

**INTERNATIONAL RELIEF TEAMS**

**FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

# INTERNATIONAL RELIEF TEAMS

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## **INDEPENDENT AUDITOR'S REPORT**

October 9, 2019

Board of Directors  
**International Relief Teams**  
San Diego, California

We have audited the accompanying financial statements of International Relief Teams (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years 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 from material misstatement.

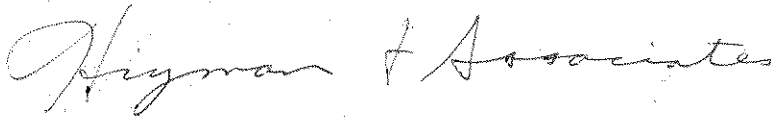
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 International Relief Teams as of June 30, 2019 and 2018, 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.

A handwritten signature in cursive script that reads "Hinzman & Associates".

HINZMAN & ASSOCIATES  
A Professional Corporation  
Certified Public Accountants

**INTERNATIONAL RELIEF TEAMS**  
**Statement of Financial Position**  
**June 30, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>Assets</b>		
<b>Assets:</b>		
Cash and cash equivalents	\$ 268,162	\$ 3,637,254
Accounts receivable	19,544	5,583
Prepaid expenses and deposits	9,974	9,256
Endowment fund earnings	487,596	429,679
Investments	3,800,927	-
Property and equipment, net	24,433	16,379
Investments restricted for permanent endowment	390,247	280,247
Total assets	<u>\$ 5,000,883</u>	<u>\$ 4,378,398</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 193,795	\$ 121,384
Deferred rent	6,118	5,229
Total liabilities	<u>199,913</u>	<u>126,613</u>
<b>Net Assets:</b>		
Without donor restrictions	2,930,451	2,101,177
With donor restrictions	<u>1,870,519</u>	<u>2,150,608</u>
Total net assets	<u>4,800,970</u>	<u>4,251,785</u>
Total liabilities and net assets	<u>\$ 5,000,883</u>	<u>\$ 4,378,398</u>

**INTERNATIONAL RELIEF TEAMS**  
**Statement of Activities**  
**For the Years Ended June 30, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>Net Assets without Donor Restrictions</b>		
Revenue and public support:		
Public contributions	\$ 2,026,415	\$ 2,298,981
Grants	578,780	706,270
Gifts-in-kind	41,872,981	35,502,957
Fundraising - special events	221,173	206,450
Investment income	184,933	58,179
Other income	-	3,243
Total unrestricted revenues and public support	44,884,282	38,776,080
Net assets released from restrictions	393,454	75,961
Total revenue and public support	45,277,736	38,852,041
Expenses		
Program services:		
Disaster response	8,074,054	1,209,049
Building healthy communities	35,637,260	36,325,980
Total program services	43,711,314	37,535,029
Supporting services:		
General and administrative	279,680	457,976
Fundraising	457,468	285,444
Total supporting services	737,148	743,420
Total expenses	44,448,462	38,278,449
Increase (decrease) in unrestricted net assets without donor restrictions	829,274	573,592
<b>Net Assets with Donor Restrictions</b>		
Donations received in advance of services provided	3,365	1,298,622
Endowment	110,000	10,000
Net assets released from restrictions		
- satisfied by payments	(393,454)	(75,961)
Inc. (dec.) in temporarily restricted net assets	(280,089)	1,232,661
Increase (decrease) in net assets	549,185	1,806,253
Net assets at beginning of year	4,251,785	2,445,532
Net assets at end of year	\$ 4,800,970	\$ 4,251,785

