OUTREACH INTERNATIONAL
Independence, Missouri

FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2014 AND 2013

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Outreach International
Independence, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Outreach International (the Organization), which comprise the statements of financial position as of September 30, 2014 and 2013, and the related statements of activities and changes in net assets, 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 Organization'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 Organization'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.

Board of Directors
Outreach International

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Outreach International as of September 30, 2014 and 2013, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

St. Joseph, Missouri
March 26, 2015

OUTREACH INTERNATIONAL
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2014 AND 2013

	2014	2013
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 131,942	$ 55,839
Prepaid Expenses and Other Assets	12,357	11,155
Total Current Assets	144,299	66,994
INVESTMENTS		
Investments	482,302	416,771
Mineral Rights	38,483	38,483
Total Investments	520,785	455,254
EQUIPMENT		
Equipment	86,738	111,738
Accumulated Depreciation	(83,667)	(92,960)
Total Equipment	3,071	18,778
INTANGIBLE ASSETS		
Branding	155,365	155,365
Video	211,551	211,551
Accumulated Amortization	(273,409)	(226,655)
Total Intangible Assets	93,507	140,261
OTHER ASSETS		
Bequests - Wills and Trusts - Net	1,389,996	1,389,996
Total other assets	1,389,996	1,389,996
TOTAL ASSETS	$ 2,151,658	$ 2,071,283

	2014	2013
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	$ 66,151	$ 20,474
Accrued Expenses and Other Liabilities	77,845	50,021
Short-Term Line-of-Credit	-	50,000
Total Current Liabilities	143,996	120,495
LONG-TERM LIABILITIES		
Deferred Compensation	29,270	21,353
Termination Benefits	8,961	9,365
Total Long-Term Liabilities	38,231	30,718
Total Liabilities	182,227	151,213
NET ASSETS		
Unrestricted:		
General Operating	727,503	1,012,732
Board Designated	378,017	267,598
Total Unrestricted	1,105,520	1,280,330
Temporarily Restricted	557,108	334,387
Permanently Restricted	306,803	305,353
Total Net Assets	1,969,431	1,920,070
TOTAL LIABILITIES AND NET ASSETS	$ 2,151,658	$ 2,071,283

See accompanying Notes to Financial Statements.

OUTREACH INTERNATIONAL
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	2014				2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS, LOSSES, AND OTHER SUPPORT								
Contributions	$ 2,490,027	$ 248,544	$ 1,450	$ 2,740,021	$ 2,403,673	$ 80,596	$ 2,050	$ 2,486,319
Grants	-	258,796	-	258,796	-	245,000	-	245,000
Gifts-in-Kind	496,016	-	-	496,016	250,893	-	-	250,893
Other Revenue:								
Investment Income	11,373	40,434	-	51,807	6,384	18,512	-	24,896
Unrealized Losses on Mineral Rights	-	-	-	-	(14,427)	-	-	(14,427)
Other Income	38,200	-	-	38,200	57,290	-	-	57,290
Net Assets Released from Restrictions:								
Program Use Restrictions Satisfied	175,142	(175,142)	-	-	312,529	(312,529)	-	-
Change in donor restriction	149,911	(149,911)	-	-	-	-	-	-
Total Revenues, Gains, Losses, and Other Support	3,360,669	222,721	1,450	3,584,840	3,016,342	31,579	2,050	3,049,971
EXPENSES								
Program Services:								
Community Development Initiatives	1,663,783	-	-	1,663,783	1,438,514	-	-	1,438,514
Advocacy and Development Education	710,154	-	-	710,154	659,187	-	-	659,187
Total Program Services	2,373,937	-	-	2,373,937	2,097,701	-	-	2,097,701
Supporting Services:								
Fundraising	944,541	-	-	944,541	457,437	-	-	457,437
Administration	217,001	-	-	217,001	219,022	-	-	219,022
Total Supporting Services	1,161,542	-	-	1,161,542	676,459	-	-	676,459
Total Expenses	3,535,479	-	-	3,535,479	2,774,160	-	-	2,774,160
CHANGES IN NET ASSETS	(174,810)	222,721	1,450	49,361	242,182	31,579	2,050	275,811
NET ASSETS, BEGINNING OF YEAR	1,280,330	334,387	305,353	1,920,070	1,038,148	302,808	303,303	1,644,259
NET ASSETS, END OF YEAR	$ 1,105,520	$ 557,108	$ 306,803	$ 1,969,431	$ 1,280,330	$ 334,387	$ 305,353	$ 1,920,070

See accompanying Notes to Financial Statements.

