PROJECTS FOR HUMANITY

AUDITED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR’S REPORT

AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2022

PROJECTS FOR HUMANITY

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of

Projects for Humanity

Opinion

We have audited the financial statements of Projects for Humanity (the "Organization"), which comprise the statement of financial position as of December 31, 2022, the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2022, and the statement of activities and changes in net assets, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

11111 RICHMOND AVENUE, SUITE 101 -HOUSTON, TEXAS 77082 - TEL: (713) 804 - 6711

OAK Advisors, LLC

OAK Advisors, LLC
Certified Public Accountants

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

OAK Advisors, LLC

Houston, Texas
May 14, 2024

11111 RICHMOND AVENUE, SUITE 101 -HOUSTON, TEXAS 77082 - TEL: (713) 804 - 6711

PROJECTS FOR HUMANITY

STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022

		2022
Assets		
Current assets:		
Cash	$	143,330
Marketable securities		28,476
Total current assets		171,806
Total Assets	**$**	**171,806**
Net assets		
Without donor restrictions		171,806
Total Net Assets	**$**	**171,806**

The accompanying notes are an integral part of these financial statements

PROJECTS FOR HUMANITY

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	With donor restrictions	Without donor restrictions	Total
Revenues:			
Donations	$ -	$ 365,384	$ 365,384
Total revenues	**-**	**365,384**	**365,384**
Expenses:			
Program services	-	215,067	215,067
Management and general	-	5,756	5,756
Fundraising	-	76,383	76,383
Total expenses	**-**	**297,206**	**297,206**
Other income			
Unrealized gains and losses of marketable securities	-	4,260	4,260
Investment income	-	33	33
Total other income	**-**	**4,293**	**4,293**
Changes in net assets	-	72,471	72,471
Net assets, beginning of the year	-	99,335	99,335
Net assets, end of the year	**$ -**	**$ 171,806**	**$ 171,806**

The accompanying notes are an integral part of these financial statements

PROJECTS FOR HUMANITY

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

		Supporting services		
	Program services	Management and General	Fundraising	Total
Expenses:				
Advertising & Promotion	$ -	$ -	$ 8,580	$ 8,580
Bank Charges & Fees	4,945	1,888	-	6,833
Complete Orphan Care - Jakat	18,530	-	-	18,530
Conference & Meetings	-	-	1,445	1,445
Disaster Relief - Zakat	20,950	-	-	20,950
Disaster Relief Project	52,650	-	-	52,650
Education Support	74,982	-	-	74,982
Equipment Rental	-	-	2,075	2,075
Free Medical Treatment - Jakat	1,000	-	-	1,000
Free Medical Treatment Project	1,649	-	-	1,649
Fundraising Expenses	-	-	29,725	29,725
Marketing	-	-	21,064	21,064
Orphan Care	13,320	-	-	13,320
Professional Services	-	1,400	-	1,400
Refugee Assistance - Jakat	350	-	-	350
Rent & Lease	-	-	12,394	12,394
Travel	-	-	1,101	1,101
Underprivileged Development	14,822	-	-	14,822
Underprivileged Empowerment - Jakat	11,869	-	-	11,869
Website & Software	-	2,468	-	2,468
Totals	**$ 215,067**	**$ 5,756**	**$ 76,383**	**$ 297,206**

The accompanying notes are an integral part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

		2022
Cash flow From Operating Activities:		
Changes in net assets	$	72,471
Adjustments to reconcile net assets to net cash provided by operating activities:		
Gain on investments		(4,293)
Changes in:		
Accounts payable		15,000
Net cash provided by operating activities		**83,178**
Cash flow From Investing Activities:		
Purchases of investments		(21,747)
Sales of investments		2,533
Net cash used by investing activities		**(19,214)**
Change in Cash		63,964
Cash at beginning of year		79,366
Cash at end of year	**$**	**143,330**

The accompanying notes are an integral part of these financial statements

Note 1: NATURE OF ACTIVITIES

Projects for Humanity (the "Organization") is a not-for-profit organization incorporated in the State of Texas on September 7, 2017. The Organization began operations in Houston, Texas, in September 2017 and strives to enhance the lives and well-being of underprivileged individuals and communities through humanitarian support, free medical treatment, education, and developmental assistance. The Organization is primarily funded by funds received from donations.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting - The Organization's financial statements are presented in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – Net assets that are not subject to donor- imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds by maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities and changes in net assets.

