

KEEP A CHILD ALIVE
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
AND
INDEPENDENT AUDITORS' REPORT

KEEP A CHILD ALIVE

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of Keep a Child Alive

Report on the Financial Statements

We have audited the accompanying financial statements of Keep a Child Alive (a nonprofit organization) which comprise the statements of financial position as of December 31, 2020 and 2019, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditors' 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 Organization'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 Organization'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.

(Continued)

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Keep a Child Alive (a nonprofit organization) as of December 31, 2020 and 2019, 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 black ink that reads "Friedman LLP". The signature is written in a cursive, slightly slanted style.

November 12, 2021

KEEP A CHILD ALIVE

STATEMENTS OF FINANCIAL POSITION

	December 31,	
	2020	2019
ASSETS		
Cash and cash equivalents	\$ 757,278	\$ 2,124,981
Contributions receivable, net allowance of \$24,100	-	3,495
Unconditional promises to give, net allowance of \$933,333 and \$941,466	64,112	130,126
Loan receivable	15,529	184,315
Prepaid expenses and other assets	21,800	15,052
Investments, at fair value	1,890,499	-
Property and equipment - at cost, less accumulated depreciation	293	293
	<u>\$2,749,511</u>	<u>\$ 2,458,262</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 32,992	\$ 22,366
Loan payable - Paycheck Protection Program	25,000	-
	<u>57,992</u>	<u>22,366</u>
Commitments		
Net assets		
Without donor restrictions	704,509	823,000
With donor restrictions	1,987,010	1,612,896
	<u>2,691,519</u>	<u>2,435,896</u>
	<u>\$2,749,511</u>	<u>\$ 2,458,262</u>

See notes to financial statements.

KEEP A CHILD ALIVE
STATEMENT OF ACTIVITIES

	Year Ended December 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Contributions	\$ 168,765	\$ 2,587,300	\$ 2,756,065
Other income	17,904	-	17,904
	186,669	2,587,300	2,773,969
Net assets released from restriction			
Satisfaction of program restrictions	2,213,186	(2,213,186)	-
	2,399,855	374,114	2,773,969
Expenses			
Program services	2,301,667	-	2,301,667
Management and general	156,981	-	156,981
Fundraising costs	65,271	-	65,271
Total expenses	2,523,919	-	2,523,919
Recovery of donor-restricted promises to give	(5,573)	-	(5,573)
Total expenses and losses	2,518,346	-	2,518,346
Change in net assets before in-kind donations	(118,491)	374,114	255,623
In-kind donations - revenue	70,000	-	70,000
In-kind donations - expense	(70,000)	-	(70,000)
Change in net assets	(118,491)	374,114	255,623
Net assets, beginning of year	823,000	1,612,896	2,435,896
Net assets, end of year	\$ 704,509	\$ 1,987,010	\$ 2,691,519

See notes to financial statements.

KEEP A CHILD ALIVE
STATEMENT OF ACTIVITIES

	Year Ended December 31, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues			
Contributions	\$ 406,715	\$ 2,370,947	\$ 2,777,662
Other income	44,608	-	44,608
	451,323	2,370,947	2,822,270
Net assets released from restriction			
Satisfaction of program restrictions	2,181,323	(2,181,323)	-
	2,632,646	189,624	2,822,270
Expenses			
Program services	2,573,038	-	2,573,038
Management and general	136,772	-	136,772
Fundraising costs	164,543	-	164,543
Total expenses	2,874,353	-	2,874,353
Allowance for donor-restricted promises to give	-	333,333	333,333
Total expenses and losses	2,874,353	333,333	3,207,686
Change in net assets before in-kind donations	(241,707)	(143,709)	(385,416)
In-kind donations - revenue	60,000	-	60,000
In-kind donations - expense	(60,000)	-	(60,000)
Change in net assets	(241,707)	(143,709)	(385,416)
Net assets, beginning of year	1,064,707	1,756,605	2,821,312
Net assets, end of year	\$ 823,000	\$ 1,612,896	\$ 2,435,896

See notes to financial statements.

KEEP A CHILD ALIVE

STATEMENT OF FUNCTIONAL EXPENSES

	Year Ended December 31, 2020			
	Program Services	Management and General	Fundraising Costs	Total
Grants	\$ 2,180,063	\$ -	\$ -	\$ 2,180,063
Salaries and wages	80,219	5,000	15,055	100,274
Employee benefits and taxes	6,806	1,908	1,277	9,991
Professional fees	16,834	18,564	5,774	41,172
Office expense	42	2,503	10	2,555
Occupancy	-	1,482	-	1,482
Consulting fees	2,800	101,378	5,050	109,228
Insurance	323	3,230	61	3,614
Marketing and promotion	1,536	-	27,895	29,431
Travel and related expenses	-	-	1,437	1,437
Outside services	2,000	11,742	2,000	15,742
Miscellaneous	3,232	5,266	3,152	11,650
Information technology	7,812	5,908	3,560	17,280
	\$ 2,301,667	\$ 156,981	\$ 65,271	\$ 2,523,919

See notes to financial statements.