OUTREACH INTERNATIONAL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2014

	Program Services			Supporting Services		
	Community Development Initiatives	Advocacy and Development Education	Total Program Services	Fundraising	Administration	Total Functional Expenses
Salaries and Wages	$ 245,784	$ 253,323	$ 499,107	$ 196,448	$ 80,883	$ 776,438
Payroll Taxes	4,700	7,301	12,001	5,223	4,111	21,335
Benefits	53,677	78,517	132,194	63,368	22,899	218,461
Other Personnel	1,862	2,648	4,510	1,624	3,757	9,891
Professional Fees	6,509	7,871	14,380	5,794	19,156	39,330
Advertising and Promotion	9	34,050	34,059	462,008	9	496,076
Office Supplies and Printing	21,941	123,018	144,959	108,693	18,621	272,273
Information Technology	22,564	36,938	59,502	26,475	16,620	102,597
Occupancy	14,626	21,061	35,687	11,700	11,115	58,502
Travel	3,119	16,949	20,068	15,275	4,177	39,520
Conferences, Conventions and Meetings	732	2,729	3,461	1,575	1,411	6,447
Interest	407	586	993	326	982	2,301
Depreciation and Amortization	12,052	20,457	32,509	29,028	924	62,461
Insurance	636	915	1,551	508	485	2,544
Resource Development	3,263	18,698	21,961	13,646	1,326	36,933
Equipment and Maintenance	1,109	1,864	2,973	1,002	1,123	5,098
Field Support	254,973	-	254,973	-	-	254,973
Field Operations	627,612	-	627,612	-	-	627,612
Community Development Projects	386,523	-	386,523	-	-	386,523
Site Visits and Mission Trips	-	45,148	45,148	500	-	45,648
Calendar	-	32,006	32,006	-	-	32,006
Event Coordinator	-	3,648	3,648	-	-	3,648
Credit Card Fees	1,685	2,427	4,112	1,348	22,320	27,780
Cost of Goods Sold	-	-	-	-	7,082	7,082
TOTAL EXPENSES	$ 1,663,783	$ 710,154	$ 2,373,937	$ 944,541	$ 217,001	$ 3,535,479

See accompanying Notes to Financial Statements.

OUTREACH INTERNATIONAL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2013

	Program Services			Supporting Services		
	Community Development Initiatives	Advocacy and Development Education	Total Program Services	Fundraising	Administration	Total Functional Expenses
Salaries and Wages	$ 227,061	$ 226,200	$ 453,261	$ 125,528	$ 119,614	$ 698,403
Payroll Taxes	8,480	8,414	16,894	4,674	4,441	26,009
Benefits	52,886	56,060	108,946	31,144	29,587	169,677
Professional Fees	6,128	6,233	12,361	5,813	12,466	30,640
Advertising and Promotion	30	30,525	30,555	123,758	30	154,343
Office Supplies and Printing	17,093	195,921	213,014	100,282	13,691	326,987
Information Technology	10,413	26,281	36,694	28,622	7,617	72,933
Occupancy	13,991	20,147	34,138	11,193	10,633	55,964
Travel	4,000	15,452	19,452	15,462	9,390	44,304
Conferences, Conventions and Meetings	-	-	-	-	524	524
Interest	1,263	1,568	2,831	331	858	4,020
Depreciation and Amortization	10,838	9,625	20,463	5,347	5,081	30,891
Insurance	1,512	265	1,777	147	1,214	3,138
Resource Development	-	19,999	19,999	2,762	1,621	24,382
Equipment and Maintenance	108	155	263	86	82	431
Field Support	231,258	-	231,258	-	-	231,258
Field Operations	635,899	-	635,899	-	-	635,899
Community Development Projects	214,694	-	214,694	-	-	214,694
Site Visits and Mission Trips	-	38,224	38,224	-	-	38,224
Credit Card Fees	2,860	4,118	6,978	2,288	2,173	11,439
TOTAL EXPENSES	$ 1,438,514	$ 659,187	$ 2,097,701	$ 457,437	$ 219,022	$ 2,774,160

See accompanying Notes to Financial Statements.

