231,374	-	1,231,374
Education	632,497	-	632,497
Healing homes	162,701	-	162,701
Foster care	801,629	-	801,629
Nutrition	412,367	-	412,367
Total program services	<u>3,240,568</u>	<u>-</u>	<u>3,240,568</u>
Supporting activities:			
Administration	290,198	-	290,198
Fundraising	352,754	-	352,754
Total supporting activities	<u>642,952</u>	<u>-</u>	<u>642,952</u>
Total operating expenses	<u>3,883,520</u>	<u>-</u>	<u>3,883,520</u>
<b>Other Expense</b>			
Loss on disposal of asset	(5,460)	-	(5,460)
<b>Change in Net Assets</b>	<u>(416,831)</u>	<u>16,316</u>	<u>(400,515)</u>
Net assets, beginning of year	<u>1,482,664</u>	<u>1,726,777</u>	<u>3,209,441</u>
Net assets, end of year	<u>\$ 1,065,833</u>	<u>\$ 1,743,093</u>	<u>\$ 2,808,926</u>

**Love Without Boundaries Foundation**  
**Statements of Activities and Changes in Net Assets**  
**For The Year Ended December 31, 2023**

<b>Revenues</b>	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>
Support:			
Contributions	\$ 1,332,581	\$ 1,739,372	\$ 3,071,953
In-kind contributions	1,628	573	2,201
Grants	50,000	291,415	341,415
Fundraising	2,779	72,286	75,065
Investment return	111,630	-	111,630
Net assets released from restrictions	2,131,782	(2,131,782)	-
Total revenue	<u>3,630,400</u>	<u>(28,136)</u>	<u>3,602,264</u>
<b>Operating Expenses</b>			
Program services:			
Medical	992,736	-	992,736
Education	615,001	-	615,001
Healing homes	477,922	-	477,922
Foster care	545,115	-	545,115
Nutrition	483,862	-	483,862
Total program services	<u>3,114,636</u>	<u>-</u>	<u>3,114,636</u>
Supporting activities:			
Administration	248,179	-	248,179
Fundraising	237,284	-	237,284
Total supporting	<u>485,463</u>	<u>-</u>	<u>485,463</u>
Total operating expenses	<u>3,600,099</u>	<u>-</u>	<u>3,600,099</u>
<b>Change in Net Assets</b>	<u>30,301</u>	<u>(28,136)</u>	<u>2,165</u>
Net assets, beginning of	<u>1,452,363</u>	<u>1,754,913</u>	<u>3,207,276</u>
Net assets, end of year	<u>\$ 1,482,664</u>	<u>\$ 1,726,777</u>	<u>\$ 3,209,441</u>

