

**U.S. Blessed Hand Guangxi
Representative Office
2019 Annual
Audit Report**

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Copies of the business license of the accounting firm.

Entrusting unit: Blessed Hand, Guangxi Representative Office.

Audit unit: Guangxi Tianchen Certified Public Accountants Co., Ltd.

Contact Tel: 0771-5783233

Fax: 0771-5550840 GuiShi

Audit Report

Guangxi Representative Office:

We audited the financial statements of the Guangxi Representative Office, including the 2019 The balance sheet as of December 31, 2013, the statement of business activities and cash flows for 2019, and the notes to the financial statements.

I. Management's Responsibility for Financial Statements

It is the responsibility of the management of Guangxi Representative Office of the United States Blessing Hand to prepare financial statements in accordance with the "Fund Management Regulations" and the "Private Non-profit Organization Accounting System". Such responsibilities include: (1) preparing financial statements in accordance with the provisions of the "Accounting System for Civil Non-Profit Organizations" and achieving fair reflection; (2) designing, implementing and maintaining necessary internal controls so that the financial statements do not exist due to Material misstatement due to fraud or error.

Responsibilities of the Certified Public Accountants

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with the Chinese Certified Public Accountants Auditing Standards and the "Guidelines for Auditing the Fund's Financial Statements". The Chinese Certified Public Accountants Auditing Standards require us to abide by the Code of Professional Ethics for Chinese Certified Public Accountants and plan and perform audits to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In conducting the risk assessment, the CPA considers internal controls related to the preparation and fair presentation of financial statements to design appropriate audit procedures, but the purpose is not to express an opinion on the effectiveness of internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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.

Third, the basic situation

The United States Blessed Hand Guangxi Representative Office unified social credit code is G1450000MCW1705547. On September 28, 2017, the Public Security Department of Guangxi Zhuang Autonomous Region approved the registration

certificate of a representative organization of an overseas non-governmental organization. The chief representative: Liu Jiefeng, the address is Guangxi. No. 801, Block C, Jiayuan District, No. 88 Dongge Road, Qingxiu District, Nanning City, Zhuang Autonomous Region. The business unit is the Education Department of Guangxi Zhuang Autonomous Region.

4. Financial status

1. The hand of the United States Blessing Guangxi Representative Office has total assets of 180,733.68 yuan as of December 31, 2019, of which: 180,733.68 yuan of monetary funds.

2. The United States Blessed Hand Guangxi Representative Office has a total debt of 0.00 yuan as of December 31, 2019.

3. The United States Blessed Hand Guangxi Representative Office had a total net assets of 180,733.68 yuan as of December 31, 2019, of which: a limited net asset of 0.00 yuan and an unrestricted net asset of 180,733.68 yuan.

4. American Blessing Hand Guangxi Representative Office's 2019 annual income is 81,702.62 yuan, of which: donation income is 80,590.00 yuan, and other income is 1,112.62 yuan.

The United States Blessing Hand Guangxi Representative Office spent 467,633.08 yuan in 2019, of which: the cost of business activities was 377,101.00 yuan, the management cost was 90,532.08 yuan, the financing cost was 0.00 yuan, and other costs were 0.00 yuan.

5. Blessed Hands of the United States Guangxi Representative Office's 2019 public welfare expenditure of 377,101.00 yuan (including: 377,101.00 yuan of public welfare expenditure in the region, 0.00 yuan of public welfare expenditure outside the region), net assets of 566,664.14 yuan at the end of last year, public welfare expenditure accounted for the previous year The balance of the fund is 66.55%; the salary and benefits of staff members are 85,805.50 yuan, and the administrative office expenditure is 4,726.58 yuan. The proportion of staff salary and welfare and administrative office expenditure in this year's expenditure was 19.36%.

V. Audit opinion

We believe that the financial statements of the US Blessing Hand Guangxi Representative Office have been prepared in accordance with the requirements of the "Accounting System for Civil Non-Profit Organizations" and fairly reflect the US Blessing Hand Guangxi Representative Office in all material respects. December 31, 2019 Financial status and results of business activities and cash flows for 2019.