KEEP A CHILD ALIVE

STATEMENT OF FUNCTIONAL EXPENSES

	Year Ended December 31, 2019			
	Program Services	Management and General	Fundraising Costs	Total
Grants	\$ 1,958,787	\$ -	\$ -	\$ 1,958,787
Salaries and wages	158,981	5,880	35,981	200,842
Employee benefits and taxes	18,415	681	4,168	23,264
Professional fees	44,302	7,500	25,300	77,102
Office expense	1,198	3,922	113	5,233
Occupancy	1,972	1,577	246	3,795
Site visit expense	7,235	-	-	7,235
Consulting fees	11,143	61,339	-	72,482
Insurance	3,216	119	728	4,063
Marketing and promotion	77,894	4,084	260	82,238
Travel and related expenses	51	3,888	1,090	5,029
Outside services	269,650	25,462	89,337	384,449
Miscellaneous	11,637	3,250	7,193	22,080
Information technology	8,304	18,943	-	27,247
Depreciation	253	127	127	507
	\$ 2,573,038	\$ 136,772	\$ 164,543	\$ 2,874,353

See notes to financial statements.

KEEP A CHILD ALIVE
STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	2020	2019
Cash flows from operating activities		
Change in net assets	\$ 255,623	\$ (385,416)
Adjustments to reconcile change in net assets to net cash and cash equivalents (used in) provided by operating activities		
Depreciation	-	507
Allowance for doubtful accounts	-	333,333
Recovery of donor-restricted promises to give	(5,573)	-
Loan receivable repayments in lieu of grant	168,786	15,685
Non-cash contribution	(1,890,499)	-
Changes in assets and liabilities		
Contributions receivable	3,495	30
Prepaid expenses	(6,748)	134,572
Unconditional promises to give	71,587	150,000
Other assets	-	4,200
Accounts payable and accrued expenses	10,626	(10,091)
Net cash and cash equivalents (used in) provided by operating activities	(1,392,703)	242,820
Cash flows from financing activities		
Proceeds loan payable - Paycheck Protection Program	25,000	-
Net (decrease) increase in cash and cash equivalents	(1,367,703)	242,820
Cash and cash equivalents, beginning of year	2,124,981	1,882,161
Cash and cash equivalents, end of year	\$ 757,278	\$ 2,124,981

See notes to financial statements.

KEEP A CHILD ALIVE

NOTES TO FINANCIAL STATEMENTS

1 - ORGANIZATION AND NATURE OF ACTIVITIES

Keep a Child Alive's ("the Organization") mission is to improve the health and wellbeing of vulnerable children, youth, adults and families around the world, with a focus on combating the physical, social and economic impacts of HIV. The Organization provides funding and administrative support to encourage innovative, community-led responses that increase access to life-saving HIV care and treatment, nutritious food, and loving support for children and families living with and affected by HIV in Kenya, Rwanda, South Africa, Uganda, India and Iraq. The Organization monitors sites to determine that grant terms are being met. With Alicia Keys as Global Ambassador, the Organization uses its voice to raise awareness, mobilize people to take action, and rally resources in the global response to HIV.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

The financial statements presentation is in accordance with Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") 958, "Not-for-Profit Entities". Under ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: those without donor restrictions and those with donor restrictions. Net assets without donor restrictions may be expended for any purpose in performing the Organization's mission at the board's discretion. Net assets with donor restrictions are subject to donor stipulations that limit the use of their contributions, which either expire by the passage of time or when used for specified purposes.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires that management make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses as of the date of the financial statements and for the periods presented. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash balances in banks are insured by the Federal Deposit Insurance Corporation subject to certain limitations. For purposes of the statements of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less when purchased and money market accounts to be cash equivalents.

KEEP A CHILD ALIVE

NOTES TO FINANCIAL STATEMENTS

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions Receivable

Contributions receivable are stated at the amount management expects to collect, based on the Organization's history of past write-offs, collections and contractual terms.