## Love Without Boundaries Foundation

### Statement of Functional Expenses

For The Year Ended December 31, 2024

	Program Services						Supporting Activities		
	Medical Care	Education	Healing Homes	Foster Care	Nutrition	Total Program	Administrative	Fundraising	Total
Countries staff salary	\$ 181,273	\$ 287,077	\$ 123,555	\$ 74,146	\$ 58,662	\$ 824,713	\$ -	\$ -	\$ 824,713
Salaries	184,488	80,902	-	134,333	48,470	448,193	92,348	173,025	713,566
Medical care	482,525	2,721	160	12,366	8,856	506,628	-	-	506,628
Transportation & travel	131,074	23,595	4,779	77,638	13,715	250,801	22,800	15,956	289,557
Nutrition	6,017	69,411	1,520	79,618	94,407	250,973	-	-	250,973
Program	-	-	-	165,074	-	165,074	-	-	165,074
Professional fees	21,547	9,449	-	15,689	5,661	52,346	39,515	28,101	119,962
Supplies/ clothing	87,869	3,886	1,192	12,898	13,570	119,415	187	-	119,602
Tuition, books &	-	56,305	7,259	30,246	5,612	99,422	324	-	99,746
Special projects	162	3,128	-	63	90,569	93,922	-	-	93,922
Building & utilities	12,331	15,071	14,166	6,104	43,031	90,703	2,473	-	93,176
Advertising & events	-	-	-	-	-	-	-	88,338	88,338
Bank & credit card fees	20,538	9,001	-	15,179	5,449	50,167	21,005	-	71,172
Depreciation	-	6,335	-	-	-	6,335	54,744	-	61,079
Insurance	14,236	6,243	-	10,665	3,740	34,884	22,258	-	57,142
Child living	24,212	3,179	-	17,890	6,685	51,966	180	-	52,146
Payroll taxes	12,596	5,524	-	9,172	3,309	30,601	7,300	13,291	51,192
Meals	24,702	1,246	9,159	7,037	1,011	43,155	4,079	-	47,234
Office expense	4,929	3,866	752	9,482	1,398	20,427	7,987	14,791	43,205
Education	-	36,213	159	4,568	1,440	42,380	-	-	42,380
Retirement	7,675	3,366	-	5,588	2,016	18,645	4,764	5,641	29,050
Telephone & internet	3,094	3,595	-	6,071	1,121	13,881	1,769	-	15,650
Website & computer	1,477	648	-	1,075	388	3,588	3,588	7,176	14,352
Printing & postage	1,147	322	-	4,404	220	6,093	1,764	6,435	14,292
Miscellaneous	3,662	634	-	1,017	350	5,663	1,672	-	7,335
Foreign exchange	2,628	780	-	1,306	850	5,564	1,441	-	7,005
Caregiver	3,192	-	-	-	-	3,192	-	-	3,192
Adoption support	-	-	-	-	1,837	1,837	-	-	1,837
	<b>\$ 1,231,374</b>	<b>\$ 632,497</b>	<b>\$ 162,701</b>	<b>\$ 801,629</b>	<b>\$ 412,367</b>	<b>\$ 3,240,568</b>	<b>\$ 290,198</b>	<b>\$ 352,754</b>	<b>\$ 3,883,520</b>

## Love Without Boundaries Foundation

### Statement of Functional Expenses

For The Year Ended December 31, 2023

	Program Services						Supporting Activities			Total
	Medical Care	Education	Healing Homes	Foster Care	Nutrition	Total Program	Administrative	Fundraising		
Countries staff salary	\$ 115,955	\$ 222,224	\$ 237,979	\$ 117,016	\$ 25,807	\$ 718,981	\$ -	\$ -	\$ 718,981	
Salaries	144,687	72,267	58,574	68,317	32,734	376,579	81,465	148,530	606,574	
Medical care	484,964	145	579	3,506	1,280	490,474	-	-	490,474	
Nutrition	19,548	90,837	6,882	72,055	85,456	274,778	-	-	274,778	
Transportation & travel	105,957	22,028	17,495	55,248	9,631	210,359	23,196	921	234,476	
Special projects	-	2,911	296	294	166,950	170,451	-	-	170,451	
Program	250	-	28,500	117,894	-	146,644	-	-	146,644	
Building & utilities	6,158	39,566	46,524	2,900	42,238	137,386	5,329	-	142,715	
Education	-	56,552	-	8,106	26,573	91,231	-	-	91,231	
Tuition, books & training	1,080	45,853	7,126	21,546	12,646	88,251	2,965	-	91,216	
Supplies/ clothing	28,276	15,370	9,540	12,114	18,663	83,963	1,363	-	85,326	
Child living	10,649	4,400	2,213	23,306	42,609	83,177	59	-	83,236	
Professional fees	12,595	6,291	5,099	5,947	2,849	32,781	29,013	3,122	64,916	
Bank & credit card fees	16,582	8,281	6,709	7,951	3,749	43,272	18,612	20	61,904	
Depreciation	-	6,335	-	-	-	6,335	41,569	-	47,904	
Office expense	6,642	3,136	2,666	8,986	1,338	22,768	9,497	14,728	46,993	
Meals	1,144	1,696	35,750	2,438	609	41,637	1,770	-	43,407	
Payroll taxes	9,709	4,849	3,931	4,584	2,197	25,270	5,842	11,981	43,093	
Insurance	10,181	5,085	4,122	4,807	2,303	26,498	14,839	-	41,337	
Printing & postage	1,037	342	120	202	73	1,774	950	26,404	29,128	
Website & computer	2,030	1,014	821	958	459	5,282	5,282	10,565	21,129	
Advertising & events	-	-	-	-	-	-	-	18,866	18,866	
Telephone & internet	2,734	3,171	871	4,092	641	11,509	1,878	-	13,387	
Retirement contribution	3,042	1,520	1,231	1,436	688	7,917	2,279	2,147	12,343	
Caregiver	5,404	-	-	305	-	5,709	-	-	5,709	
Foreign exchange	2,956	505	428	478	264	4,631	878	-	5,509	
Miscellaneous	1,156	623	466	629	427	3,301	1,393	-	4,694	
Adoption support	-	-	-	-	3,678	3,678	-	-	3,678	
	<b>\$ 992,736</b>	<b>\$ 615,001</b>	<b>\$ 477,922</b>	<b>\$ 545,115</b>	<b>\$ 483,862</b>	<b>\$ 3,114,636</b>	<b>\$ 248,179</b>	<b>\$ 237,284</b>	<b>\$ 3,600,099</b>	