Guangxi Tianchen Certified Public Accountants Co., Ltd. Chinese Certified Public Accountant:

Guangxi, China Chinese Certified Public Accountant:

January 18 2020

2020 US Blessed Hand Guangxi Representative Office Notes to Financial Statements

I. Basic information The

United States Blessing Hand Guangxi Representative Office (hereinafter referred to as the Guangxi Representative Office) was approved and registered by the Public Security Department of Guangxi Zhuang Autonomous Region on September 28, 2017. Unified social credit code: G1450000MCW1705547. Chief Representative: Liu Jiefeng.

Business unit: Education Department of Guangxi Zhuang Autonomous Region.

Scope of business: Supporting poor students and families; funding tuition for high school and college students, study and daily necessities for primary and junior high school students, special medical care for poor families; improving school running conditions; funding for school teaching and extracurricular activities supplies, water purification equipment, Books, computers, etc.

2. The basis for the preparation of the financial statements

After the management of the Guangxi Representative Office of the Foundation evaluated the foundation's ability to continue operations, it believed that there were no events or conditions that could cause major doubts about the continued operations of the foundation. The financial statements of the foundation are based on continuous operations. Prepared on a hypothetical basis.

3. Statement that the financial statements conform to the "Accounting System for Civil Nonprofit Organizations"

The preparation of the financial statements of the Guangxi Representative Office of the Foundation complies with the requirements of the "Accounting System for Civil Nonprofit Organizations", which truly and completely reflects the Guangxi Representative Office of the Foundation Financial situation, business activities and cash flow.

4. Major Accounting Policies

1、 Accounting System

The Guangxi Representative Office of the Foundation implements the "Accounting System for Civil Non-profit Organizations" and its supplementary regulations issued by the Ministry of Finance of the People's Republic of China.

2、 Accounting period

The Guangxi Representative Office of the Foundation shall start from January 1st and December 31st as an accounting year.

3、 Standard currency

For bookkeeping the Guangxi Representative Office of the Fund uses RMB as the standard currency for bookkeeping.

4、 Accounting basis and pricing principle

The Guangxi Representative Office's accounting is based on accrual basis, and assets are based on historical cost.

5、 Accounting methods

For foreign currency business The foreign currency business involved in the Guangxi Representative Office of the Foundation during the fiscal year is converted into RMB based on the market exchange rate (middle price) on the day when the business actually occurred (1st of the current month). The market exchange rate at the end of the month (year) is adjusted, and the resulting exchange gains and losses are included in the current financial expenses or capitalized according to the purpose and nature.

6、 Short-term investment accounting methods

Short-term investment refers to investments held by the Guangxi Representative Office of the Foundation that can be realised at any time and are not prepared for holding for more than one year (including one year), including stock and bond investments.

Short-term investments are measured at investment cost when acquired.

When disposing of a short-term investment, the difference between the actual payment and the book value of the short-term investment should be recognized as the current investment profit and loss.

7、 Long-term investment accounting method

(1) Long-term equity investment long-term equity investment of

The Guangxi Representative Office of the Foundation is valued at the initial investment cost when obtained. Where there is no control, joint control and significant influence on the invested entity, the cost method shall be adopted for accounting; if there is control, joint control and significant influence on the invested entity, the equity method shall be adopted for accounting.

(2) Long-term debt investment long-term debt investment of

The Guangxi Representative Office of the Foundation shall be the initial investment cost based on the actual cost at the time of acquisition. Long-term debt investments are accrued based on the straight-line method, with interest and amortization of bond discount premiums.

(3) Long-term investment impairment provision

The Guangxi Representative Office of the Foundation conducts a long-term investment item-by-item inspection at the end of the period, and accrues long-term investment impairment provision based on the difference between the recoverable amount of a single investment and the book value.

8、 Valuation of fixed assets and their depreciation methods

Fixed assets refer to assets held for administrative management, service provision, production of goods, or rental purposes, with an estimated useful life of more than one year, and higher unit value.

(1) Fixed assets are valued at the actual cost at the time of acquisition.

(2) Depreciation is provided for fixed assets using the straight-line method (average method) specified in the tax law.

(3) Fixed assets that do not accrue depreciation are

used for exhibition, education, or research purposes, such as historical relics, works of art, and other cultural or historical value and long-term or permanent preservation collections, etc., and are accounted for as fixed assets.

(4) Accounting method

for construction in progress Construction in progress shall determine its construction cost in accordance with the actual expenditures incurred, including pre-construction preparations, construction projects under construction, installation projects, and technical transformation projects.