Allowance for Doubtful Accounts

An allowance is established for accounts deemed potentially uncollectible. The allowance is based upon management's assessment of the aged basis of its receivables, current economic conditions, subsequent receipts and historical information. The allowance was reduced by \$8,133 during the year ended December 31, 2020. The Organization had a recovery of \$5,573 and a provision of \$333,333 for the years ended December 31, 2020 and 2019, respectively. The Organization did not provide for any doubtful accounts for the year ended December 31, 2020 as management has determined that substantially all remaining balances are deemed to be collectible.

Allowances are as follows:

	December 31,	
	2020	2019
Provision for contributions receivable	\$ 24,100	\$ 24,100
Provision for unconditional promises to give	933,333	941,466
	<u>\$ 957,433</u>	<u>\$ 965,566</u>

Fair Value

U.S. GAAP establishes a framework for measuring fair value. That framework provides 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Under U.S. GAAP, the three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

KEEP A CHILD ALIVE

NOTES TO FINANCIAL STATEMENTS

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value (Continued)

Level 2: (Continued)

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Unobservable inputs that reflect management’s own assumptions.

Investments

The following is a description of the valuation methodologies used for the investments measured at fair value, including the general classification of such instruments pursuant to the fair value hierarchy:

Common Stock

Shares of common stock are valued at quoted market prices, which represent the net asset value per share held by the Organization at year end. Investments in common stock are generally classified as Level 1 investments or Level 2 if there is a withdrawal restriction.

Partnership Interest

Shares of partnership interests are stated at the fair value of the underlying securities based upon quoted market prices on recognized securities exchanges and are valued at the last reported sales price on the last business day of the Organization’s year-end.

The following table summarizes investment assets measured at fair value:

December 31, 2020	Investments at Fair Value			
	Level 1	Level 2	Level 3	Total
Common Stock - withdrawal restriction	\$ -	\$ 320,499	\$ -	\$ 320,499
Partnership Interest	-	-	1,570,000	1,570,000
Investments, at fair value	\$ -	\$ 320,499	\$ 1,570,000	\$ 1,890,499

Restrictions:

Common stock - withdrawal restriction

The shares are restricted subject to a pending merger with a publicly traded company.

Partnership interest

The partnership holds an interest in shares of a publicly traded company. The interest is restricted due to a pending transaction.

KEEP A CHILD ALIVE

NOTES TO FINANCIAL STATEMENTS

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are stated at cost at the date acquired or fair value at the date of donation. The Organization capitalizes all fixed assets over \$1,000 with an estimated useful life greater than one year. Maintenance and repairs are charged to expense as incurred. Depreciation is provided using the straight line method over the estimated useful lives of 5 to 7 years.

Paycheck Protection Program Loan

The Organization's policy is to account for the Paycheck Protection Program loan (see Note 14) as debt. The Organization will continue to record the loan as debt until either (1) the loan is partially or entirely forgiven and has been legally released, at which point the amount forgiven will be recorded as income or (2) the Organization pays off the loan.

Functional Allocation of Expenses

The costs of providing the various programs and other activities of the Organization have been summarized on a functional basis. Some costs are directly charged to each service area as they are clearly identified as program services or supporting services. Indirect costs are allocated to the different programs and supporting services benefitted on a reasonable basis that is consistently applied. All allocable indirect expenses are allocated between management and general and fundraising based upon time and effort.

Revenue Recognition

Contributions

Contributions of cash and other assets are reported as net assets with donor restrictions if they are received with donor-imposed restrictions that limit the use of the donated assets. When a donor 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.

Contributions are recognized at fair value as revenue when received or when an unconditional promise to give has been made. All contributions received without donor restriction are available for use in the year received.

Promises to Give

Contributions are recognized when the donor makes a pledge that is, in substance an unconditional promise to give to the Organization and is included in with donor restrictions net assets.

KEEP A CHILD ALIVE

NOTES TO FINANCIAL STATEMENTS

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Donated Services and Materials

Donated services are recognized as in-kind donations if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Donated non-cash assets including services and materials are reflected as in-kind donation revenue and expense at their estimated fair values upon the date of receipt.

Investment Income

Realized and unrealized gains and losses on investments are determined by comparison of fair value at date of donation or specific cost at date of purchase to proceeds at the time of disposal or fair value at year-end, respectively, and are reported in the statements of activities. Transactions are recorded on a trade date basis. Dividends and interest are recognized when earned.

Income Taxes

The Organization is exempt from Federal and State income taxes under Internal Revenue code Section 501(c)(3), and is classified as a publicly supported charitable organization as described in Section 509(a).

