



***THE SHEPHERD AND MOTHER OF LIGHT FOR THE NEEDY  
D/B/A CARE 4 NEEDY COPTS***

***FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018***

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INDEPENDENT AUDITORS' REPORT  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
The Shepherd and Mother of Light for the Needy  
d/b/a Care 4 Needy Copts  
1 Ames Court  
Plainview, New York 11803

We have audited the accompanying financial statements of The Shepherd and Mother of Light for the Needy d/b/a Care 4 Needy Copts (a not-for-profit corporation, "C4NC"), which comprise the statements of financial position as of December 31, 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.

### *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 audits 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 C4NC'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 C4NC'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 C4NC as of December 31, 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.

*Corrin & Associates LLP*

Bohemia, New York

July 29, 2020

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**STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31,**

**2019**

**2018**

**ASSETS**

**Current Assets:**

Cash and cash equivalents.....	\$	346,110	\$	382,384
Restricted cash and cash equivalents.....		163,835		156,870
Pledges receivable.....		114,815		1,149
Prepaid expenses and other current assets.....		4,002		1,315

**TOTAL CURRENT ASSETS** 628,762 541,718

Property and equipment, net of accumulated depreciation..... 1,503 2,170

**TOTAL ASSETS** \$ 630,265 \$ 543,888

**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Accounts payable and accrued expenses.....	\$	25,106	\$	29,192
Payroll and related payables.....		8,819		4,607
Grants payable.....		266,835		256,870

**TOTAL LIABILITIES** 300,760 290,669

**Net Assets:**

Net assets without donor restrictions.....		165,670		96,349
Net assets with donor restrictions.....		163,835		156,870

**TOTAL NET ASSETS** 329,505 253,219

**TOTAL LIABILITIES AND NET ASSETS** \$ 630,265 \$ 543,888

**THE SHEPHERD AND MOTHER OF LIGHT FOR THE NEEDY  
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**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>			
Contributions.....	\$ 1,645,695	\$ -	\$ 1,645,695
In-kind donations.....	53,100	-	53,100
Fundraising events and campaign funds, net of direct expenses of \$8,978.....	219,557	163,835	383,392
Other income.....	740	-	740
Net assets released from restrictions.....	156,870	(156,870)	-
	<hr/>	<hr/>	<hr/>
<b>TOTAL SUPPORT AND REVENUE</b>	2,075,962	6,965	2,082,927
 <b>EXPENSES:</b>			
Program services.....	1,914,517	-	1,914,517
Management and general.....	54,874	-	54,874
Fundraising.....	37,250	-	37,250
	<hr/>	<hr/>	<hr/>
<b>TOTAL EXPENSES</b>	2,006,641	-	2,006,641
	<hr/>	<hr/>	<hr/>
<b>CHANGE IN NET ASSETS</b>	69,321	6,965	76,286
Net assets, beginning of year.....	96,349	156,870	253,219
	<hr/>	<hr/>	<hr/>
Net assets, end of year.....	<u>\$ 165,670</u>	<u>\$ 163,835</u>	<u>\$ 329,505</u>

*The accompanying notes are an integral part of these financial statements.*

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**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>			
Contributions.....	\$ 1,471,971	\$ -	\$ 1,471,971
In-kind donations.....	53,100	-	53,100
Fundraising events and campaign funds, net of direct expenses of \$102,137.....	247,888	156,870	404,758
Other income.....	665	-	665
Net assets released from restrictions.....	162,000	(162,000)	-
<b>TOTAL SUPPORT AND REVENUE</b>	1,935,624	(5,130)	1,930,494
<b>EXPENSES:</b>			
Program services.....	1,979,580	-	1,979,580
Management and general.....	69,942	-	69,942
Fundraising.....	46,767	-	46,767
<b>TOTAL EXPENSES</b>	2,096,289	-	2,096,289
<b>CHANGE IN NET ASSETS</b>	(160,665)	(5,130)	(165,795)
Net assets, beginning of year.....	257,014	162,000	419,014
Net assets, end of year.....	<u>\$ 96,349</u>	<u>\$ 156,870</u>	<u>\$ 253,219</u>

