



***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, 2020 AND 2019***



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INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
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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, 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 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, 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.

Corrin & Associates LLP

Bohemia, New York
June 23, 2021

**THE SHEPHERD AND MOTHER OF LIGHT FOR THE NEEDY
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**STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31,**

2020

2019

ASSETS

Current Assets:

Cash and cash equivalents.....	\$ 407,937	\$ 346,110
Restricted cash and cash equivalents.....	175,000	163,835
Pledges receivable.....	41,789	114,815
Prepaid expenses and other current assets.....	5,356	4,002

TOTAL CURRENT ASSETS 630,082 628,762

Property and equipment, net of accumulated depreciation.....	3,633	1,503
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TOTAL ASSETS \$ 633,715 \$ 630,265

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable and accrued expenses.....	\$ 24,588	\$ 25,106
Payroll and related payables.....	1,705	8,819
Grants payable.....	334,012	266,835

TOTAL LIABILITIES 360,305 300,760

Net Assets:

Net assets without donor restrictions.....	98,410	165,670
Net assets with donor restrictions.....	175,000	163,835

TOTAL NET ASSETS 273,410 329,505

TOTAL LIABILITIES AND NET ASSETS \$ 633,715 \$ 630,265

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**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
SUPPORT AND REVENUE:			
Contributions.....	\$ 1,836,427	\$ -	\$ 1,836,427
In-kind donations.....	56,283	-	56,283
Fundraising events and campaign funds, net of direct expenses of \$6,907.....	118,367	175,000	293,367
Other income.....	643	-	643
Paycheck Protection Program income.....	22,570	-	22,570
Net assets released from restrictions.....	163,835	(163,835)	-
TOTAL SUPPORT AND REVENUE	2,198,125	11,165	2,209,290
EXPENSES:			
Program services.....	2,173,727	-	2,173,727
Management and general.....	57,520	-	57,520
Fundraising.....	34,138	-	34,138
TOTAL EXPENSES	2,265,385	-	2,265,385
CHANGE IN NET ASSETS	(67,260)	11,165	(56,095)
Net assets, beginning of year.....	165,670	163,835	329,505
Net assets, end of year.....	\$ 98,410	\$ 175,000	\$ 273,410

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

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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
SUPPORT AND REVENUE:			
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
Paycheck Protection Program income.....	-	-	-
Net assets released from restrictions.....	156,870	(156,870)	-
TOTAL SUPPORT AND REVENUE	2,075,962	6,965	2,082,927
EXPENSES:			
Program services.....	1,914,517	-	1,914,517
Management and general.....	54,874	-	54,874
Fundraising.....	37,250	-	37,250
TOTAL EXPENSES	2,006,641	-	2,006,641
CHANGE IN NET ASSETS	69,321	6,965	76,286
Net assets, beginning of year.....	96,349	156,870	253,219
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 FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Program Services	Management and General	Fundraising	Total
Salaries.....	\$ 69,682	\$ 9,254	\$ 13,603	\$ 92,539
Employee benefits and payroll taxes.....	10,852	1,441	2,119	14,412
Occupancy.....	9,337	1,240	1,823	12,400
Equipment and repairs.....	3,496	758	602	4,856
Supplies.....	2,211	294	432	2,937
Postage and printing.....	7,921	493	1,450	9,864
Insurance.....	-	601	-	601
Depreciation.....	844	112	165	1,121
Travel and meetings.....	832	-	-	832
Professional fees.....	28,343	13,500	4,884	46,727
Program expenses - funds sent to Copts.....	1,984,153	-	-	1,984,153
Telephone and internet.....	2,384	317	465	3,166
Bank card and other fees.....	28,218	1,283	4,890	34,391
Promotion.....	3,959	-	-	3,959
Miscellaneous expense.....	-	327	-	327
TOTAL OPERATING EXPENSES	2,152,232	29,620	30,433	2,212,285
In-kind professional fees.....	21,496	27,900	3,704	53,100
TOTAL EXPENSES	\$ 2,173,727	\$ 57,520	\$ 34,138	\$ 2,265,385