OUTREACH INTERNATIONAL
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	$ 49,361	$ 275,811
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	15,707	12,556
Amortization	46,754	18,335
Unrealized Loss on Mineral Rights	-	14,427
Intangible Assets Acquired through Gift-in-Kind	-	(140,260)
Effects of Changes in Operating Assets and Liabilities:		
Receivables and Advances, Net	-	2,500
Prepaid Expenses and Other Assets	(1,202)	(6,902)
Accounts Payable	45,677	(41,860)
Accrued Expenses, Termination Benefits, Deferred Compensation and Other Liabilities	35,337	(5,469)
Net Cash Provided by Operating Activities	191,634	129,138
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(79,447)	(29,335)
Proceeds from Sale of Investments	13,916	16,590
Net Cash Used in Investing Activities	(65,531)	(12,745)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Line-of-Credit	50,000	-
Payments on Line-of-Credit	(100,000)	(125,000)
Payments on Capital Lease Obligation	-	(5,527)
Net Cash Used in Financing Activities	(50,000)	(130,527)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	76,103	(14,134)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	55,839	69,973
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 131,942	$ 55,839
SUPPLEMENTAL DATA - INTEREST PAID	$ 2,301	$ 8,188

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Outreach International (the Organization) is a not-for-profit organization incorporated in the State of Missouri in 1979. Outreach International operates out of offices in Missouri and Texas, and has a foreign presence in many countries in the following areas of the world: Asia, Africa, the Caribbean, Haiti, and Central, South and North America. Since 1979, Outreach International has been working with the world's poor to help them build a better life. The mission of the Organization is to create sustainable good and is twofold:

- to help people overcome the devastating effects of poverty and develop the capacity to create a new future for themselves and their communities;
- to provide responsible ways for people with charitable hearts to help the poor to a better life.

The primary programs and activities of Outreach International include:

Community Development Initiatives

Community development initiatives benefit thousands of children, men and women in poor communities. These initiatives fall into four broad areas: *Thriving Children; Building Community; Empowering Families; Nurturing the Environment*. Programs in these areas cover a multitude of issues, and include child survival, literacy, basic education, sanitation, microenterprise, housing, community governance, nutrition, sustainable agriculture and environmental concerns.

Every program is designed to build the capacity of the people involved. The Organization's experience has taught it that the best way to bring sustainable change among the poor is to build their ability to help themselves. The Organization does this through a process called Participatory Human Development. This grass roots development approach enables communities to act on issues of shared concern and to build accountability and transparency through the involvement of the marginalized poor.

Advocacy and Development Education

As part of the Organization's mission, it works to engage the public in issues of poverty awareness, eradication, and understanding the inter-relatedness of the global community.

The Organization is accountable to the communities it serves and to its donors. The Organization seeks to encourage lateral relationships, where families in poor communities become teachers, and donors and supporters become learners of the poor. Communication programs with donors enable an exchange of information to support these objectives. The Organization knows from experience that donors who participate in communication programs with communities they serve develop a deeper understanding of the interconnectedness and mutual responsibilities of the global community.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nature of Operations (Continued)

Advocacy and Development Education (Continued)

The Organization has pioneered an effective and sustainable approach to building lateral relationships. Reports, updates, stories and other communications are shared through a variety of personalized and public sources, and through various media.

The Organization engages youth and young adults in education and advocacy programs around issues affecting children and communities in the developing world. The Organization seeks to stimulate and enhance the public's understanding of the global conditions and mutual responsibility of all. Web-based initiatives, blogs, youth advocacy programs, educational resources, and young adult events and clubs at universities and in churches are part of this initiative.

Through publications, web sites, multi-media, conference presentations, public addresses and classes, the Organization will continue to reach out to various publics. The Organization's experience shows that as people deepen their understanding of the global conditions and how they can act to help the poor, they will act. The Organization's task is both to bring the conditions to light, and to offer a way for people to act with purpose and for sustainable results.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenses, gains, losses, and other changes in net assets during the reporting period. Significant estimates incorporated into the Organization's financial statements include the fair market value of the Organization's interest in certain mineral rights, the timing and discounts for wills and trusts, useful lives of depreciable and amortizable assets, the fair value of certain gifts in kind, and the allocations incorporated into the functional allocations. Actual results could differ from those estimates.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Financial statement presentation follows the recommendations of Financial Accounting Standards ASC 958, *Financial Statements of Not-for-profit Organizations.* Under ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: Unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted

Unrestricted net assets include all net assets which are neither temporarily nor permanently restricted. This category includes board designated net assets, if any.

Temporarily Restricted

Temporarily restricted net assets include contributed net assets for which donor imposed time and purpose restrictions have not been met and the ultimate purpose of the contribution is not permanently restricted.