*The accompanying notes are an integral part of these financial statements.*

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**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries.....	\$ 76,919	\$ 5,128	\$ 20,512	\$ 102,559
Employee benefits and payroll taxes.....	5,947	396	1,586	7,929
Occupancy.....	8,922	595	2,379	11,896
Equipment and repairs.....	1,582	-	396	1,978
Supplies.....	1,840	263	526	2,629
Postage and printing.....	6,091	406	1,624	8,121
Insurance.....	-	566	-	566
Depreciation.....	1,728	1,725	192	3,645
Travel and meetings.....	807	-	-	807
Professional fees.....	14,238	16,250	260	30,748
Program expenses - funds sent to Copts.....	1,737,848	-	-	1,737,848
Telephone and internet.....	1,833	262	524	2,619
Bank card and other fees.....	27,938	1,133	6,731	35,802
Promotion.....	6,144	-	-	6,144
Miscellaneous expense.....	-	250	-	250
<b>TOTAL OPERATING EXPENSES</b>	<b>1,891,837</b>	<b>26,974</b>	<b>34,730</b>	<b>1,953,541</b>
In-kind professional fees.....	22,680	27,900	2,520	53,100
<b>TOTAL EXPENSES</b>	<b>\$ 1,914,517</b>	<b>\$ 54,874</b>	<b>\$ 37,250</b>	<b>\$ 2,006,641</b>

*The accompanying notes are an integral part of these financial statements.*



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**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries.....	\$ 49,806	\$ 12,450	\$ 20,752	\$ 83,008
Employee benefits and payroll taxes.....	4,261	1,065	1,775	7,101
Occupancy.....	5,387	3,591	2,993	11,971
Equipment and repairs.....	2,602	-	867	3,469
Supplies.....	2,659	409	1,023	4,091
Postage and printing.....	13,087	2,013	5,033	20,133
Insurance.....	-	521	-	521
Depreciation.....	1,814	3,858	605	6,277
Travel and meetings.....	1,100	-	-	1,100
Professional fees.....	13,829	15,647	210	29,686
Program expenses - funds sent to Copts.....	1,837,971	-	-	1,837,971
Telephone and internet.....	1,658	255	638	2,551
Bank card and other fees.....	19,713	1,404	6,571	27,688
Promotion.....	6,793	-	-	6,793
Miscellaneous expense.....	-	829	-	829
<b>TOTAL OPERATING EXPENSES</b>	<b>1,960,680</b>	<b>42,042</b>	<b>40,467</b>	<b>2,043,189</b>
In-kind professional fees.....	18,900	27,900	6,300	53,100
<b>TOTAL EXPENSES</b>	<b>\$ 1,979,580</b>	<b>\$ 69,942</b>	<b>\$ 46,767</b>	<b>\$ 2,096,289</b>

*The accompanying notes are an integral part of these financial statements.*

**THE SHEPHERD AND MOTHER OF LIGHT FOR THE NEEDY  
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**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED DECEMBER 31,**

**2019**

**2018**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets.....	\$	76,286	\$	(165,795)
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Adjustments to reconcile change in net assets to net cash used in operating activities:

Depreciation expense.....		3,645		6,277
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Changes in operating assets and liabilities:

Pledges receivable.....	(113,666)		(1,149)
Prepaid expenses and other current assets.....	(2,687)		7,134
Accounts payable and accrued expenses.....	(4,086)		12,744
Payroll and related payables.....	4,212		1,062
Grants payable.....	9,965		(5,130)

<b>NET CASH USED IN OPERATING ACTIVITIES</b>	(26,331)		(144,857)
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**CASH FLOWS USED IN INVESTING ACTIVITIES:**

Acquisition of fixed assets.....	(2,978)		(2,419)
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<b>NET CHANGE IN CASH</b>	(29,309)		(147,276)
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Cash and cash equivalents, beginning of year.....	539,254		686,530
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Cash and cash equivalents, end of year.....	\$ 509,945		\$ 539,254
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**COMPONENTS OF CASH ON THE STATEMENTS OF FINANCIAL POSITION:**

Cash and cash equivalents.....	\$ 346,110	\$ 382,384
Restricted cash and cash equivalents.....	163,835	156,870

