

RAFIKI FOUNDATION, INC.
Eustis, Florida

ANNUAL FINANCIAL REPORT
December 31, 2018 and 2017

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Independent Auditors' Report

Board of Directors
Rafiki Foundation, Inc.
Eustis, Florida

We have audited the accompanying financial statements of Rafiki Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, 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 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 Rafiki Foundation, Inc. as of December 31, 2018 and 2017, 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, Rafiki Foundation, Inc. adopted ASU 2016-14, *Not-for-Profit Entities (Topic 958)-Presentation of Financial Statements of Not-for-Profit Entities* and has adjusted the presentation of its financial statements accordingly. Our opinion is not modified with respect to that matter.

Crippen & Co.

Leesburg, Florida
June 3, 2019

Eustis, Florida

STATEMENTS OF FINANCIAL POSITION

December 31, 2018 and 2017

ASSETS

	<u>2018</u>	<u>2017</u>
Current Assets		
Cash and Cash Equivalents - Home Office	\$ 1,339,469	\$ 1,483,267
Cash and Cash Equivalents - Foreign	197,421	294,853
Total Cash and Cash Equivalents	<u>1,536,890</u>	<u>1,778,120</u>
Accounts Receivable	3,801	4,216
Prepaid Assets	110,557	76,703
Inventories	142,733	173,693
Investments	486,598	803,808
Total Current Assets	<u>2,280,579</u>	<u>2,836,540</u>
Noncurrent Assets		
Construction in Progress	1,282,382	112,891
Property and Equipment, Net	20,000,868	21,436,900
Contribution Receivable - Charitable Remainder Unitrust	74,615	80,858
Trademark, Net	3,754	4,290
Total Noncurrent Assets	<u>21,361,619</u>	<u>21,634,939</u>
Total Assets	<u>\$ 23,642,198</u>	<u>\$ 24,471,479</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable	\$ 28,339	\$ 21,010
Accrued Expenses	117,753	59,639
Total Current Liabilities	<u>146,092</u>	<u>80,649</u>
Total Liabilities	<u>146,092</u>	<u>80,649</u>
Net Assets		
Without Donor Restrictions	20,681,428	21,945,870
With Donor Restrictions	2,814,678	2,444,960
Total Net Assets	<u>23,496,106</u>	<u>24,390,830</u>
Total Liabilities and Net Assets	<u>\$ 23,642,198</u>	<u>\$ 24,471,479</u>

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

RAFIKI FOUNDATION, INC.
Eustis, Florida
STATEMENT OF ACTIVITIES
Year Ended December 31, 2018

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	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains (Losses), and Other Support			
Individual Contributions	\$ 2,133,500	\$ 6,411,303	\$ 8,544,803
Interest and Dividend Income	30,818	-	30,818
Net Realized and Unrealized Loss on Investments	(118,061)	-	(118,061)
Exchange Operations - Net of Direct Operating Expenses	(52,150)	-	(52,150)
Net Assets Released from Restrictions	6,041,585	(6,041,585)	-
Total Revenues, Gains (Losses), and Other Support	8,035,692	369,718	8,405,410
Functional Expenses			
Program Services	8,521,986	-	8,521,986
Support Services	778,148	-	778,148
Total Functional Expenses	9,300,134	-	9,300,134
(Decrease) Increase in Net Assets	(1,264,442)	369,718	(894,724)
Net Assets, Beginning of Year	21,945,870	2,444,960	24,390,830
Net Assets, End of Year	\$ 20,681,428	\$ 2,814,678	\$ 23,496,106

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

RAFIKI FOUNDATION, INC.
Eustis, Florida
STATEMENT OF ACTIVITIES
Year Ended December 31, 2017

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	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, Gains (Losses), and Other Support			
Individual Contributions	\$ 2,340,884	\$ 5,539,704	\$ 7,880,588
Interest and Dividend Income	12,668	-	12,668
Net Realized and Unrealized Gain on Investments	70,180	-	70,180
Exchange Operations - Net of Direct Operating Expenses	12,364	-	12,364
Net Assets Released from Restrictions	5,813,899	(5,813,899)	-
Total Revenues, Gains (Losses), and Other Support	<u>8,249,995</u>	<u>(274,195)</u>	<u>7,975,800</u>
Functional Expenses			
Program Services	7,957,211	-	7,957,211
Support Services	751,616	-	751,616
Total Functional Expenses	<u>8,708,827</u>	<u>-</u>	<u>8,708,827</u>
Decrease in Net Assets	(458,832)	(274,195)	(733,027)
Net Assets, Beginning of Year	<u>22,404,702</u>	<u>2,719,155</u>	<u>25,123,857</u>
Net Assets, End of Year	<u>\$ 21,945,870</u>	<u>\$ 2,444,960</u>	<u>\$ 24,390,830</u>

