



**OPERATION BLESSING
INTERNATIONAL RELIEF AND DEVELOPMENT CORPORATION
AND AFFILIATED ORGANIZATIONS**

Consolidated Financial Statements

March 31, 2022 and 2021

(With Independent Auditors' Report Thereon)



KPMG LLP
Suite 1900
440 Monticello Avenue
Norfolk, VA 23510

Independent Auditors' Report

The Board of Directors
Operation Blessing International Relief and Development Corporation:

Opinion

We have audited the consolidated financial statements of Operation Blessing International Relief and Development Corporation and affiliated organizations (collectively, Operation Blessing), which comprise the consolidated statements of financial position as of March 31, 2022, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Operation Blessing International Relief and Development Corporation and affiliated organizations as of March 31, 2022, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Operation Blessing International Relief and Development Corporation 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Operation Blessing International Relief and Development Corporation's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.



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 consolidated 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 consolidated 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 Operation Blessing International Relief and Development Corporation'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 Operation Blessing International Relief and Development Corporation'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.

KPMG LLP

Norfolk, Virginia
July 21, 2022

**OPERATION BLESSING
INTERNATIONAL RELIEF AND DEVELOPMENT CORPORATION
AND AFFILIATED ORGANIZATIONS**

Consolidated Statements of Financial Position

March 31, 2022 and 2021

Assets	2022	2021
Current assets:		
Cash and cash equivalents	\$ 31,362,025	19,895,047
Contributions receivable, net (note 3)	3,667,346	2,513,511
Due from affiliate, net (note 7)	309,202	252,903
Prepaid expenses and other	1,566,535	1,878,257
Gifts-in-kind inventories (note 1(e))	7,980,509	9,580,603
Total current assets	44,885,617	34,120,321
Property and equipment, net (note 4)	1,785,354	1,639,623
Long-term contributions receivable, net (note 3)	151,529	235,475
Other	175,854	164,198
Total assets	\$ 46,998,354	36,159,617
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 933,232	907,354
Current maturities of long-term debt (note 5)	72,143	—
Deferred gifts-in-kind revenue (note 1(e))	7,980,509	9,580,603
Total current liabilities	8,985,884	10,487,957
Long-term debt, excluding current portion (note 5)	261,837	—
Total liabilities	9,247,721	10,487,957
Net assets:		
Without donor restrictions	15,211,151	11,574,762
With donor restrictions (note 8)	22,539,482	14,096,898
Total net assets	37,750,633	25,671,660
Commitments and contingencies (notes 6 and 12)		
Total liabilities and net assets	\$ 46,998,354	36,159,617

See accompanying notes to consolidated financial statements.

**OPERATION BLESSING
INTERNATIONAL RELIEF AND DEVELOPMENT CORPORATION
AND AFFILIATED ORGANIZATIONS**

Consolidated Statements of Activities

Years ended March 31, 2022 and 2021

	2022			2021		
	Net assets without donor restrictions	Net assets with donor restrictions	Total	Net assets without donor restrictions	Net assets with donor restrictions	Total
Revenue:						
Contributions (note 7)	\$ 21,440,813	21,103,496	42,544,309	18,273,086	14,039,309	32,312,395
Gifts-in-kind (note 1(e))	55,143,801	—	55,143,801	60,476,131	—	60,476,131
Other revenue	4,510	88,641	93,151	3,850	33,569	37,419
Net assets released from restrictions (note 9)	12,749,553	(12,749,553)	—	14,395,614	(14,395,614)	—
Total revenue	<u>89,338,677</u>	<u>8,442,584</u>	<u>97,781,261</u>	<u>93,148,681</u>	<u>(322,736)</u>	<u>92,825,945</u>
Expenses:						
Program expenses:						
Hunger Strike Force	8,197,406	—	8,197,406	6,912,950	—	6,912,950
Outreach and humanitarian relief	17,334,494	—	17,334,494	14,339,783	—	14,339,783
Gifts-in-kind (note 1(e))	55,928,677	—	55,928,677	60,830,152	—	60,830,152
Total program expenses	<u>81,460,577</u>	<u>—</u>	<u>81,460,577</u>	<u>82,082,885</u>	<u>—</u>	<u>82,082,885</u>
Supporting services:						
Fundraising	2,787,552	—	2,787,552	2,429,286	—	2,429,286
General and administrative	1,454,159	—	1,454,159	1,436,101	—	1,436,101
Total supporting services	<u>4,241,711</u>	<u>—</u>	<u>4,241,711</u>	<u>3,865,387</u>	<u>—</u>	<u>3,865,387</u>
Total expenses	<u>85,702,288</u>	<u>—</u>	<u>85,702,288</u>	<u>85,948,272</u>	<u>—</u>	<u>85,948,272</u>
Gain on disposal of property and equipment	—	—	—	20,000	—	20,000
Increase (decrease) in net assets	3,636,389	8,442,584	12,078,973	7,220,409	(322,736)	6,897,673
Net assets at beginning of year	<u>11,574,762</u>	<u>14,096,898</u>	<u>25,671,660</u>	<u>4,354,353</u>	<u>14,419,634</u>	<u>18,773,987</u>
Net assets at end of year	<u>\$ 15,211,151</u>	<u>22,539,482</u>	<u>37,750,633</u>	<u>11,574,762</u>	<u>14,096,898</u>	<u>25,671,660</u>