**INTERNATIONAL RELIEF TEAMS**  
**Statement of Functional Expenses**  
**Year Ended June 30, 2019**

	<b>Program Services</b>			<b>Supporting Services</b>		
	<b>Disaster Response</b>	<b>Building Healthy Communities</b>	<b>Total Program Services</b>	<b>General and Administrative</b>	<b>Fund Raising</b>	<b>Total Functional Expenses</b>
Salaries	\$ 26,277	\$ 220,131	\$ 246,408	\$ 149,595	\$ 158,587	\$ 554,590
Payroll taxes	2,390	19,859	22,249	13,895	14,633	50,777
Employee benefits	2,159	20,071	22,230	9,024	14,782	46,036
	<u>30,826</u>	<u>260,061</u>	<u>290,887</u>	<u>172,514</u>	<u>188,002</u>	<u>651,403</u>
Volunteer services	21,781	47,433	69,214	308	-	69,522
Medical supplies	6,954,469	34,618,569	41,573,038	-	-	41,573,038
Travel, meals and lodging	73,551	41,579	115,130	685	347	116,162
Donations to nonprofits	319,001	94,200	413,201	500	-	413,701
Rent	16,558	29,139	45,697	24,154	24,773	94,624
Other supplies	291,766	221,909	513,675	5,420	1,665	520,760
Telephone	347	3,602	3,949	2,234	2,240	8,423
Postage and shipping	11,833	28,050	39,883	4,459	13,538	57,880
Printing and video services	87	11,654	11,741	4,519	33,881	50,141
Special events	-	610	610	-	137,591	138,201
Business meetings	40	1,469	1,509	809	4,384	6,702
Utilities	341	2,902	3,243	2,094	2,077	7,414
Newsletter	-	17,216	17,216	-	-	17,216
Janitorial and security service	237	2,114	2,351	1,434	1,770	5,555
Insurance	303	3,619	3,922	1,866	2,481	8,269
Professional fees	2,245	103,001	105,246	54,338	32,743	192,327
Processing handling fees	25,000	138,000	163,000	-	-	163,000
Construction supplies	325,068	5,645	330,713	-	-	330,713
Equipment	40	457	497	976	432	1,905
Depreciation expense	171	2,041	2,212	1,053	1,399	4,664
Miscellaneous	390	3,990	4,380	2,317	10,145	16,842
	<u>\$ 8,074,054</u>	<u>\$ 35,637,260</u>	<u>\$ 43,711,314</u>	<u>\$ 279,680</u>	<u>\$ 457,468</u>	<u>\$ 44,448,462</u>

**INTERNATIONAL RELIEF TEAMS**  
**Statement of Functional Expenses**  
**Year Ended June 30, 2018**

	<b>Program Services</b>			<b>Supporting Services</b>		
	<b>Disaster Response</b>	<b>Building Healthy Communities</b>	<b>Total Program Services</b>	<b>General and Administrative</b>	<b>Fund Raising</b>	<b>Total Functional Expenses</b>
Salaries	\$ 29,683	135,133	\$ 164,816	\$ 170,759	\$ 60,731	\$ 396,306
Payroll taxes	2,673	11,655	14,328	16,214	4,998	35,540
Employee benefits	3,761	17,506	21,267	24,926	6,829	53,022
	<u>36,117</u>	<u>164,294</u>	<u>200,411</u>	<u>211,899</u>	<u>72,558</u>	<u>484,868</u>
Volunteer services	28,655	43,684	72,339	510	-	72,849
Medical supplies	-	35,190,318	35,190,318	-	-	35,190,318
Travel, meals and lodging	62,343	44,948	107,291	839	2,335	110,465
Donations to nonprofits	93,700	114,900	208,600	-	-	208,600
Rent	16,620	26,347	42,967	36,350	10,924	90,241
Other supplies	645,456	264,327	909,783	9,144	2,285	921,212
Telephone	498	2,383	2,881	2,954	892	6,727
Postage and shipping	32,699	19,149	51,848	3,458	7,347	62,653
Printing and video services	892	10,714	11,606	3,760	35,496	50,862
Special events	-	-	-	410	94,092	94,502
Business meetings	582	3,148	3,730	7,166	619	11,515
Utilities	516	2,203	2,719	2,864	918	6,501
Newsletter	-	25,428	25,428	-	-	25,428
Janitorial and security service	278	1,430	1,708	1,882	560	4,150
Insurance	496	2,444	2,940	2,568	2,655	8,163
Professional fees	52,686	142,694	195,380	169,189	44,276	408,845
Processing handling fees	-	139,601	139,601	-	-	139,601
Construction supplies	236,662	121,844	358,506	-	-	358,506
Equipment	179	675	854	882	297	2,033
Depreciation expense	212	1,042	1,254	893	1,132	3,279
Miscellaneous	458	4,407	4,865	3,208	9,058	17,131
	<u>\$ 1,209,049</u>	<u>\$ 36,325,980</u>	<u>37,535,029</u>	<u>\$ 457,976</u>	<u>\$ 285,444</u>	<u>\$ 38,278,449</u>