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

Eustis, Florida

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2018

	Support		Total Support Services	Program	Total Support and Program Services
	Fund-Raising	Management and General		Program Services	
Functional Expenses					
Bank and Investment Fees	\$ -	\$ 67,752	\$ 67,752	\$ -	\$ 67,752
Computer	837	5,656	6,493	112,178	118,671
Contract Services	-	271	271	-	271
Education	29,360	33	29,393	368,343	397,736
Entertainment/Accommodations	315	378	693	567	1,260
Food Services	2,132	2,559	4,691	3,838	8,529
Fundraising	23,283	-	23,283	-	23,283
Insurance	9,653	15,171	24,824	40,110	64,934
Mini-missions	-	-	-	295,323	295,323
Miscellaneous	554	872	1,426	23,469	24,895
Missionary Field Expenses	-	-	-	611,807	611,807
Office Supplies	2,437	3,831	6,268	10,129	16,397
Payroll Expenses and Benefits	35,021	55,037	90,058	587,996	678,054
Postage and Shipping	2,605	10,423	13,028	74,507	87,535
Printing and Publishing	3,148	4,773	7,921	40,573	48,494
Professional Services	8,233	15,565	23,798	38,811	62,609
Projects	-	-	-	25,489	25,489
Property Taxes	-	3,677	3,677	-	3,677
Rent - Equipment	729	2,914	3,643	10,929	14,572
Repairs and Maintenance	7,519	11,818	19,337	31,242	50,579
RICE Program	-	-	-	226,699	226,699
Salaries	111,109	174,666	285,775	1,250,966	1,536,741
Telephone	4,313	6,781	11,094	17,926	29,020
Travel	2,412	4,824	7,236	130,356	137,592
Utilities	4,159	6,538	10,697	17,761	28,458
Vehicles	433	681	1,114	1,799	2,913
Village, Children and Schools	-	-	-	3,198,302	3,198,302
Total Functional Expenses Before Depreciation and Amortization	248,252	394,220	642,472	7,119,120	7,761,592
Depreciation and Amortization	536	135,140	135,676	1,402,866	1,538,542
Total Functional Expenses	\$ 248,788	\$ 529,360	\$ 778,148	\$ 8,521,986	\$ 9,300,134

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

RAFIKI FOUNDATION, INC.

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Eustis, Florida

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2017

	Support		Total Support Services	Program	Total Support and Program Services
	Fund-Raising	Management and General		Program Services	
Functional Expenses					
Bank and Investment Fees	\$ -	\$ 58,130	\$ 58,130	\$ -	\$ 58,130
Computer	1,293	8,229	9,522	14,146	23,668
Education	-	-	-	430,940	430,940
Entertainment/Accomodations	254	304	558	457	1,015
Food Services	1,734	2,080	3,814	3,121	6,935
Fundraising	19,463	-	19,463	-	19,463
Insurance	6,656	16,561	23,217	33,632	56,849
Mini-missions	-	-	-	206,398	206,398
Miscellaneous	1,301	3,237	4,538	6,574	11,112
Missionary Field Expenses	-	-	-	526,652	526,652
Office Supplies	774	1,925	2,699	3,911	6,610
Payroll Expenses and Benefits	22,066	54,906	76,972	551,318	628,290
Postage and Shipping	2,274	9,094	11,368	54,590	65,958
Printing and Publishing	3,499	9,980	13,479	37,425	50,904
Professional Services	7,665	18,615	26,280	40,241	66,521
Projects	-	-	-	55,595	55,595
Property Taxes	-	3,068	3,068	-	3,068
Rent - Equipment	867	3,466	4,333	13,000	17,333
Repairs and Maintenance	7,698	19,156	26,854	38,899	65,753
RICE Program	-	-	-	204,596	204,596
Salaries	81,779	203,485	285,264	1,206,855	1,492,119
Security Services	-	7,302	7,302	-	7,302
Telephone	3,330	8,286	11,616	16,827	28,443
Travel	3,259	6,518	9,777	113,664	123,441
Utilities	3,478	8,653	12,131	17,848	29,979
Vehicles	356	885	1,241	1,797	3,038
Village, Children and Schools	-	-	-	2,981,221	2,981,221
Total Functional Expenses Before Depreciation and Amortization	167,746	443,880	611,626	6,559,707	7,171,333
Depreciation and Amortization	536	139,454	139,990	1,397,504	1,537,494
Total Functional Expenses	\$ 168,282	\$ 583,334	\$ 751,616	\$ 7,957,211	\$ 8,708,827