<b>TOTAL CASH AND CASH EQUIVALENTS</b>	\$ 509,945	\$ 539,254
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***NOTES TO FINANCIAL STATEMENTS***

***FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of The Shepherd and Mother of Light for the Needy, d/b/a Care 4 Needy Copts ("C4NC") is presented to assist in understanding C4NC's financial statements. The financial statements and notes are representations of C4NC's management, who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Organization: C4NC was incorporated in 2007 as a not-for-profit corporation, organized under the laws of the State of New York. Its primary purpose is to raise public awareness for the needy Copts in Egypt who are suffering from hunger and disease. The Copts are a minority population in Egypt who follow the Christian faith of the Coptic Church (primarily based in Egypt, Africa, and the Middle East). C4NC's goal is to serve the Coptic population that lives in extreme poverty, barely meeting their basic needs, to lift these individuals from their state of extreme poverty to a humane level of existence by providing both financial support and aid in improving the health and economic condition of these men, women, and children. C4NC sends money raised through contributions and fundraising events in the United States of America to Oskofiat El-Khadamat El-Amma (the "Egypt organization"), for the benefit of the Shepherd and Mother of Light ("SML"), an organization in Egypt, that disburses the money to the Copts in need. C4NC has regular communication with this organization and makes frequent visits to ensure its mission is being completed.

New Accounting Pronouncements: During the year ended December 31, 2018, C4NC adopted 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. C4NC has adjusted the presentation of these statements accordingly.

On January 1, 2019, C4NC adopted ASU 2014-09 *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively, "ASC 606"), which (i) creates a single framework for recognizing revenue from contracts with customers that fall within its scope and (ii) revises when it is appropriate to recognize a gain/(loss) from the transfer of nonfinancial assets. C4NC's services that fall within the scope of ASC 606 are presented within fundraising events revenue and campaign funds and are recognized as revenue as C4NC satisfies its obligations to the customers. There was no impact on net assets attributable to the adoption of ASC 606.

Income Tax Status: C4NC is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code and is publicly supported, as described in section 509(a). Donors may deduct contributions made to C4NC within the requirements of the Internal Revenue Code.

C4NC evaluated its activities for uncertain tax positions and has determined that there were no uncertain tax positions for 2019 and 2018.

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***NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

C4NC files an IRS form 990 and respective state and local tax returns. These tax returns are subject to review and examination by Federal, State, and local taxing authorities. C4NC has determined that it has registered in all states where it is required to be registered.

Basis of Accounting: These financial statements are presented on the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when incurred.

Basis of Presentation: Financial statement presentation follows the recommendations of the Financial Accounting Standards Board as they apply to not-for-profit organizations. C4NC is required 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 stipulations.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that may or will be met, either by action of C4NC and/or the passage of time. When a restriction expires, 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. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. C4NC had no funds that were stipulated by the donor to be maintained in perpetuity as of December 31, 2019 and 2018.

Donated Services: C4NC records the value of donated services when there is an objective basis available for measuring their value. C4NC benefits from volunteer services in program and administrative duties from its Executive Director and Board of Directors. The estimated value of the Executive Director's donated services are reflected in the accompanying statements of activities as in-kind donations and are shown as in-kind professional fees on the accompanying statements of functional expenses since they meet the criteria for recognition and create or enhance C4NC's nonfinancial assets.

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 and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents: For financial statement purposes, C4NC considers all highly liquid financial instruments with original maturities of three months or less from the date of purchase to be cash equivalents. From time to time, C4NC may have cash or deposits with financial institutions that are in excess of Federal Deposit Insurance Corporation Limits.

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***NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Receivables: Receivables are stated at the amount management expects to collect from outstanding balances. C4NC considers receivables past due or delinquent when payments have not been received in a timely manner, and receivables are written off when management deems the possibility of collecting amounts due as completely unlikely. Receivables are amounts pledged but not yet collected. All receivables were collected subsequent to year-end. As such, no allowance for doubtful accounts was established as of December 31, 2019 and 2018.