Permanently Restricted

Permanently restricted net assets include contributed net assets which require, by donor restriction, that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

Contributions

Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period received or promised. Conditional contributions are recorded when the donor’s conditions are met.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor or by law. Amounts received that are designated for future periods, or restricted by the donor for specific purposes, are reported as temporarily restricted or permanently restricted support and increase those net asset classes. When a donor-restriction expires, that is, when a stipulated time restriction ends or purposes restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Cash and Cash Equivalents

Cash and cash equivalents consist of readily liquid accounts that are available for current operations.

Investments

Investments consist of long-term investments in investment accounts which hold pools of securities, capital shares and a flexible premium variable annuity and are carried at fair market value.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status

The Organization is tax-exempt under Section 501(c)(3) of the Internal Revenue code and has been determined not to be a private foundation. Therefore, no income or excise taxes have been provided for in the financial statements.

The Organization's federal tax returns for the fiscal years ended September 30, 2011, 2012 and 2013 are subject to examination by the IRS taxing authority, generally for three years after they are filed.

Equipment and Intangible Assets

Purchased equipment is valued at historical cost. The Organization follows a policy that only items costing greater than $1,000 are capitalized. Contributed items are valued at their estimated fair market value at the date of gift. Depreciation is calculated by the straight-line method over the estimated useful lives of the equipment, which are generally three to five years.

Intangible assets consist of branding and advertising materials that have an extended useful life. These items are carried at their historical cost. Intangible assets are amortized over their estimated useful life of three to ten years.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate 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 undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

Gifts-in-Kind

The Organization records in-kind support for contributed services if these services (a) create or enhance long-lived assets or (b) require specialized skills, are provided by an individual possessing those skills, and would typically need to be purchased if not provided by donation. Such support could be used in the program activities of Outreach International as well as in fundraising and administrative activities. The value of services meeting these requirements, to the extent measurable, is reflected in the accompanying financial statements. Outreach International receives a substantial amount of support from non-professional volunteers that do not meet the criteria listed above. Non-professional volunteers donate services for fundraising, education and administration that are not valued or recorded in the financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing the Organization's various programs and activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited according to formulas developed by management to appropriately reflect actual costs and efforts expended on each program or supporting service.

NOTE 2 FAIR VALUE OF FINANCIAL INSTRUMENTS

In determining fair value, the Organization uses various valuation approaches within the ASC 820 fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs, by requiring that the most observable inputs be used when available. ASC 820 defines levels within the hierarchy based on the reliability of inputs as follows:

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

Level 2—Valuations based on quoted prices for similar assets or liabilities, or identical assets or liabilities in less active markets, such as dealer or broker markets; and

Level 3—Valuations derived from valuation techniques in which one or more significant inputs, or significant value drivers, are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

Following is a description of the valuation methodologies used for instruments measured at fair value and their classifications in the valuation hierarchy.

Investments and Cash Fund

Securities listed on a national market or exchange are valued at the last sales price, or if there is no sale and the market is still considered active, at the last transaction price before year-end. Such securities are classified within levels 1, 2 and 3 of the valuation hierarchy, as appropriate.

Separate investment account which holds a pool of securities (Pool A and Pool B): Value calculated based on the net assets of the underlying portfolio of securities.

NOTE 2 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Okiocredit capital shares: Value calculated based on the underlying portfolio of non-exchangeable registered depository receipts for shares in the capital of Okiocredit.

Flexible premium variable annuity: Value is calculated based on the observable net asset value of the underlying investments.

Mineral Rights

The fair value measurements for mineral rights are calculated using an industry standard formula based upon the average of the past three year's royalty income times a factor of 10. The factor was obtained from an applicable regional oil and mineral association. The fair value of the mineral rights is classified as level 3 within the valuation hierarchy.

Fair values of other assets and liabilities measured on a recurring basis, as of September 30, 2014 and 2013, are as follows:

	September 30, 2014		
	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Unobservable Inputs (Level 3)
Pool A - Balanced - at Fair Market Value	$ 408,079	$ -	$ 408,079
Pool B - Cash Equivalents - at Fair Market Value	11,665	-	11,665
Flexible Premium Variable Annuity:	28,302	28,302	-
Okiocredit Capital Shares - Netherlands - at Fair Market Value	34,256	-	34,256
Mineral Rights	38,483	-	38,483
Total Investments	$ 520,785	$ 28,302	$ 492,483

	September 30, 2013		
	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Unobservable Inputs (Level 3)
Pool A - Balanced - at Fair Market Value	$ 376,081		$ 376,081
Flexible Premium Variable Annuity	7,099	7,099	
Okiocredit Capital Shares - Netherlands - at Fair Market Value	33,591	-	33,591
Mineral Rights	38,483	-	38,483
Total Investments	$ 455,254	$ 7,099	$ 448,155

NOTE 2 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Investment pools have commitment and redemption provisions at September 30, 2014 and 2013 as follows:

	2014 Fair Value	2013 Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Pool A - Balanced	$ 408,079	$ 376,081	$ -	No restrictions	None
Pool B - Cash Equivalents	11,665	-	-	No restrictions	None
	$ 419,744	$ 376,081	$ -		

The following is a reconciliation of the beginning and ending balance of assets and liabilities, measured at fair value on a recurring basis using significant unobservable (Level 3) inputs during the year ended September 30, 2014 and 2013.