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

RAFIKI FOUNDATION, INC.
Eustis, Florida
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2018 and 2017

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	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities		
Cash Received from Donors	\$ 8,528,779	\$ 7,872,391
Investment Income	30,818	12,668
Cash Received from Exchange Operations	132,583	128,342
Cash Used for Exchange Operations	(153,773)	(185,107)
Cash Received from Investments	-	10,000
Cash Used for Functional Expenses	(7,730,003)	(7,080,648)
Net Cash Provided by Operating Activities	<u>808,404</u>	<u>757,646</u>
Cash Flows from Investing Activities		
Purchase of Property and Equipment	(33,545)	(53,926)
Proceeds from Sale of Property and Equipment	2,055	-
Construction in Progress	(1,239,975)	(1,163,679)
Sales and Maturities of Investments	1,855,641	2,050,000
Purchase of Investments	(1,633,810)	(1,265,691)
Net Cash Used in Investing Activities	<u>(1,049,634)</u>	<u>(433,296)</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(241,230)	324,350
Cash and Cash Equivalents, Beginning of Year	<u>1,778,120</u>	<u>1,453,770</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,536,890</u>	<u>\$ 1,778,120</u>
Supplemental Disclosures of Noncash Investing and Financing Activities		
Construction in Progress Transfers	<u>\$ 70,484</u>	<u>\$ 3,293,768</u>

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

NOTES TO FINANCIAL STATEMENTS

RAFIKI FOUNDATION, INC.
Eustis, Florida
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

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1. Summary of Significant Accounting Policies:

Organization and Purpose – Rafiki is a Swahili word meaning “friend.” The Rafiki Foundation, Inc. (the Foundation) is a not-for-profit corporation and was established to befriend the needy in developing countries in Africa spiritually, educationally, and physically. The Foundation established Rafiki Villages in ten countries and sends qualified individuals to serve in these centers. The Foundation’s goal is to help Africans know God and raise their standard of living with excellence and integrity. This is achieved through five programs: Bible study, Christian classical education, orphan care, a widows program, and teacher training.

Change in Accounting Principle – On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958)-Presentation of Financial Statements of Not-for-Profit Entities*. The ASU 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 Foundation has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented which increased net assets without donor restrictions by \$80,858 and decreased net asset with donor restrictions by \$80,858. As required by ASU 2016-14, the Foundation is required to reclassify amounts that were previously reported as temporarily restricted net assets for donor-restricted property and equipment with implied time restrictions that expired over the useful life of the asset. Those amounts are now classified as net assets without donor restrictions as the related assets have been placed in service.

Basis of Presentation – The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with United States generally accepted accounting principles. Net assets, support and revenue, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions: Net assets that are not subject to donor-imposed stipulations. Assets restricted solely through actions of the Board are reported as net assets without donor restrictions. 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 in which the contributions are recognized.

Net Assets with Donor Restrictions: Net assets that are subject to donor-imposed stipulations. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the assets be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on any related investments for general or specific purposes.

RAFIKI FOUNDATION, INC.
Eustis, Florida
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

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1. Summary of Significant Accounting Policies (continued):

Cash and Cash Equivalents – For purposes of the cash flow statements, the Foundation includes cash accounts and highly liquid investments with original maturities of three months or less as cash and cash equivalents. The Foundation provides quarterly funding to its African villages beginning in January. Prior to the quarterly funding, cash and cash equivalents occasionally exceed FDIC insurance limits. The Foundation had cash deposits of \$808,506 and \$574,377 in excess of federally insured limits as of December 31, 2018 and 2017, respectively. The Foundation believes that there is no significant risk with respect to these deposits because they are funded to the African villages within one month of year end and have never experienced any losses on such accounts.

Exchange Rates – Foreign operations have been converted to U.S. dollars for purposes of presenting financial statements. Exchange rate gains and losses as a result of conversion to dollars are included in the Foundation's expenses.

Receivables and Bad Debt – No allowance for bad debts has been established as of December 31, 2018 and 2017 as it is management's opinion that no losses will be incurred.

Inventories – Inventories consist of products made by widows in Africa for sale in the Exchange shop and online. Inventories are stated at the lower of cost or net realizable value. Provisions, when required, are made to reduce excess and obsolete inventories to their fair value.