See accompanying notes to consolidated financial statements.

**OPERATION BLESSING
INTERNATIONAL RELIEF AND DEVELOPMENT CORPORATION
AND AFFILIATED ORGANIZATIONS**

Consolidated Statements of Cash Flows

Years ended March 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Increase in net assets	\$ 12,078,973	6,897,673
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	501,833	437,354
Gain on disposal of property and equipment	—	(20,000)
Changes in assets and liabilities:		
Contributions receivable	(1,069,889)	(752,982)
Prepaid expenses and other	311,722	(638,034)
Due from affiliate	(56,299)	(122,996)
Accounts payable and accrued liabilities	25,878	(175,687)
Other assets	(11,656)	(164,198)
Net cash provided by operating activities	11,780,562	5,461,130
Cash flows from investing activities:		
Proceeds from sale of property and equipment	—	20,000
Purchases of property and equipment	(647,564)	(608,584)
Net cash used in investing activities	(647,564)	(588,584)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	350,877	—
Payments of long-term debt	(16,897)	—
Net cash provided by financing activities	333,980	—
Increase in cash and cash equivalents	11,466,978	4,872,546
Cash and cash equivalents at beginning of year	19,895,047	15,022,501
Cash and cash equivalents at end of year	\$ 31,362,025	19,895,047
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest	\$ 4,842	—
Supplemental disclosure of noncash investing activities:		
Contribution of property and equipment	\$ —	216,517
Acquisition of property and equipment from issuance of debt	350,887	—

See accompanying notes to consolidated financial statements.

**OPERATION BLESSING
INTERNATIONAL RELIEF AND DEVELOPMENT CORPORATION
AND AFFILIATED ORGANIZATIONS**

Notes to Consolidated Financial Statements

March 31, 2022 and 2021

(1) Organization and Summary of Significant Accounting Policies

(a) Organization

Operation Blessing International Relief and Development Corporation is a controlled affiliate of The Christian Broadcasting Network, Inc. (CBN). The mission of Operation Blessing International Relief and Development Corporation and its affiliated organizations (Operation Blessing) is to bring humanitarian relief to the world's poor and needy. This relief may take the form of in-kind contributions of food, clothing, medical supplies, equipment, and financial support, as well as the furnishing of services, transportation, and facilities. Additionally, Operation Blessing conducts its relief efforts, in part, by assisting charitable organizations worldwide whose purposes and activities are compatible with its own.

(b) Basis of Presentation

The consolidated financial statements include Operation Blessing International Relief and Development Corporation and its affiliated organizations under common control. All significant intercompany transactions and accounts have been eliminated in consolidation. The consolidated financial statements of Operation Blessing have been prepared on the accrual basis of accounting.

These consolidated financial statements have been prepared to focus on Operation Blessing as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. Net assets and revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Operation Blessing's net assets are segregated into the following net asset groups:

Net assets without donor restrictions – Net assets not subject to donor-imposed stipulations.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations. Donor-imposed restrictions that are temporary in nature will be met by actions pursuant to the stipulations and/or the passage of time. Donor-imposed restrictions that are perpetual in nature neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of Operation Blessing. Investment income and unrealized gains and losses from resources held in perpetuity can be either restricted or unrestricted.

Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed stipulations. Contributions received and contributions receivable with donor-imposed restrictions are reported as increases to net assets with donor restrictions. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications from net assets with donor restrictions to net assets without donor restrictions (note 8). Temporary restrictions on gifts to acquire long-lived assets are considered met in the period the assets are placed in service.

**OPERATION BLESSING
INTERNATIONAL RELIEF AND DEVELOPMENT CORPORATION
AND AFFILIATED ORGANIZATIONS**

Notes to Consolidated Financial Statements

March 31, 2022 and 2021

(c) Cash and Cash Equivalents

Operation Blessing considers all highly liquid financial instruments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents consisting of money market funds totaled \$16,783,197 and \$16,780,551 at March 31, 2022 and 2021, respectively, and are valued based on unadjusted quoted prices in active markets for identified assets that Operation Blessing has the ability to access at the measurement date.

(d) Contributions Receivable

Contributions receivable, which include unconditional promises to give to Operation Blessing, are recognized as revenue in the period the promise is made by the donor and are recorded at estimated net realizable value. Contributions to be received after one year, if any, are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contribution. Conditional contributions to give are not recognized until the conditions on which they depend are substantially met. Contributions receivable from estate interests are recorded at Operation Blessing's percent interest in the estimated fair value based on the fair value of the underlying assets.

(e) Gifts-in-Kind

Gifts-in-kind are primarily comprised of medicines, school and medical supplies, canned and packaged food, produce, clothing, and other relief products. Gifts-in-kind are recorded at their estimated fair wholesale value when received. There is inherent uncertainty in determining the fair value of donated products. Gifts-in-kind revenue and expense are recognized in the year in which the product is distributed. Amounts at the end of the fiscal year that have not been distributed are included in gifts-in-kind inventories and deferred gifts-in-kind revenue.

(f) Property and Equipment, Net

Property and equipment are stated at cost or at estimated fair value at date of gift if acquired by gift, less accumulated depreciation and amortization. Depreciation is computed utilizing the straight-line method over the estimated useful lives of the related assets, which is five years for medical equipment, disaster relief facilities, vehicles and equipment, office equipment and leasehold improvements, and three to five years for information technology and other equipment. The cost and associated accumulated depreciation of property sold or retired is removed from the accounts and any gain or loss is reflected in the accompanying consolidated statements of activities.

(g) Functional Allocation of Expenses

Operation Blessing allocates its expenses on a functional basis among its various programs and supporting services. Expenses, including depreciation and amortization, that can be identified with a specific program or supporting service are allocated directly. Property and liability insurance is allocated based on the estimated risk of loss. Personnel costs related to worker's compensation and life and disability insurances, and medical claims expenses are allocated based on employee headcount.

**OPERATION BLESSING
INTERNATIONAL RELIEF AND DEVELOPMENT CORPORATION
AND AFFILIATED ORGANIZATIONS**

Notes to Consolidated Financial Statements

March 31, 2022 and 2021

(h) *Noncash Transactions*

Gifts-in-kind inventories and deferred gifts-in-kind revenue totaled \$7,980,509 and \$9,580,603 at March 31, 2022 and 2021, respectively. Gifts-in-kind revenue were \$55,143,801 and \$60,476,131 and gifts-in-kind expense were \$55,928,677 and \$60,830,152 during the years ended March 31, 2022 and 2021.

(i) *Income Taxes*

Operation Blessing has been recognized by the Internal Revenue Service as tax exempt under Section 501(c)(3) of the Internal Revenue Code. Contributions to Operation Blessing qualify for a charitable contribution deduction to the extent provided by law.

Operation Blessing recognizes or derecognizes its tax positions based on a “more likely than not” threshold. This applies to positions taken or expected to be taken in a tax return. The consolidated financial statements do not include any uncertain tax positions.

(j) *Impairment of Long-Lived Assets*

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of would be presented separately in the accompanying consolidated statements of financial position and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer depreciated.

(k) *Use of Estimates*

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management of Operation Blessing to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingencies at the date of the consolidated financial statements and revenue and expenses recognized during the reporting periods. Significant items subject to such estimates and assumptions include the valuation of contributions receivable, gifts-in-kind contributions, and the carrying amount of property and equipment. Actual results could differ from those estimates.