9、 Intangible assets valuation and amortization methods

The Guangxi Representative Office of the Foundation shall account for the intangible assets purchased or acquired in accordance with legal procedures at the actual cost at the time of acquisition.

10、 Entrusted Agency Assets

The entrusted agency assets refer to the assets received by the Guangxi Representative Office of the Foundation to accept the entrusting party to engage in entrusted agency business.

11、 The principle of recognition of estimated liabilities

If the obligations related to contingencies meet the following conditions at the same time, the foundation will recognize them as liabilities, measure it with the best estimate of the expenditure required to settle the liability, and list the items separately in the balance

sheet To reflect:

- (1) This obligation is the current obligation of the foundation.
- (2) The performance of this obligation is likely to lead to outflow of economic benefits.
- (3) The amount of this obligation can be measured reliably.

12、 **Restricted net assets, non-restricted net assets recognition principles**

Assets or the economic benefits (such as investment interests and interest) generated by assets are subject to the time limit set by the asset provider or relevant national laws and administrative regulations or (And) limited use, the resulting net assets are restricted net assets; other net assets other than those are non-restricted net assets.

13、 **Revenue recognition principle**

Revenue refers to the inflow of economic benefits or service potential obtained by private non-profit organizations in carrying out business activities and resulting in an increase in net assets in the current period. Income should be divided into donation income, government subsidy income, service provision income, investment income, commodity sales income and other income according to its source.

The Guangxi Representative Office of the Foundation recognizes the realization of income in accordance with the following provisions, and records the realized income according to the current profit and loss.

When the Guangxi Representative Office of the Foundation recognizes revenue, it shall distinguish between revenue generated from exchange transactions and revenue generated from non-exchange transactions.

Selling goods, the main risks and rewards of the ownership of the goods have been transferred to the purchaser; neither the management rights normally associated with ownership nor the control of the goods sold have been retained; the economic benefits related to the transaction can flow in ; Revenue is recognized when related revenue and costs can be measured reliably.

Provide labor services. Labor services that are started and completed within the same accounting year should be recognized for revenue when the labor services are completed. If the labor services are started and completed in different accounting years, revenue can be recognized according to the amount of work completed.

By transferring the right to use the asset, the economic benefits related to the transaction can flow in; the amount of income can be reliably measured.

For unconditional donations or government grants, revenue is recognized when received; conditional donations or government grants are recognized when control of donated assets or government subsidized assets is obtained; but when the foundation needs to repay all or part of the donated assets or the corresponding amount In the case of current obligations, a liability and expense should be recognized based on the amount to be repaid.

Non-monetary assets that accept donations should be calculated at their fair value. When donating to the foundation, the donor shall provide a certificate stating the fair value of the donated non-monetary assets. If the above-mentioned certificate cannot be provided, it shall not issue a charitable donation note or a receipt for the "General Payment of Non-Tax Income". Recognized as donation income.

V. Notes to Main Items of the Financial Statements

1. Monetary Funds

Cash	RMB	0.00
Bank Deposits	RMB	180,733.68
Guangxi Representative Office's corporate account		180,733.68

2. The net assets

<u>project</u>	<u>book balance at the beginning of the year</u>	<u>increased</u>	<u>This year decreased</u>	<u>Year and the book balance at the end of the</u>
1. Limited net assets				
2, non-limiting net assets	566,664.14		385,930.46	180,733.68
total	566,664.14		385,930.46	180,733.68

3, large donations income

<u>donor</u>	<u>Current year</u>		<u>occurred last year the amount of</u>			<u>use</u>
	<u>limiting</u>	<u>of non-limiting</u>	<u>Subtotal</u>	<u>limiting</u>	<u>non-limiting</u>	
foreign donations					1,114,047.24	1,114,047.24
Domestic contributions						
Which: Song Lihua		28,100.00	28,100.00			
BARCLAY		15,000.00	15,000.00			
CHRIS Lin Xuguang		7,650.00	7,650.00			
Wang Yu		5,400.00	5,400.00			
total		56,150.00	56,150.00		1,114,047.24	1,114,047.24

4, The operational activities of cost

<u>the project</u>	<u>in current year amount</u>	<u>In last year amount</u>
Donated the cost of the which project:	377,101.00	791,024.10
the area donate expenditure	377,101.00	607,324.10
Outside expenditure area to donate		183,700.00
total	377,101.00	