Investments – Investments in marketable securities are stated at fair market value at quoted market prices. Contributed investments are recorded at their fair value at the date of donation. The Foundation received \$22,682 and \$79,013 of contributed investments during the year ended December 31, 2018 and 2017, respectively.

FASB Accounting Standards Codification 820 (ASC 820), *Fair Value Measurements*, 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).

Property and Equipment – Depreciation of property and equipment is provided over the estimated useful lives (3 to 40 years) of the respective assets on a straight-line basis. Acquisitions of property and equipment in excess of \$500 are capitalized. Property and equipment are valued at cost with the exception of certain contributed furniture, equipment, and vehicles, which are stated at the fair market value at the date the contributions were received.

Beneficial Interest in Split Interest Agreement – The Foundation is a beneficiary of the remainder interest in a charitable remainder trust fund, which is held by a third party as trustee. The Foundation has recorded the contribution and beneficial interest related to this trust fund at fair value, which is estimated as the net present value of the estimated future amount to be received.

RAFIKI FOUNDATION, INC.
Eustis, Florida
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

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1. Summary of Significant Accounting Policies (concluded):

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Expenses – The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification of expenses by function. Directly identifiable expenses are charge to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

Income Taxes – The Foundation is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation has been classified as an organization other than a private foundation under the Internal Revenue Code.

The Foundation's Form 990, Return of Organization Exempt from Income Tax is subject to examination by the IRS, generally for three years after filing.

Donated Goods and Services – A substantial amount of goods and services has been contributed to the Foundation to help carry out its activities. The value of these contributions is not recorded in the accompanying financial statements since it is generally not susceptible to objective measurement or valuation.

Shipping and Handling Costs – The Foundation classifies all freight paid for exchange shop purchases as cost of sales in the period incurred.

Subsequent Events – The Foundation has evaluated events and transactions for potential recognition or disclosure in the financial statements through the date the financial statements were available to be issued on June 3, 2019.

2. Conditional Promises to Give:

Rafiki missionaries ask members of their church, families, and others to submit pledge cards indicating the donations they intend to give to support their mission for a period of two years while overseas. These pledges are contingent upon the fact that the missionaries stay with Rafiki for the completion of their term of service, and as such do not meet the criteria for revenue recognition under United States generally accepted accounting standards. For this reason they are not reflected as contributions in the statement of activities until the pledges are collected.

RAFIKI FOUNDATION, INC.
Eustis, Florida
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

3. Property and Equipment:

Property and equipment as of December 31, 2018 and 2017, are as follows:

	<u>2018</u>	<u>2017</u>
Land	\$ 2,021,373	\$ 2,021,373
Buildings and Improvements – Foreign Countries	27,311,133	27,258,220
Buildings and Improvements – Home Office	4,741,146	4,741,146
Furniture and Equipment	1,200,235	993,944
Vehicles	74,887	240,117
	<u>35,348,774</u>	<u>35,254,800</u>
Less: Accumulated Depreciation	<u>(15,347,906)</u>	<u>(13,817,900)</u>
Net Property and Equipment	<u>\$ 20,000,868</u>	<u>\$ 21,436,900</u>

Depreciation expense for the years ended December 31, 2018 and 2017, was \$1,538,006 and \$1,536,958, respectively.

The Foundation capitalized costs of \$8,042 associated with obtaining a trademark. The trademark is amortized over fifteen years. Amortization expense for the years ended December 31, 2018 and 2017 was \$536.

4. Charitable Remainder Unitrust:

During 2004, a donor established a trust with a brokerage firm naming the Foundation as a 50% beneficiary of a charitable remainder unitrust. Under terms of the split-interest agreement, the donor will receive 5% of the net fair market value of the assets quarterly until the donor's death. At the time of the donor's death, the trust is to terminate, and the remaining trust assets are to be distributed to the beneficiaries. Based on the donor's life expectancy and a 5% discount rate, the present value of future benefits expected to be received by the Foundation was estimated to be \$74,615 and \$80,858 as of December 31, 2018 and 2017, respectively. Holding gains and losses are recorded as contributions without donor restrictions.

The following table sets forth a summary of changes in the fair value of the split interest agreement, which is a Level 3 asset, for the years ended December 31, 2018 and 2017:

Balance at December 31, 2016	\$ 72,092
Total gains (unrealized and realized), net of fees	<u>8,766</u>
Balance at December 31, 2017	80,858
Total losses (unrealized and realized), net of fees	<u>(6,243)</u>
Balance at December 31, 2018	<u>\$ 74,615</u>

RAFIKI FOUNDATION, INC.
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NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

5. Investments:

The three levels of the fair value hierarchy under FASB ASC 820 are described below:

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

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Foundation considers all investments to be Level 1 investments. Investments consist solely of mutual funds as of December 31, 2018 and 2017.

