



Reliv Kalogris Foundation

Financial Statements

Years Ended December 31, 2021 and 2020

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Independent Auditor's Report

Board of Directors
Reliv Kalogris Foundation
Chesterfield, Missouri

Opinion

We have audited the accompanying financial statements of *Reliv Kalogris Foundation* (the Foundation) (a Non-Profit Organization), which comprise the statements of cash receipts and cash disbursements and statements of functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash receipts and cash disbursements of the Foundation for the years ended December 31, 2021 and 2020, in accordance with the cash basis of accounting described in Note 2.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States. 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 Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. These financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 generally accepted auditing standards 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Foundation'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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.

Wipfli LLP

June 29, 2022
St. Louis, Missouri

Reliv Kalogris Foundation

Statements of Cash Receipts and Cash Disbursements

Year Ended December 31

	<u>2021</u>	<u>2020</u>
Support and Revenue from Cash Receipts Without Donor Restrictions		
Contributions	\$ 555,039	\$ 545,595
Fundraising	18,226	12,567
Donation from Foundation Sponsor	2,818	8,910
Interest	<u>3,063</u>	<u>6,938</u>
Total Cash Receipts	579,146	574,010
Cash Disbursements		
Program Services	542,807	581,101
Support Services:		
General and Administrative	22,626	23,243
Fundraising	<u>287</u>	<u>386</u>
Total Cash Disbursements	<u>565,720</u>	<u>604,730</u>
Excess (Deficiency) of Cash Receipts over Disbursements	13,426	(30,720)
Cash Balance -- Beginning of Year	387,106	417,826
Cash Balance -- End of Year	<u>\$ 400,532</u>	<u>\$ 387,106</u>

Reliv Kalogris Foundation
Statements of Functional Expenses
For the Year Ended December 31, 2021

	Program Services		Support Services			Total
	<i>Nourish Our World</i>	Total Programs	Fund- raising	General and Administrative	Total Support Services	
<u>Cash Disbursements - Without Donor Restrictions</u>						
Products and Distribution	\$ 469,869	\$ 469,869	\$ -	\$ -	\$ -	\$ 469,869
Program Managers' Stipend	70,508	70,508	-	-	-	70,508
Travel	1,725	1,725	-	-	-	1,725
Accounting & Consulting Fees	-	-	-	16,045	16,045	16,045
Government Registration Fees	-	-	-	4,976	4,976	4,976
Supplies and Other	705	705	287	1,605	1,892	2,597
	\$ 542,807	\$ 542,807	\$ 287	\$ 22,626	\$ 22,913	\$ 565,720
	\$ 542,807	\$ 542,807	\$ 287	\$ 22,626	\$ 22,913	\$ 565,720

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

Reliv Kalogris Foundation
Statements of Functional Expenses
For the Year Ended December 31, 2020

	Program Services		Support Services			Total
	<i>Nourish Our World</i>	Total Programs	Fund- raising	General and Administrative	Total Support Services	
<u>Cash Disbursements - Without Donor Restrictions</u>						
Nutritional Products (including distribution)	\$ 492,687	\$ 492,687	\$ -	\$ -	\$ -	\$ 492,687
Program Managers' Stipend	79,261	79,261	-	-	-	79,261
Travel	8,785	8,785	-	-	-	8,785
Accounting & Consulting Fees	-	-	-	15,786	15,786	15,786
Government Registration Fees	-	-	-	5,329	5,329	5,329
Supplies and Other	368	368	386	2,128	2,514	2,882
	\$ 581,101	\$ 581,101	\$ 386	\$ 23,243	\$ 23,629	\$ 604,730
	\$ 581,101	\$ 581,101	\$ 386	\$ 23,243	\$ 23,629	\$ 604,730

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

Reliv Kalogris Foundation

Notes to Financial Statements

1. Nature and Purpose of the Organization

The Reliv Kalogris Foundation (the Foundation) (formerly Kalogris Foundation) is an Illinois not-for-profit corporation and registered in all states in which it conducts business. The Internal Revenue Service has issued a ruling that the Foundation is a Section 501(c)(3) charitable organization and qualifies as a public charity under Section 509(a)(1) of the Internal Revenue Code. As such, it is exempt from federal income taxation on related income.