5791,024.10,management fees

<u>project</u>	<u>Current year</u>	<u>Amount last year</u>
1. Administrative staff costs	85,805.50	58,992.54
2. Administrative affairs consuming goods and services spending		
3. Asset depreciation (amortization) and operation and maintenance expenses of the administrative management office	3,532.00	
Including: real estate depletion and use fees		
Transportation expenses	3,532.00	
Amortization of intangible assets		
Others		

4. Impairment and loss on disposal of assets		
5. Credited to the administrative expenses of taxes		
Which: property tax		
travel tax		
land use tax		
6. Other	1,194.58	1,288.80
Total	90,532.08	60,281.34

Description remuneration of the number of Board members and employees, as well as changes in salary

1. List The names of the members of the council, the work unit, the number of directors receiving compensation in the Guangxi Representative Office, and the amount compensation.

Of board members: Betty Cutts (Chairman), Eric Zhang (Vice-Chairman), Mai XiaoMin (Financial Accounting), Jessica Mansfield (Secretary), Jill Hill (Member of the Board), Liu Jiefeng (Member of the Board and Chief Representative in China), Doris Wells (Member of the Board). These board members are retirees or freelancers, and none of the board members receive remuneration for their work.

2. List the total number of employees in the Guangxi Representative Office (excluding the number of workers paying service fees), the number of employees in each department, the total wages, and the per capita wage (excluding the paid labor services).

One full-time staff member was formally employed to deal with matters related to the Guangxi Representative Office. The salary of full-time staff is 5,000 yuan per month. The Guangxi Representative Office has two other volunteer workers who pay by the hour, one who helps the computer to enter and update the information of the aided students. The hourly salary is 12 yuan, and one is responsible for bank transfers and distribution of scholarships and grants. Volunteers who collect student materials, translation, etc. are paid 1,000 yuan per month. These two volunteers are not permanent hired staff, but are paid by the hour. Other school teachers who are responsible for issuing grants and giving feedback to students for the blessing are volunteers and do not receive salary.

7. Matters that need to be specified when calculating the proportion of public welfare expenditures, staff salaries and benefits, and administrative office expenditure proportions Matters that need to be explained.

When calculating the proportion of public welfare expenditures: None are required.

When calculating staff wages and benefits and administrative office expenditure proportions matters explained: None.

8. Major public welfare projects.

Major public welfare projects. Large-payment targets.

Project names.	Large-payment targets.	Proportion payments to the Scale total	scale of total annual public welfare expenditure	Purpose
Qinzhou project of Guangxi Zhuang Autonomous Region	110 poor high school students from 8 schools	100,890.00 yuan	26.75%	Grants
Students funded projects in Guangxi Province	Guangxi province, 20 poor students	92,253.00 yuan	24.46%	Grants
special education schools funded projects	23 poor students and a poor student in need of medical assistance (to replace the artificial cochlea)	48,470.00 yuan	12.85%	Education funding
total		241,613.00 yuan	64.06%	

IX. Description of related party relationships and transactions

The Guangxi Representative office has no related party relationship.

X. Explanation of the relevant assets time or use restrictions set by the asset provider

The Guangxi Representative Office has no relevant assets with time or use restrictions set by the asset provider.

XI. Description of the entrusted agency business

The Guangxi representative office has no entrusted agency business.

XII. Explanation of material assets impairment

There is no material asset impairment of the Guangxi Representative Office.

XIII. Explanation of beneficiary assets and other assets whose beneficiary assets and other assets whose fair value cannot be reliably obtained

The Guangxi Representative Office has no fair value that cannot be reliably obtained.

14. Explanation of Acceptance of Labor Donations

The Guangxi Representative Office did not accept labor donations.

XV. Explanation of external commitments and contingencies

The Guangxi Representative Office has no external commitments or contingencies.

16. Explanation of non-adjustment events after the balance sheet date

The Guangxi Representative Office has no non-adjustment events after the balance sheet date.

17. Other matters that need to be explained

The above-mentioned 2019 financial statements and relevant notes to the financial statements were prepared by us in accordance with the "Accounting System for Civil Non-profit Organizations".

Name: American Blessed Hand Guangxi Representative Office (Seal)

Chief Representative: (Signature)

Person in charge of finance:
(Signature)

Date: 20th day

Date: 20th day