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

Cash - The Organizations cash consists of cash on deposit with banks***.***

Investments - Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Advertising - The Organization expenses marketing and advertising costs as incurred. During the year ended December 31, 2022, the Organization expensed approximately $29,600 in marketing and advertising costs.

Fundraising costs - The Organization incurs fundraising costs to persuade potential donors to make contributions to the Organization. These costs are expensed as paid.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition - Donations received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donations that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted donations are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Accounting Standard Adopted in the Current Year - In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (ASU 2020-07). ASU 2020-07 is intended to clarify the presentation and disclosure of contributed nonfinancial assets. ASU 2020-07 requires not-for-profits to present contributed nonfinancial assets as a separate line item in the statement of activities and provide additional disclosures about contributions of nonfinancial assets. Contributed nonfinancial assets, commonly referred to as gifts-in-kind, include fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets.

Donated services and assets are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The adoption of ASU 2020-07 in 2022 did not have a significant impact on the Organization's financial statements as the Organization did not receive any nonfinancial assets for the year ended December 31, 2022.

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, known as Revenues from Contracts with Customers (Topic 606), presenting a comprehensive five-step analysis for determining the recognition of revenue in contracts. This update replaced the majority of existing revenue recognition guidance in US Generally Accepted Accounting Principles (GAAP). The fundamental principle underlying this guidance is that entities should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration received or expected. The effective date for Topic 606 was set for annual reporting periods beginning after December 15, 2018. However, in June 2020, FASB released ASU 2020-05, establishing effective date delays for private companies and not-for- profits, including the College, which subsequently deferred the adoption of ASU 2014-09. The Organization officially implemented FASB Accounting Standards Codification (ASC) 606 on January 1, 2022, utilizing the modified retrospective method of adoption. This approach recognizes the cumulative effect of applying the new guidance as an adjustment to the opening net assets at January 1, 2022. The Organization concluded that the adoption had no significant impact on reported amounts and, therefore, no adjustment was required. Furthermore, the adoption of Topic 606 did not result in material changes to the Organization's accounting policies for revenue recognition. As part of the adoption, the Organization opted for a transition practical expedient, applying ASC 606 only to contracts not completed at the initial application date.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cost Allocation - The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include advertising, insurance, merchant service fees, operating supplies and telecommunications which are allocated on the basis of estimates of usage; contract labor and payroll and related, which are allocated on the basis of estimates of time and effort; and depreciation, which is allocated on the basis of total expenses for each respective program o supporting service to total expenses, less expenses attributable to fundraising.

Note 3: FAIR VALUE MEASUREMENTS

Current accounting standards establish 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). The three levels of the fair value hierarchy are described below

Level 1 — Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 — Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 — Valuations based on unobservable inputs reflecting our own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for the Organization's investments measured at fair value:

Insured deposits: Valued at the closing price reported on the active market on which the individual insured deposit instruments are held.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded. NAV approximates fair value as determined by the respective fund managers. NAV is calculated based on the market value of the fund's assets minus its liabilities and divided by the number of shares outstanding. While the NAV serves as a reasonable estimate of fair value, it may not precisely reflect the price at which the fund's assets could be liquidated in the current market conditions. Investors are advised to consider additional factors, such as market volatility and the nature of the fund's investments, when evaluating the fair value of mutual fund holdings.

Note 3: FAIR VALUE MEASUREMENTS (CONTINUED)

Common stocks: The Organization measures its investments in common stocks at fair value, which is determined based on the market approach. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

The following table presents the fair value hierarchy for assets and liabilities measured at fair value on a recurring basis as of December 31, 2022:

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Insured deposits	$ 12,528	$ -	$ -	$ 12,528
Mutual funds	14,409	-	-	14,409
Common stocks	1,539	-	-	1,539
	$ 28,476	$ -	$ -	$ 28,476

Note 4: LIQUIDITY AND AVAILABILITY

The Organization maintains a policy of structuring its financial assets to be available as it general expenditures and other obligations come due. The Organization has $171,806 of cash on deposit with banks and $0 of principal payments due within one year resulting in $171,806 of liquid assets available in the next 12 months.

Note 5: INCOME TAXES

The Organization is generally exempt from federal and state income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code. Income which is not related to exempt purposes, less applicable deductions, is subject to federal and state corporate income taxes.

Note 6: SUBSEQUENT EVENTS

The Organization evaluated subsequent events through May 14, 2024, which is the date the financial statements were available to be issued. There are no additional events that have occurred such that adjustments to the amounts or disclosures presented in the notes to the financial statements are warranted.