(l) *Subsequent Events*

The preparation of consolidated financial statements in conformity with GAAP requires entities to evaluate events that occur after the balance sheet date but before the consolidated financial statements are issued for potential recognition or disclosure. Entities are required to disclose the date through which subsequent events were evaluated, as well as the rationale for why that date was selected. In preparing these consolidated financial statements, Operation Blessing has evaluated events and transactions for potential recognition or disclosure.

**OPERATION BLESSING
INTERNATIONAL RELIEF AND DEVELOPMENT CORPORATION
AND AFFILIATED ORGANIZATIONS**

Notes to Consolidated Financial Statements

March 31, 2022 and 2021

On April 27, 2022, Operation Blessing entered into an \$828,324 term loan agreement collateralized by equipment. The loan bears interest at a rate of 4.39% and matures April 2027.

Operation Blessing is not aware of any other specific events or transactions occurring after March 31, 2022 and up to July 21, 2022, the date the consolidated financial statement were available to be issued, that could have a material impact on the presentation of the accompanying consolidated financial statements.

(2) Liquidity and Availability

The following represents Operation Blessing's financial assets at March 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 31,362,025	19,895,047
Contributions receivable	3,818,875	2,748,986
Other	529,173	548,271
Total financial assets	<u>35,710,073</u>	<u>23,192,304</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	22,539,482	14,096,898
Less net assets with time and purpose restrictions to be met in less than one year	<u>(21,013,411)</u>	<u>(12,345,848)</u>
	<u>1,526,071</u>	<u>1,751,050</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 34,184,002</u>	<u>21,441,254</u>

Operation Blessing regularly monitors liquidity and maintains liquidity reserves required to meet its operational needs. In addition to financial assets available to meet general expenditures over the next year, it operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

(3) Contributions Receivable, Net

Operation Blessing has contributions receivable, net, of \$3,826,913 and \$2,758,834 as of March 31, 2022 and 2021, respectively. Contributions receivable expected to be received after one year are netted against a present value discount of 3.75% equal to \$8,038 and 2.65% equal to \$9,848 at March 31, 2022 and

**OPERATION BLESSING
INTERNATIONAL RELIEF AND DEVELOPMENT CORPORATION
AND AFFILIATED ORGANIZATIONS**

Notes to Consolidated Financial Statements

March 31, 2022 and 2021

2021, respectively. Contributions receivable at March 31, 2022 and 2021 are expected to be received as follows:

	<u>2022</u>	<u>2021</u>
Within one year	\$ 3,667,346	2,513,511
One to five years	141,284	215,381
Thereafter	<u>10,245</u>	<u>20,094</u>
	<u>\$ 3,818,875</u>	<u>2,748,986</u>

(4) Property and Equipment, Net

Property and equipment and accumulated depreciation and amortization consist of the following at March 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Distribution center equipment	\$ 565,972	532,024
Disaster relief land, facilities, vehicles, and equipment	6,269,945	5,802,793
Information technology and other equipment	1,219,615	1,083,969
Office equipment	282,838	272,020
Leasehold improvements	<u>393,033</u>	<u>393,033</u>
	8,731,403	8,083,839
Accumulated depreciation and amortization	<u>(6,946,049)</u>	<u>(6,444,216)</u>
	<u>\$ 1,785,354</u>	<u>1,639,623</u>

(5) Long-Term Debt

Long-term debt consists of the following at March 31, 2022:

Term note, collateralized by equipment, bears interest at a rate of 2.20% maturing August 2026	\$ 173,377
Term note, collateralized by equipment, bears interest at a rate of 2.17% maturing September 2026	<u>160,603</u>
	333,980
Less current maturities	<u>(72,143)</u>
	<u>\$ 261,837</u>

Total interest expense in fiscal year 2022 was \$4,842.

**OPERATION BLESSING
INTERNATIONAL RELIEF AND DEVELOPMENT CORPORATION
AND AFFILIATED ORGANIZATIONS**

Notes to Consolidated Financial Statements

March 31, 2022 and 2021

Aggregate annual maturities of long-term debt at March 31, 2022 are as follows:

Year ending March 31:	
2023	\$ 72,143
2024	73,735
2025	75,363
2026	77,027
2027	35,712
Thereafter	<u>—</u>
	<u>\$ 333,980</u>

(6) Lease Commitments

Future minimum commitments for all noncancelable operating leases are as follows:

Year ending March 31:	
2023	\$ 1,885,649
2024	1,542,287
2025	1,374,397
2026	1,226,176
2027	1,241,776
Thereafter	<u>966,864</u>
	<u>\$ 8,237,149</u>

Total rent of facilities and equipment amounted to \$2,093,706 and \$2,073,339 during the years ended March 31, 2022 and 2021, respectively.