**INTERNATIONAL RELIEF TEAMS**  
**Statement of Cash Flows**  
**For the Years Ended June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>Cash flow from Operating Activities</b>		
Increase (decrease) in net assets	\$ 549,185	\$ 1,806,252
Adjustments to reconcile increase (decrease) in net assets to net cash flow from operating activities:		
Depreciation	4,664	3,280
Contributions of investments for permanent endowment	(110,000)	(10,000)
Stock contributions	(51,501)	-
Net realized investment (gain) loss	(51,155)	-
Net unrealized investment appreciation	(57,917)	(52,476)
Effect of change in:		
Accounts receivable	(13,961)	422
Prepaid expenses and deposits	(718)	314
Accounts payable and accrued expenses	72,411	70,936
Deferred rent	889	3,242
Net cash flow from operating activities	<u>341,897</u>	<u>1,821,970</u>
<b>Cash flow from Investing Activities</b>		
Purchase of property, plant and equipment	(12,718.00)	-
Purchase of securities	(4,399,829)	-
Proceeds from disposal of securities	701,558	-
Net cash flow from investing activities	<u>(3,710,989)</u>	<u>-</u>
Net increase (decrease) in cash	(3,369,092)	1,821,970
Cash, beginning of year	3,637,254	1,815,284
Cash, end of year	<u>\$ 268,162</u>	<u>\$ 3,637,254</u>

# INTERNATIONAL RELIEF TEAMS

## Notes to Financial Statements

### June 30, 2018 and 2017

#### 1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### **Nature of organization**

International Relief Teams, formerly known as Southwest Medical Teams, (the Organization) was incorporated on May 21, 1990. It is a non-profit organization dedicated to alleviating human suffering by providing critical assistance to victims of disaster, profound poverty and neglect worldwide. The Organization is supported primarily by contributions, grants and fundraising activities.

##### **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. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

##### **Basis of presentation**

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization 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 the Organization'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 the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

**INTERNATIONAL RELIEF TEAMS**  
**Notes to Financial Statements**  
**June 30, 2018 and 2017**

**1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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 cash equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

**Property and equipment**

It is the Organization's policy to capitalize property and equipment over \$500. Lesser amounts are expensed. Expenditures for property and equipment are stated at cost. Donated assets are recorded at their estimated fair market values at dates of contribution. Depreciation of property and equipment is calculated on the straight-line basis over the estimated useful life of five years.

**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. Dividends are accrued as of the ex-dividend date.

# **INTERNATIONAL RELIEF TEAMS**

## **Notes to Financial Statements**

### **June 30, 2018 and 2017**

#### **1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **Gifts-in-kind**

The Organization encourages and receives substantial contributions in the form of in-kind services, medicines and supplies. Its programs could not survive without volunteer staff. Experienced staff could not be hired on short notice and funds are not available to provide them with full-time positions. Numerous volunteers have donated significant amounts of time to the Organization's fund-raising events and program services. Although no amounts for non-professionals have been reflected in the financial statements, management estimates the fair value of those services to be approximately \$388,370 and \$514,010 for the years ended June 30, 2019 and 2018, respectively.

Likewise, the program could not operate without donated medicines and supplies. Donated medicines and supplies are currently recorded as contribution revenue and donated medicines and supplies expense at their estimated fair value as determined by Wholesale Acquisition Cost (WAC) at the date of the donation and in the geographic market it was acquired. The Organization relies on estimates of fair value as determined by the WAC calculated by the donor, but has the ability to independently determine WAC when not provided by the donor.

Donated services by medical and construction professionals have been valued at amounts comparable to industry averages for the service provided, on a conservative basis.