It is the mission of the Foundation to provide needy individuals (the indigent and victims of natural disasters) with nutritional products. This mission is accomplished through gifts of nutritional products directly to needy individuals as well as food banks, homeless shelters, rehabilitation centers, and disaster relief groups in the United States and selected foreign countries. The Foundation's goal is to *Nourish our World* through the delivery of its nutritional products to the needy.

The Foundation is sponsored by Reliv International, Inc. (Reliv), a for-profit corporation which is headquartered in Chesterfield, Missouri. Reliv conducts its operations and sells its products through an international network marketing system using independent distributors. The Foundation's primary source of revenue is donations from Reliv's independent distributors. Fundraising revenue is from events held by Reliv independent distributors and from fundraising campaigns.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared on the cash basis of accounting. Under this methodology, revenue and expenses are recorded when cash is received or paid by the Foundation. This method differs from the accrual basis of accounting under U.S. generally accepted accounting principles in which revenue and expenses are recognized in the financial statements when earned or incurred. Also, under the cash basis of accounting, non-cash contributions are not recognized. Accordingly, the accompanying financial statements are not intended to present the financial position or results of operations in conformity with U.S. generally accepted accounting principles.

Reliv Kalogris Foundation Notes to Financial Statements

2. Summary of Significant Accounting Policies (continued)

Foreign Currency Translation

The Foundation's reporting currency for its financial statements is the United States dollar. The Foundation also receives donations and makes expenditures in foreign currencies. In these instances, transaction amounts are translated using the transaction's actual currency exchange rate or the month-end currency exchange rate incurred upon settlement of the transaction. The exchange transactions are completed by Reliv on behalf of the Foundation before the cash is transferred to the Foundation.

Functional Expenses

The costs of the Foundation's program and supporting services have been reported on a functional basis. This requires allocation of certain costs among the various programs and supporting services based on estimates made by management. Expenses which directly benefit programs, management and general, or fundraising are charged to the respective functional area based on actual costs. Other expenses are charged and allocated to program, management and general, and fundraising based on an appropriate allocation method that would include expenses in the following categories: program managers' stipend, which are allocated on estimates of time and effort. Management and general expenses include those expenses that are not directly identifiable with any other specific function or program but provide for the overall support and mission of the Foundation.

Program Services

Program services costs primarily consist of the Foundation's expenditures to purchase and distribute nutritional products to the needy in the United States and selected foreign countries. In certain impoverished foreign country locations, the Foundation has developed "nutrition programs" which serve as a central location for the needy to receive his or her daily serving of nutrition. In these instances, the Foundation may also pay a stipend to a local country-based independent contractor who coordinates the local nutrition program on its behalf.

Restricted Funds

Contributions received are recorded as increases in cash with donor restrictions or cash without donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restriction expires within the same reporting period in which the contribution is received. There were no net assets with donor restrictions as of December 31, 2021 or 2020. The Foundation has not received any donations with donor restrictions that were perpetual in nature.

Reliv Kalogris Foundation
Notes to Financial Statements

2. Summary of Significant Accounting Policies (continued)

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. Therefore, there are no provisions for income taxes reflected in these financial statements. Management does not believe there are any uncertain tax positions as of December 31, 2021, and 2020, including consideration of unrelated business income tax. There were no unrecognized tax benefits identified or recorded as liabilities for the years ended December 31, 2021, and 2020.

The Foundation's information returns, for the years ending 2021, 2020, and 2019 are subject to examination by the IRS, generally for three years after they were filed.

3. Liquidity and Availability

The following reflects the organization's financial assets, reduced by amounts not available for general use because of donor-imposed restrictions, if any.