KEEP A CHILD ALIVE

NOTES TO FINANCIAL STATEMENTS

3 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following represents the Organization's financial assets at:

	December 31,	
	2020	2019
Financial assets at year end:		
Cash and cash equivalents	\$ 757,278	\$ 2,124,981
Contributions receivable	-	3,495
Unconditional promise to give	64,112	130,126
Investments, at fair value	1,890,499	-
	<u>2,711,889</u>	<u>2,258,602</u>
Less:		
Amounts unavailable for general expenditures		
within one year, due to:		
Redemption restriction on investments	(1,890,499)	-
Restricted by donor with purpose	(96,511)	(1,612,896)
Financial assets available for expenditures		
within one year of the financial statement date	<u>\$ 724,879</u>	<u>\$ 645,706</u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$130,000).

4 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	December 31,	
	2020	2019
Office equipment	\$ 9,541	\$ 9,541
Accumulated depreciation	(9,248)	(9,248)
	<u>\$ 293</u>	<u>\$ 293</u>

KEEP A CHILD ALIVE

NOTES TO FINANCIAL STATEMENTS

5 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are due as follows:

	December 31,	
	2020	2019
Less than one year	\$ 997,445	\$ 1,071,592
Less: allowance for doubtful accounts	(933,333)	(941,466)
	\$ 64,112	\$ 130,126

The remaining unconditional promise to give from one individual donor is expected to be received in 2021 and is reflected as “With Donor Restrictions”.

6 - LOAN RECEIVABLE

In November 2018, the Organization loaned \$200,000 to Zoe Life, an approved program site (See Note 8, Concentrations, Grants). The total amount of loan outstanding was \$15,529 and \$184,315, as of December 31, 2020 and 2019, respectively. The balance of the loan was reduced in lieu of making grant payments. The loan was due December 31, 2020 and is non-interest bearing. Management expects to reduce the remaining balance of the loan in lieu of making grant payments in 2021.

7 - NET ASSETS

The following summarizes the changes in net assets with donor restrictions for the year ended December 31, 2020:

	Balance, January 1, 2020	Contributions	Satisfaction of Program Restriction	Balance, December 31, 2020
With Purpose				
Program services	\$ 1,026,742	\$ 157,587	\$ (1,151,930)	\$ 32,399
COVID food program	-	539,214	(539,214)	-
Organization overhead	456,028	-	(456,028)	-
Restricted investments	-	1,890,499	-	1,890,499
Unconditional promises to give	130,126	-	(66,014)	64,112
	\$ 1,612,896	\$ 2,587,300	\$ (2,213,186)	\$ 1,987,010

KEEP A CHILD ALIVE

NOTES TO FINANCIAL STATEMENTS

7 - NET ASSETS (Continued)

The following summarizes the changes in net assets with donor restrictions for the year ended December 31, 2019:

	Balance, January 1, 2019	Contributions	Satisfaction of Program Restriction	Balance, December 31, 2019
With Purpose				
Program services	\$ 916,413	\$ 1,529,501	\$ (1,419,172)	\$ 1,026,742
Organization overhead	26,733	841,446	(412,151)	456,028
Other	200,000	-	(200,000)	-
Unconditional promises to give	613,459	-	(483,333)	130,126
	<u>\$ 1,756,605</u>	<u>\$ 2,370,947</u>	<u>\$ (2,514,656)</u>	<u>\$ 1,612,896</u>

8 - CONCENTRATIONS

Major Donors

The Organization received contributions from two donors that approximates 68% and 13% of the Organization's total revenue for the year ended December 31, 2020. Additionally, amounts due from two donors represented 59% and 33%, of the gross receivable balance (unconditional promises to give and contributions receivable) at December 31, 2020.

The Organization received contributions from one donor that approximates 72% of the Organization's total revenue for the year ended December 31, 2019. Additionally, amounts due from three donors represented 55%, 30%, and 13% of the gross receivable balance (unconditional promises to give and contributions receivable) at December 31, 2019.

Major Service Providers

The Organization incurred outside services from one service provider that approximates 12% of the Organization's total expenses for the year ended December 31, 2019 (See Note 11). There was no major service provider for the year ended December 31, 2020.

KEEP A CHILD ALIVE

NOTES TO FINANCIAL STATEMENTS

8 - CONCENTRATIONS (Continued)

Grants

The Organization disbursed grants to approved program sites, which reflects funding for support services and direct expenses for each as follows:

Grantee	Location	December 31,	
		2020	2019
Alive Medical Services	Uganda	\$ 240,615	\$ 483,406
Zoe Life	South Africa	388,334	575,412
Sahara Centre for Residential Care	India	243,797	268,869
WE-ACTx for Hope	Rwanda	166,400	149,850
Ikageng Itireleng Aids Ministry	South Africa	95,172	107,000
Bobbi Bear	South Africa	85,050	102,294
Family Care Clinic	Kenya	45,738	74,000
Saahasee	India	69,439	47,623
Yazda	Iraq	-	96,333
Prayas	India	64,200	54,000
Glasswing International USA, Inc.	El Salvador	380,356	-
Nadia's Initiative	Iraq	188,108	-
Alianza Por la Nutricion	Guatemala	112,000	-
Municipalidad de Nicoya	Costa Rica	29,849	-
Alsi Foundation / For A Better Venezuela	Venezuela	24,745	-
KCA Educates Scholarship	United States	15,092	-
Other Grant Partnerships	Various	31,168	-
	Total	\$ 2,180,063	\$ 1,958,787

Grants disbursed to four and three individual approved program sites in 2020 and 2019, respectively, each exceeded 10% of total grants made in each year. The grants to these sites aggregated 57% and 68% of total grants for the years ended December 31, 2020 and 2019, respectively.

During 2020 the Organization re-focused their program relief efforts as a result of the COVID-19 pandemic. Included in grant expense above is approximately \$854,000 of COVID-19 funding provided to program sites, to meet food insecurity needs.

KEEP A CHILD ALIVE

NOTES TO FINANCIAL STATEMENTS

9 - RELATED PARTIES

The chairman of the board and another board member also serve on the board of an affiliate, Keep a Child Alive, South Africa (“KCA-SA”). KCA-SA owns the Blue Roof Clinic in South Africa in which Zoe Life operates (See Note 8, Concentrations, Grants).

A board member is the funding partner in a company that provided advertising services totaling \$77,790 for the year ended December 31, 2019. There were no services provided in 2020.

A family member of a board member provided marketing services totaling \$11,223 and \$15,400 for the years ended December 31, 2020 and 2019, respectively.

A board member of the Organization also serves on the board of Yazda, an approved program site (See Note 8, Concentrations, Grants).

A board member of the Organization contributed \$1,890,499 of restricted investments in the year ended December 31, 2020.

10 - RETIREMENT PLANS

The Organization had a 401(k) profit sharing plan for all full-time employees who have attained the age of 18 and completed three months of service. The Organization made matching contributions to the plan totaling \$671 for the year ended December 31, 2019. On December 31, 2019 the Plan was terminated.

11 - COMMITMENTS

Outside Services Agreement

Effective May 1, 2018 the Organization entered into a three-year agreement with United Purpose (“UP”) to provide services including operations, fundraising, and communications support.

The Services Contract (“Contract”) had a twelve month term from May to April which was renewable annually. Per the Contract, UP receives a fee of \$400,000 during the term primarily to provide program site oversight and assistance to the Organization’s approved program sites. In June 2019, the Organization renewed the Contract with UP for an eighteen month term from June 2019 to December 2020 for a fee of \$600,000 paid bi-annually. In July 2020, the Organization terminated their Contract with UP. The Organization incurred \$333,333 for the year ended December 31, 2019, related to the Contract (see Note 8, Concentrations, Major Service Providers).

KEEP A CHILD ALIVE

NOTES TO FINANCIAL STATEMENTS

12 - IN-KIND DONATIONS

Donated services and materials are as follows:

	December 31,	
	2020	2019
Rent	\$ 60,000	\$ 60,000
Miscellaneous goods and services	10,000	-
	<u>\$ 70,000</u>	<u>\$ 60,000</u>

There are numerous well-known celebrities who donate considerable time and resources to promote and publicize the Organization's mission. They are integral to promoting the mission of the Organization; however, no amounts have been reflected in the statements for these services in as much as no objective basis is available to measure the value of such services.

13 - RISKS AND UNCERTAINTIES

The Organization's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 ("COVID-19") which in March 2020, was declared a pandemic by the World Health Organization. Accordingly, the Organization's scheduled fundraising events were cancelled and management re-focused program relief efforts (see Note 8, Concentrations, Grants). The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on the Organization's financial position, operations, cash flows, and the value of assets.

14 - PAYCHECK PROTECTION PROGRAM LOAN PAYABLE AND SUBSEQUENT EVENTS

The Organization obtained a loan from Capital One Bank (the "PPP Loan") in the amount of \$25,000 pursuant to the Paycheck Protection Program under Division A, Title I of the Coronavirus, Aid, Relief, and Economic Security (CARES) Act (the "Act") enacted March 27, 2020 as implemented by the U.S. Small Business Administration. The PPP Loan has an interest rate of 1.0% per annum and no payments were due until November 29, 2021. In May 2021, the PPP Loan principal and accrued interest were fully forgiven.

These financial statements were approved by management and available for issuance on November 12, 2021. Management has evaluated subsequent events through this date.