##### **In-kind suppliers**

The Organization utilizes the services of several agencies in its efforts to obtain medicines and medical supplies. Under formal and informal agreements, these agencies provide donated medicines and medical supplies for a minimal processing fee. Donated medicines and medical supplies are recorded as public support (gifts-in-kind), and an offsetting program expense (medical supplies). Under this agreement, the Organization received a total of \$41,561,439 and \$35,181,170 of medicines and medical supplies during the years ended June 30, 2019 and 2018, respectively, for processing fees of \$163,000 and \$139,601 respectively. The costs of transporting these medicines and medical supplies from the agencies to their final destinations totaled \$25,563 and \$47,019 during the years ended June 30, 2019 and 2018, respectively, and are included in postage and shipping expenses in the accompanying Statement of Functional Expenses.

**INTERNATIONAL RELIEF TEAMS**  
**Notes to Financial Statements**  
**June 30, 2018 and 2017**

**1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Recognition of revenue and other support**

Revenue from contributions is recognized when received. Revenue from grants is recognized when earned. Pledge revenue is recorded when pledges are made and receipt is reasonably assured. Revenues from government and foundation grants are recorded based on the terms and conditions of the individual grants, but in no case are they recorded to unrestricted revenue before specified services are performed or reimbursable costs are incurred. Performance based grant revenue is recorded as the specified services are performed.

**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.

**INTERNATIONAL RELIEF TEAMS**  
**Notes to Financial Statements**  
**June 30, 2018 and 2017**

**1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Functional expenses**

Expenses are charged to each program based on direct expenditures incurred. Any program expenditures not directly charged are allocated to a program based on the percentage of salary expense incurred compared to total program salary expense.

All expenses incurred in connection with fund raising appeals are charged as fund raising expenses. Expenses incurred in connection with the newsletter are charged as program awareness expenses since the fund raising aspect of the newsletter is considered incidental.

**Concentrations**

The Organization relies significantly on public donations, including donations generated by those who participate in fund raising events. The Organization is subject to business risks associated with the economy which affects the donor's ability to contribute.

The Organization's cash balances in financial institutions at times may exceed federally insured limits. At June 30, 2018 and 2017, the Organization had \$2,681,000 and \$436,000, respectively, over the FDIC and SIPC insurance level. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

**Compensated absences**

The Organization has not recorded any amounts as liabilities for accrued vacation. Management has determined that such amounts are not material to the financial position of the Organization.

**Income tax status**

International Relief Teams qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and similar California law and generally is not subject to income taxes.

# INTERNATIONAL RELIEF TEAMS

## Notes to Financial Statements

### June 30, 2018 and 2017

#### 1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Deferred Rent

Rent expense for the office lease (see Note 6), which has a fixed escalation clause, is recorded on a straight-line basis over the term of the lease. Accordingly, rent expense incurred in excess of rent paid is reflected as deferred rent in the accompanying statement of financial position.

##### Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

#### 2. AVAILABILITY AND LIQUIDITY

The following represents The Organization's financial assets at June 30, 2019 and 2018:

Financial assets at year end:	June 30, 2019	June 30, 2018
Cash and cash equivalents	\$ 268,162	\$ 3,637,254
Accounts receivable	19,544	5,583
Endowment fund earnings	877,843	709,926
Investments	3,800,927	-
Total financial assets	<u>4,966,476</u>	<u>4,352,763</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>1,870,519</u>	<u>2,150,608</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 3,095,957</u>	<u>\$ 2,202,155</u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$644,000). As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts, certificates of deposit and publicly traded equities.

# INTERNATIONAL RELIEF TEAMS

## Notes to Financial Statements

### June 30, 2018 and 2017

#### 3. PROPERTY AND EQUIPMENT

Property and equipment is comprised of the following:

	June 30, 2019	June 30, 2018
Office equipment	\$ 44,954	\$ 42,563
Medical equipment	23,613	17,458
Timeshare	8,000	8,000
Leasehold improvements	11,823	11,823
	88,390	79,844
Accumulated depreciation	(63,957)	(63,465)
	<u>\$ 24,433</u>	<u>\$ 16,379</u>

#### 4. FAIR VALUE MEASUREMENTS

The Organization is required to account for all financial and non-financial instruments at fair value.