See accompanying notes to the financial statements

## Love Without Boundaries Foundation

Statements of Cash Flows  
For The Years Ended December 31,

	<u>2024</u>	<u>2023</u>
<b>Operating activities</b>		
Change in net assets	\$ (400,515)	\$ 2,165
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	61,079	47,903
Unrealized (gains)/losses	(21,070)	8,841
(Increase) decrease in:		
Advances	71,165	(71,165)
Prepaid expenses	25,643	(30,916)
Increase (decrease) in:		
Accounts payable	(2,710)	2,710
Net cash used in operating activities	<u>(266,408)</u>	<u>(40,462)</u>
<b>Investing Activities</b>		
Purchase and reinvestment of investments	(856,592)	(477,593)
Proceeds from investments	850,000	429,980
Purchase of fixed assets	(46,357)	(145,460)
Net cash used in investing activities	<u>(52,949)</u>	<u>(193,073)</u>
Net decrease in cash and cash equivalents	(319,357)	(233,535)
Cash and cash equivalents as of beginning of year	1,396,001	1,629,536
Cash and cash equivalents as of end of year	<u>\$ 1,076,644</u>	<u>\$ 1,396,001</u>

**LOVE WITHOUT BOUNDARIES FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**Years Ended December 31, 2024 and 2023**

**NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

*Nature of Operations*

Love Without Boundaries Foundation (LWB) is a non-profit organization that provides humanitarian aid to children in China, Cambodia, Guatemala, Uganda and India. LWB administers aid in medical care, education, foster care, healing homes, nutrition and special projects, which enables children to receive families through adoption or to become self-sustaining members of their communities.

*Basis of Presentation*

The accompanying financial statements of LWB are prepared on the accrual basis.

The net assets of LWB and changes therein are classified and reported as follows:

- Net assets without donor restriction are utilized to account for support and revenues that are absent of donor-imposed restrictions. Included in net assets without donor restrictions are legally unrestricted board appropriated or designated amounts.
- Net assets with donor restriction consist of donations restricted by donors for a designated program or time related to specific programs or asset acquisitions for LWB. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

*Revenue from Contracts with Customers*

LWB follows the guidance set forth in Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). The ASU and all subsequently issued clarifying ASU’s replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Contribution revenue is not included in the scope of Topic 606, which is the majority of LWB’s revenue stream.

**NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Cash and cash equivalents*

LWB considers all highly liquid investments with an original maturity date of three months or less to be cash equivalents.

The functional currency of LWB is the applicable local currency. The translation of the applicable foreign currencies into U.S. dollars is performed for assets and liabilities using current exchange rates in effect at the balance sheet date, for equity accounts using historical exchange rates, and for revenue and expense activity using the applicable month's average exchange rates.