(7) Related-Party Transactions

CBN made contributions totaling \$13,820,834 and \$12,304,327 during the years ended March 31, 2022 and 2021, respectively, primarily in support of Operation Blessing's program activities. Due from affiliate, net of \$309,202 and \$252,903 at March 31, 2022 and 2021, respectively represents contributions made by CBN prior to March 31, 2022 and 2021 and remitted subsequent to each respective year end.

(8) Net Assets with Donor Restrictions

Net assets with donor restrictions at March 31, 2022 and 2021 consist primarily of unexpended donor restricted funds, disaster relief property and equipment, net, and contributions receivable, net.

(9) Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of other events specified by donors. Total net assets released were \$12,749,553 and \$14,395,614 for the years ended March 31, 2022 and 2021, respectively.

**OPERATION BLESSING
INTERNATIONAL RELIEF AND DEVELOPMENT CORPORATION
AND AFFILIATED ORGANIZATIONS**

Notes to Consolidated Financial Statements

March 31, 2022 and 2021

(10) Schedule of Functional Expenses

The schedule of functional expenses for the year ended March 31, 2022 is as follows:

	<u>Program</u>	<u>Fundraising</u>	<u>General and administrative</u>	<u>Total</u>
Employment expenses	\$ 8,330,598	1,746,454	269,643	10,346,695
Gifts-in-kind	55,228,704	—	—	55,228,704
Contributions	5,096,794	—	—	5,096,794
Purchased product	3,160,318	—	—	3,160,318
Transportation costs	2,186,891	—	—	2,186,891
Professional fees	1,385,055	173,524	705,827	2,264,406
Rent and utilities	1,675,495	16,367	172,831	1,864,693
Travel	959,422	11,855	4,944	976,221
Taxes and insurance	1,208,215	6,091	219,265	1,433,571
Promotional expenses	219,254	759,180	—	978,434
Equipment and maintenance	1,021,045	11,127	7,322	1,039,494
Depreciation, amortization and other	988,786	62,954	74,327	1,126,067
	<u>\$ 81,460,577</u>	<u>2,787,552</u>	<u>1,454,159</u>	<u>85,702,288</u>

The schedule of functional expenses for the year ended March 31, 2021 is as follows:

	<u>Program</u>	<u>Fundraising</u>	<u>General and administrative</u>	<u>Total</u>
Employment expenses	\$ 7,468,703	1,518,257	238,286	9,225,246
Gifts-in-kind	60,374,612	—	—	60,374,612
Contributions	3,976,215	—	5,102	3,981,317
Purchased product	2,423,893	—	—	2,423,893
Transportation costs	1,804,485	—	—	1,804,485
Professional fees	1,148,357	226,088	773,002	2,147,447
Rent and utilities	1,739,663	16,311	173,313	1,929,287
Travel	628,310	10,657	—	638,967
Taxes and insurance	873,518	12,640	181,891	1,068,049
Promotional expenses	127,036	552,408	—	679,444
Equipment and maintenance	678,521	11,575	5,892	695,988
Depreciation, amortization and other	839,572	81,350	58,615	979,537
	<u>\$ 82,082,885</u>	<u>2,429,286</u>	<u>1,436,101</u>	<u>85,948,272</u>

**OPERATION BLESSING
INTERNATIONAL RELIEF AND DEVELOPMENT CORPORATION
AND AFFILIATED ORGANIZATIONS**

Notes to Consolidated Financial Statements

March 31, 2022 and 2021

(11) Retirement Plan

Operation Blessing participates in a 401(k) retirement plan administered by CBN. All regular employees are eligible, and contributions are fully vested. Operation Blessing made contributions totaling \$71,892 and \$82,442 for the years ended March 31, 2022 and 2021, respectively.

(12) Commitments and Contingencies

Operation Blessing is subject to various legal proceedings and claims, which arise in the ordinary course of its business. Management believes that the outcome of these matters will not have a material adverse effect on Operation Blessing's consolidated statements of financial position or consolidated statements of activities.