Fair value is determined based on the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. Fair value is determined by a three level valuation 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 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

The Organization's investments that require fair value measurement are its endowment fund and marketable securities. The endowment fund consists of an ownership interest in a limited partnership that invests in mortgage-backed securities.



# INTERNATIONAL RELIEF TEAMS

## Notes to Financial Statements

### June 30, 2018 and 2017

#### 4. FAIR VALUE MEASUREMENTS (continued)

The principal of the endowment fund must be held indefinitely as required by the donors and is included in net assets with donor restrictions. Income from the investment can be used to fund operating activities, and thus is recorded as investment income without donor restrictions.

The fair value of the investment in the limited partnership is determined by the Organization's ownership interest in partner's capital as calculated by the limited partnership. As such, the Organization classified this investment using Level 2 hierarchy inputs.

At June 30, 2017, all investments in marketable securities are recorded using Level 1 hierarchy inputs.

Changes in the investment in limited partnership are identified below:

	<b>June 30, 2019</b>	<b>June 30, 2018</b>
Beginning balance	\$ 709,926	\$ 647,450
Contribution to endowment	110,000	10,000
Total unrealized gain/(loss)	57,858	52,476
Ending balance	<u>\$ 877,784</u>	<u>\$ 709,926</u>

Investment in limited partnership consists of:

	<b>June 30, 2019</b>	<b>June 30, 2018</b>
Endowment fund earnings	\$ 487,596	\$ 429,679
Investment restricted for permanent endowment	390,247	280,247
	<u>\$ 877,843</u>	<u>\$ 709,926</u>

Investment return is included in unrestricted net assets and is comprised of:

	<b>Year Ended June 30:</b>	
	<b>2019</b>	<b>2018</b>
Interest and dividend income	\$ 75,861	\$ 5,993
Unrealized investment income (loss)	57,917	52,476
Unrealized and realized gain (loss)	51,155	(290)
	<u>\$ 184,933</u>	<u>\$ 58,179</u>

# INTERNATIONAL RELIEF TEAMS

## Notes to Financial Statements

### June 30, 2018 and 2017

#### 5. NET ASSETS

Net assets with donor restrictions were as follows for the years ended June 30, 2019 and 2018:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Disaster response	\$ 1,190,945	\$ 1,544,865
Building healthy communities	289,328	325,496
Endowment	390,247	280,247
Total	<u>\$ 1,870,520</u>	<u>\$ 2,150,608</u>

Net assets without donor restrictions for the years ended June 30, 2019 and 2018 are as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Undesignated	<u>\$ 2,930,451</u>	<u>\$ 2,101,177</u>

Net assets released from net assets with donor restrictions are as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Satisfaction of purpose restrictions	<u>\$ 393,454</u>	<u>\$ 75,961</u>

#### 6. LEASE COMMITMENTS

The Organization leases office space for its operations, this lease expires in October 2021. The lease calls for monthly payments of \$5,489 and will increase by 4% every year.

Future minimum lease commitments are:

Year ended	June 30, 2020	\$ 73,100
	June 30, 2021	76,100
	June 30, 2022	25,700
		<u>\$ 174,900</u>

# INTERNATIONAL RELIEF TEAMS

## Notes to Financial Statements

### June 30, 2018 and 2017

#### 7. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash operating activities include:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Donated services recorded as revenue and expense	<u>\$ 68,712</u>	<u>\$ 72,337</u>
Donated medical supplies recorded as revenue and expense	<u>\$ 41,561,439</u>	<u>\$ 35,181,170</u>
Donated supplies recorded as revenue and expense	<u>\$ 196,864</u>	<u>\$ 229,820</u>

#### 8. SALARY DEFERRAL PLAN

In July 1999, the Organization initiated a 401K Retirement Plan. The Organization may contribute annually to the plan and also may match a portion of the employees' salary reduction contributions. All employees with at least 3 months of continuous service are eligible for the plan. The Organization contributed \$53,644 and \$46,821 to the plan for the years ended June 30, 2019 and 2018, respectively.

#### 9. SUBSEQUENT EVENT

Subsequent events were evaluated through October 9, 2019, which is the date the financial statements were available to be issued.