*Property and equipment*

Property and equipment are carried at cost. Depreciation of property and equipment is provided using the straight-line method over the estimated useful lives of 3 to 15 years. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

*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 of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

*Income taxes*

LWB is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue code and related Florida State Tax statutes. Therefore, LWB has made no provision for federal or state income taxes in the accompanying financial statements. There was no taxable unrelated business income for 2024 or 2023. LWB's tax returns are no longer subject to examination by federal taxing authorities for years beginning before 2021.

## **NOTE 1: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### ***Investments***

LWB records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, mutual funds and certificates of deposit are reported at their fair value in the statements of financial position. Interest is recorded as revenue when earned.

### ***Fair Value***

LWB complies with FASB's Accounting Standards Codification topic Fair Value Measurements. This defines fair value and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement).

### ***Basis of Fair Value Measurement***

The three levels of fair value hierarchy under this topic are described below:

- Level 1      Quoted market prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.
- Level 2      Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3      Significant unobservable inputs that are not corroborated by market data.

### ***In-kind Contributions***

Contributed nonfinancial assets include donated professional services, medical care and other in-kind contributions which are recorded at the respective fair values of the goods and services received (Note 5). LWB does not sell donated gifts-in-kind. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

## NOTE 2: REVENUE RECOGNITION

### *Contribution revenue and support recognition*

LWB recognizes contribution revenues when they are constructively received or unconditionally pledged and records these revenues as with donor restriction or without donor restriction according to donor stipulations that limit the use of these funds due to time or purpose restrictions.

Contribution revenue that is restricted by the donor is reported as an increase in net assets with donor restriction if the restriction expires or is satisfied in the reporting period in which the support is recognized. When a restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

### *Merchandise sales revenue*

At times, LWB generates revenues from the sale of a variety of merchandise. This revenue is considered revenue from contracts with customers in accordance with ASU 606. The sales revenue is recognized at the point when title and risk of ownership passes to the buyer, typically when shipped.

## NOTE 3: FIXED ASSETS

Property and equipment, shown net of accumulated depreciation, at December 31, 2024 and 2023 consisted of the following:

	<b>2024</b>	<b>2023</b>
Computers and technology	\$ 58,129	\$ 40,709
Buildings and improvements	160,618	160,618
Land	113,200	113,200
Vehicles	200,111	198,474
Total	<u>532,058</u>	<u>513,001</u>
Less: accumulated depreciation	<u>(164,217)</u>	<u>(124,978)</u>
Fixed assets, net	<u>\$ 367,841</u>	<u>\$ 388,023</u>

#### NOTE 4: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

	<b>2024</b>	<b>2023</b>
Foster care	\$ 859,567	\$ 696,736
Education	388,274	434,166
Medical care	476,778	387,234
Healing homes	18,474	208,641
Net assets with donor restrictions	<u>\$ 1,743,093</u>	<u>\$ 1,726,777</u>

Current year contributed donor restricted funds were restricted as follows:

	<b>2024</b>	<b>2023</b>
Medical care	\$ 927,812	\$ 792,855
Education	253,017	408,496
Foster care	422,318	386,167
Healing homes	701,233	331,098
Nutrition and special projects	-	185,030
Total donor restricted contributions	<u>\$ 2,304,380</u>	<u>\$ 2,103,646</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted time or purpose specified by donors as follows:

	<b>2024</b>	<b>2023</b>
Medical care	\$ 838,267	\$ 710,790
Healing homes	190,167	362,937
Nutrition and special projects	253,017	185,031
Education	468,210	461,941
Foster care	538,403	411,083
Other projects	-	-
Total net assets released from restrictions	<u>\$ 2,288,064</u>	<u>\$ 2,131,782</u>

## NOTE 5: IN-KIND CONTRIBUTIONS

For the years ended December 31, 2024 and 2023, contributed nonfinancial assets recognized within the statement of activities and changes in net assets included the following:

	<u>2024</u>	<u>2023</u>
Medical care services	\$ 69,972	\$ -
Transportation and travel	711	1,385
Postage	-	816
Consulting services	66,322	-
Supplies and toys	1,318	-
Gifts	1,980	-
Net assets with donor restrictions	<u>\$ 140,303</u>	<u>\$ 2,201</u>

Contributed medical care services are provided by specially trained doctors, nurses and support staff who performed cleft surgeries in Guatemala. Contributed medical care services are used in program services and are recognized at fair value based on current rates for similar medical services.