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

	Program Services	Management and General	Fundraising	Total
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
TOTAL OPERATING EXPENSES	1,891,837	26,974	34,730	1,953,541
In-kind professional fees.....	22,680	27,900	2,520	53,100
TOTAL EXPENSES	\$ 1,914,517	\$ 54,874	\$ 37,250	\$ 2,006,641

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STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31,

2020

2019

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets.....	\$	(56,095)	\$	76,286
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Adjustments to reconcile change in net assets to net cash provided by/(used in) operating activities:

Depreciation expense.....		1,121		3,645
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Changes in operating assets and liabilities:

Pledges receivable.....	73,026		(113,666)
Prepaid expenses and other current assets.....	(1,354)		(2,687)
Accounts payable and accrued expenses.....	(518)		(4,086)
Payroll and related payables.....	(7,114)		4,212
Grants payable.....	67,177		9,965

NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES		76,243		(26,331)
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CASH FLOWS USED IN INVESTING ACTIVITIES:

Acquisition of fixed assets.....		(3,251)		(2,978)
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NET CHANGE IN CASH AND CASH EQUIVALENTS		72,992		(29,309)
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Cash and cash equivalents, beginning of year.....		509,945		539,254
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Cash and cash equivalents, end of year.....	\$	582,937	\$	509,945
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COMPONENTS OF CASH AND CASH EQUIVALENTS ON THE STATEMENTS OF FINANCIAL POSITION:

Cash and cash equivalents.....	\$	407,937	\$	346,110
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Restricted cash and cash equivalents.....		175,000		163,835
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TOTAL CASH AND CASH EQUIVALENTS	\$	582,937	\$	509,945
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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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: On January 1, 2019, C4NC adopted Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively, "Accounting Standards Codification ("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 event attendees. There was no impact on net assets attributable to the adoption of ASC 606.

On January 1, 2019, C4NC also adopted ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 amends ASC 958, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this ASU were intended to assist entities in (1) evaluating whether (reciprocal) transactions are subject to other guidance (i.e. ASC 606) and (2) determining whether a contribution(s) is conditional. C4NC has determined that there is no impact to the financial statements as a result of the adoption of this ASU.

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 2020 and 2019.

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***NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019***

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, 2020 and 2019.

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: 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, 2020 AND 2019***

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, 2020 and 2019.

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 donors make promises to give to C4NC that are, in substance, unconditional. Contributions that are restricted by donors 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, 2020 AND 2019***

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.

Events Occurring After the Report Date: C4NC has evaluated events and transactions that occurred between January 1, 2021 and June 23, 2021, 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, 2020 and 2019, Board member donations totaled \$33,500 and \$21,550, 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 \$175,000 and \$163,835 at December 31, 2020 and 2019, respectively.

During the years ended December 31, 2020 and 2019, a total of \$163,835 and \$156,870 in contributions were released from net assets with donor restrictions. During the years ended December 31, 2020 and 2019, C4NC received \$564,708 and \$658,283, 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, 2020 and 2019, there was \$334,012 and \$266,835, 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 \$1,984,153 and \$1,737,848 during the years ended December 31, 2020 and 2019, respectively.

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***NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019***

NOTE 5 - AVAILABILITY AND LIQUIDITY

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

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 407,937	\$ 346,110
Restricted cash and cash equivalents	175,000	163,835
Pledges receivable	41,789	114,815
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 624,726</u>	<u>\$ 624,760</u>

C4NC's goal is generally to maintain financial assets to meet ninety days of operating expenses (approximately \$538,000).

NOTE 6 - FINANCIAL IMPACTS OF COVID-19

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.

In May 2020, 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. Management recognized the PPP loan as income in 2020 in anticipation of full forgiveness.