	<u>2021</u>	<u>2020</u>
Financial assets, at December 31:	\$ 400,532	\$ 387,106
Less those unavailable for general expenditures within one year	<u>-</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>400,532</u>	\$ <u>387,106</u>

The Foundation primarily receives support without donor restrictions; such support has historically funded the programmatic needs, with the remainder funded by cash reserves, as needed. The Foundation also uses an immaterial amount of investment income without donor restrictions.

The Foundation considers contributions and investment income, both without donor restrictions, crucial to its ability to fund its annual operations and to meet its cash needs. General expenditures include administrative and general expenses, fundraising expenses and program commitments.

The Foundation manages its cash available to fund its operations by:

- Operating within a prudent range of financial soundness and stability, and
- Maintaining adequate liquid assets

Reliv Kalogris Foundation Notes to Financial Statements

3. Liquidity and Availability (continued)

The Foundation's board meets annually to review and approve budgeted amounts of cash flows for the following year. The Foundation strives to maintain financial assets at a level that represents 100% of annual disbursements for general and administrative and fundraising expenses plus an amount that represents the next expected payment for program disbursements.

4. Related Party Transactions

As stated in Note 1, the Foundation's primary source of revenue is donations received from Reliv's independent distributors. Donations received from Reliv and its employees as well as proceeds from fundraising events held by the Foundation and Reliv's independent distributors comprise the remainder of the Foundation's non-interest revenue.

The Foundation also receives support from Reliv consisting of the free use of Reliv's office facilities, office equipment, and overall general and administrative office support. Reliv also incurs the total compensation costs of the Foundation's two full-time employees in the United States as well as other Reliv employees who, from time to time, assist with the Foundation's operations.

In 2012, an individual who previously provided Haiti region program consulting services directly to the Foundation was hired as a part-time Reliv employee to continue this work. The Foundation reimburses Reliv for the compensation costs for this individual.

To provide its program services, the Foundation purchases nutritional products from Reliv. The purchases are valued at Reliv's cost to purchase and distribute the product. The Foundation determines the nature, timing, and distribution of all nutritional products purchased from Reliv and delivered to its recipients. For 2021 and 2020, payments to Reliv by the Foundation for products totaled \$465,880 and \$486,081, respectively.

5. Significant Financial Dependency

The Foundation primarily solicits donations from the general public through Reliv's independent distributors. As a result, the Foundation is fully dependent upon the continued existence of Reliv and Reliv's independent distributors for cash donations, donated human resources and services, and the Foundation's purchase of nutritional products at amounts less than fair market value.

Reliv Kalogris Foundation Notes to Financial Statements

6. Contingencies

COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result of the COVID-19 outbreak, economic uncertainties have arisen. The COVID-19 outbreak has resulted in the temporary reduction of program operations where government mandated. The extent and impact of COVID-19 on the Foundation's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the Foundation's donors and grantors, employees, and vendors, all of which are uncertain and cannot be predicted. At the current time, the potential effects of this pandemic on the Foundation's financial statements remain unknown.

Risk of Foreign Operations

The Foundations's operations in Haiti are subject to risks inherent in operating in the Caribbean that are not typically associated with operations in North America. Accordingly, the Foundation's activities may be influenced by the political, economic, and legal environments in this area. As a result, the Foundation's activities in this area are subject to a variety of risks, including:

- Social, political, and economic instability
- Inflation
- Tariffs and other trade barriers
- Difficulties in managing foreign operations
- Unexpected changes in regulatory requirements

Any of these developments, or others, could adversely affect the activities. Should such circumstances occur, the Foundation might need to alter activities in a particular area. The Foundation's ability to deal with these issues may be affected by applicable U.S. laws and, in particular, potential conflicts between the requirements of U.S. law and the need to protect its assets.

7. Subsequent Events

Management has evaluated subsequent events through the date of the auditor's report, the date the financial statements were available for issuance.