Property, Equipment, and Depreciation: Property and equipment are stated at original cost or at estimated fair market value, if donated. Maintenance and repairs are charged to expense and betterments over \$1,000 are capitalized. Depreciation expense is computed using the straight-line method over each asset's estimated useful life. Estimated useful lives are as follows:

Furniture and equipment.....	3 – 7 years
Software.....	3 years

Special Events: C4NC holds fundraising events and campaigns to provide additional support for its mission. Revenue from these events is recorded at the time the event takes place. Costs incurred for which a donor receives a direct benefit, exchange transactions, have been offset against the revenue earned in the statements of activities. Other costs related to the event for which the donor does not receive a direct benefit are included within fundraising costs in the statements of functional expenses.

Revenue Recognition: Contributions are recognized when the donor makes a promise to give to C4NC that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year that the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Functional Expenses: The costs of providing various program and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, the direct costs of providing programs have all been allocated to program services. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direct of C4NC.

The material expenses that are allocated, and their respective allocation methods, include the following:

- Salaries – Time and effort
- Employee benefits and payroll taxes – Time and effort
- Professional fees – Time and purpose
- Bank card and other fees – Purpose

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***NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Promotion: C4NC uses newsletters to promote its mission among the audiences it serves. The production costs of promotion materials are expensed as incurred.

Reclassifications: Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation.

Events Occurring After the Report Date: C4NC has evaluated events and transactions that occurred between January 1, 2020 and July 29, 2020, which is the date that the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

**NOTE 2 - RELATED PARTY TRANSACTIONS**

The Board of Directors can elect to make contributions to C4NC and its mission. For the years ended December 31, 2019 and 2018, Board member donations totaled \$21,550 and \$18,180, respectively. All Board donations are included in contributions on the accompanying statements of activities.

**NOTE 3 - NET ASSETS WITH DONOR RESTRICTIONS**

C4NC receives contributions that are restricted for specific purposes. Net assets with donor restrictions represent the Christmas campaign in the amounts of \$163,835 and \$156,870 at December 31, 2019 and 2018, respectively.

During the years ended December 31, 2019 and 2018, a total of \$156,870 and \$162,000 in contributions were released from net assets with donor restrictions. During the years ended December 31, 2019 and 2018, C4NC received \$658,283 and \$504,394, respectively, of restricted support and revenue that was received and released within the same year, and have been reflected as net assets without donor restrictions in the accompanying statements of activities.

**NOTE 4 - GRANTS PAYABLE**

C4NC collects contributions from individuals, corporations, and fundraising events throughout the United States. On a monthly basis, C4NC transfers these contributions to the Egypt organization, for the benefit of SML, to support its mission of providing financial support, education, child development, health care, employment, food, clothing, building of a hospital, and other seasonal services to Copts in need. Contributions collected during the year that are not transferred to the Egypt organization by the end of the year are classified as grants payable. As of December 31, 2019 and 2018, there was \$266,835 and \$256,870, respectively, in grants payable. Subsequent to each year-end, these outstanding grants were paid in full to the Egypt organization. Funds sent to the Egypt organization totaled \$1,737,848 and \$1,837,971 during the years ended December 31, 2019 and 2018, respectively.

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***NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018***

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**NOTE 5 - AVAILABILITY AND LIQUIDITY**

The following represents C4NC's financial assets at December 31,:

	<u>2019</u>	<u>2018</u>
Financial assets at year-end:		
Cash and cash equivalents .....	\$ 346,110	\$ 382,384
Restricted cash and cash equivalents.....	163,835	156,870
Pledges receivable .....	114,815	1,149
Total financial assets	<u>624,760</u>	<u>540,403</u>
Financial assets available to meet general expenditures over the next twelve months .....	<u>\$ 624,760</u>	<u>\$ 540,403</u>

C4NC's goal is generally to maintain financial assets to meet ninety days of operating expenses (approximately \$481,000).

**NOTE 6 - SUBSEQUENT EVENTS**

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen, which may negatively impact operating results. The financial impact of this matter cannot be estimated at this time.

Subsequent to year-end, C4NC received a loan of \$22,570 as part of the Paycheck Protection Program of the United States of America CARES Act. The loan may be forgiven entirely based on levels of qualified expenditures to be made by C4NC over a twenty-four week period subsequent to funding. Any amount not forgiven will be required to be repaid and amortized over a five-year term at an interest rate of 1%. Management expects that most, if not all, of this loan will ultimately be forgiven.