Contributed consulting services are provided by specially trained professionals who assist the organization with administrative projects. The services are used for management and general activities and are recognized at fair value based on current rates for similar services.

Contributed supplies, toys, gifts, postage and books are valued using estimated prices of identical or similar products using pricing data under a “like-kind” methodology considering the goods’ condition and utility for use at the time of the contribution.

Contributed supplies, toys and books are used in program services and contributed gifts and postage are used for administrative purposes.

Contributed transportation and travel are provided by organization employees and volunteers on trips for the organization. The employees and volunteers donate certain expenses related to the trips. Transportation and travel are used for management and general activities and are recognized at fair value based on prices paid by the employees and volunteers.

## NOTE 6: INVESTMENTS

The following table, set forth by level within the fair value hierarchy, presents LWB's investment assets at fair value as of December 31, 2024:

	Fair Value Measurements Using		
	(Level 1)	(Level 2)	(Level 3)
Assets:			
Certificates of Deposit	\$ 1,054,749	\$ -	\$ -
Mutual Funds	304,419	-	-
Total	\$ 1,359,168	\$ -	\$ -

The following table, set forth by level within the fair value hierarchy, presents LWB's investment assets at fair value as of December 31, 2023:

	Fair Value Measurements Using		
	(Level 1)	(Level 2)	(Level 3)
Assets:			
Certificates of Deposit	\$ 1,041,171	\$ -	\$ -
Mutual Funds	284,875	-	-
Total	\$ 1,326,046	\$ -	\$ -

## NOTE 7: RETIREMENT PLAN

As of January 1, 2024, LWB sponsors a 401(k) retirement plan covering substantially all eligible employees. Employees are eligible if they work full-time or part-time (in excess of 25 hours per week). LWB matches employee contributions up to 6% of earnings for plan participants. Before 2024, LWB sponsored a SIMPLE IRA plan and matched employee contributions up to 3% of earnings. LWB's contributions to the employee individual retirement accounts totaled \$29,050 and \$12,343 in 2024 and 2023, respectively.

## NOTE 8: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>2024</u>	<u>2023</u>
Financial assets at year end	\$ 2,435,812	\$ 2,722,047
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	<u>(1,743,093)</u>	<u>(1,726,777)</u>
Financial assets available to meet cash needs for General expenditures within one year	<u>\$ 692,719</u>	<u>\$ 995,270</u>

As part of LWB's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Excess funds remain in a sweep account earning interest at 3.57% annual percentage yield, an investment account earning interest at .7% annual percentage yield and certificate of deposits earning interest between 3.3% and 5.15% annual percentage yield. Financial assets with donor restrictions are not available for general expenditure. LWB does not have a committed line of credit available as management does not believe it is necessary.

## NOTE 9: CONCENTRATION OF CREDIT RISK

LWB maintains several depository accounts at financial institutions which may, at times, exceed federally insured limits. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The amount in excess of the FDIC limit was \$451,016 and \$680,243 as of December 31, 2024 and 2023, respectively.

Foreign exchange risk represents exposure to changes in the values of current holdings and future cash flows denominated in other currencies. The types of instruments exposed to this risk are cash held by foreign facilitators or banks and future cash flows in foreign currencies arising from foreign exchange transactions whose values fluctuate with changes in currency exchange rates.

## **NOTE 10: FUNCTIONAL ALLOCATION OF EXPENSES**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. LWB functionalizes its expenses according to three main categories. These categories include program, administrative and fundraising. Program expenses are costs directly incurred by LWB to provide special care for children in need. The program expenses are divided into further categories including medical care, education, foster care, healing homes, nutrition, and special projects.

The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, payroll taxes, professional services, office expenses, telephone, foreign exchange, travel, information technology, and insurance, which are allocated on the basis of estimated time and effort.

## **NOTE 11: SUBSEQUENT EVENTS**

LWB did not have any other subsequent events through August 11, 2025, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the year ended December 31, 2024.