6. Net Assets:

Net assets consist of the following for the years ended December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Net Assets Without Donor Restrictions:		
Net Investment in Land, Property and Equipment	\$ 21,283,250	\$ 21,549,791
Charitable Remainder Unitrust	74,615	80,858
Undesignated, Unrestricted Net Assets	(676,437)	315,221
Total Net Assets Without Donor Restrictions	<u>20,681,428</u>	<u>21,945,870</u>
Net Assets With Donor Restrictions:		
Construction	1,149,244	859,894
Medical Clinics	20,500	20,500
Mini-missions	51,498	37,798
Outreach	1,072,339	1,043,780
RALI USA	100,000	100,000
Home Office Relocation	6,277	6,277
IT Development	(2,388)	-
10 th Presbyterian	28,723	28,224
Discretionary	388,485	348,487
Total Net Assets With Donor Restrictions	<u>2,814,678</u>	<u>2,444,960</u>
Total Net Assets	<u>\$ 23,496,106</u>	<u>\$ 24,390,830</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

7. Operating Leases:

The Foundation leases copying machines, a folding machine, a weighing platform, printers, and a printing press that expire February 2018 through August 2022.

Rental expenses for these leases were \$210,048 and \$189,959 for the years ended December 31, 2018 and 2017, respectively. Future minimum lease payments under operating leases that have remaining terms in excess of one year as of December 31, 2018, are as follows:

<u>Year Ending</u>	
December 31, 2019	\$ 127,200
December 31, 2020	101,729
December 31, 2021	67,434
December 31, 2022	<u>29,770</u>
Total	<u>\$ 326,133</u>

8. Construction in Progress:

Construction in progress as of December 31, 2018 and 2017, are categorized as follows:

	<u>2018</u>	<u>2017</u>
Rafiki Village Nigeria	\$ 8,100	\$ -
Rafiki Village Liberia	500,062	-
Rafiki Village Rwanda	125,000	-
Rafiki Village Ethiopia	230,816	20,543
Rafiki Village Tanzania	108,750	-
Rafiki Village Zambia	<u>309,654</u>	<u>92,348</u>
Total	<u>\$ 1,282,382</u>	<u>\$ 112,891</u>

9. Net Assets Released from Restrictions:

Net assets were released from donor restrictions by incurring expenses satisfying the purpose specified by donors during the years ended December 31, 2018 and 2017, are as follows:

	<u>2018</u>	<u>2017</u>
Purpose Restrictions Accomplished:		
Children's Centers/Orphan Fund	\$ 2,721,644	\$ 2,532,577
Curriculum & Teacher's Training	51,439	39,569
10 th Presbyterian	21,325	38,109
Mini-missions	295,323	206,398
IT Development	102,388	-
Outreach	1,575,245	1,725,707
Village Construction	<u>1,274,221</u>	<u>1,271,539</u>
Total	<u>\$ 6,041,585</u>	<u>\$ 5,813,899</u>

RAFIKI FOUNDATION, INC.
Eustis, Florida
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

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10. Related Party Contributions:

Board members and senior staff make voluntary contributions to the Foundation. Total contributions from these related parties were \$145,975 and \$127,307 for the years ended December 31, 2018 and 2017, respectively.

11. Volunteer Services:

The impact of volunteer services performed at overseas locations cannot be adequately determined; however, the hours of volunteer services received at headquarters in Eustis, Florida have been determined. In the year ended December 31, 2018 and 2017, approximately 5,433 and 5,780 hours, respectively, were donated in services performed by over 270 and 300 volunteers, respectively. These hours do not meet accounting guidelines for valuation and therefore have not been recorded on these financial statements.

12. Liquidity:

The following reflects the Foundation's financial assets as of December 31, 2018 and 2017, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of December 31, 2018 and 2017.

	<u>2018</u>	<u>2017</u>
Financial Assets at Year-End	\$ 2,355,194	\$ 2,917,398
Less those Unavailable for General Expenditures within One Year, Due to Contractual or Donor-Imposed Restrictions:		
Charitable Remainder Unitrust Due in More than One Year	<u>74,615</u>	<u>80,858</u>
Financial Assets Available to Meet Cash Needs for General Expenditure within One Year	<u>\$ 2,280,579</u>	<u>\$ 2,836,540</u>