	Investments and Cash Fund	Mineral Rights	Total
Balance, September 30, 2012	$ 409,204	$ 52,910	$ 462,114
Deposits	2,050	-	2,050
Withdrawals	(11,835)	-	(11,835)
Changes in Fair Market Value	21,806	(14,427)	7,379
Balance, September 30, 2013	421,225	38,483	459,708
Withdrawals	(13,916)	-	(13,916)
Changes in Fair Market Value	46,691	-	46,691
Balance, September 30, 2014	$ 454,000	$ 38,483	$ 492,483

NOTE 3 CASH AND INVESTMENTS

Cash and investments at September 30 are as follows:

	2014	2013
Cash in bank - at cost	$ 131,942	$ 55,839
Pool A - Balanced	408,079	376,081
Pool B - Cash Fund	11,665	-
Flexible Premium Variable Annuity	28,302	7,099
Okiocredit Capital Shares - Netherlands	34,256	33,591
Total Investments at Fair Market Value	482,302	416,771
	$ 614,244	$ 472,610

The Okiocredit capital shares are maintained in U.S. dollars and are not subject to translation risks.

The following schedule summarizes the investment return for the years ended September 30, 2014 and 2013:

	2014	2013
Royalties on Mineral Rights	$ 5,104	$ 3,127
Unrealized Losses on Mineral Rights	-	(14,427)
Net Gains on Investments	46,703	21,769
Net Investment Gains (Losses)	$ 51,807	$ 10,469

NOTE 4 LINE-OF-CREDIT

The Organization has a $300,000 revolving line-of-credit available from Bank of America. The line matures on February 28, 2015 and bears interest at prime rate plus 3% (6.25% at September 30, 2014). Interest is payable monthly on any unpaid balances. The balance was $-0- and $50,000 at September 30, 2014 and 2013, respectively. The line is collateralized by all personal property and accounts receivable held by the Organization.

NOTE 5 BEQUESTS RECEIVABLE - WILLS AND TRUSTS

The Organization has been notified that it is the designated beneficiary of a number of wills and trusts. In most cases, the beneficiary designation is revocable by the donor, and accordingly the gifts are not recognized within the Organization's financial statements due to their conditional nature. The gifts are recognized, and an asset is recorded, when they become irrevocable.

The Organization's interest in one bequest has become irrevocable and was recognized as revenue in a previous year. The underlying value of the bequest is in real estate located in the Cayman Islands. Management, in conjunction with the executors of the bequest, has assessed the value of these properties based upon real estate value and marketability assumptions that it believes to be realistic relative to local conditions, and has concluded that the carrying value of the properties is not impaired. However, it is reasonably possible that, in the foreseeable future, management's assessment could change resulting in a material adjustment in the timing and carrying value of the bequest. The bequest is being carried at $1,389,996 at September 30, 2014 and 2013.

NOTE 6 LEASE COMMITMENTS

The Organization leases office space under a long-term lease expiring on March 31, 2015. During the years ended September 30, 2014 and 2013, rental expense was $58,502 and $55,964, respectively.

The future minimum rental payments required under operating leases that have remaining lease terms are as follows at September 30, 2014:

Amounts due in:

2015	$ 23,929
Total	$ 23,929

NOTE 7 BOARD DESIGNATED NET ASSETS

Board designated net assets at September 30, 2014 and 2013 consist of the following:

	2014	2013
North America	$ 3,856	$ -
Caribbean	192,165	207,975
Central & South America	59,125	-
Africa	43,075	-
Asia	20,064	-
Other	59,732	59,623
Total Board Designated Net Assets	$ 378,017	$ 267,598

NOTE 8 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at September 30, 2014 and 2013 consist of the following:

	2014	2013
North America	$ -	$ 149,911
Caribbean	125,791	66,453
Central & South America	36,059	22,547
Africa	83,858	28,415
Asia	168,256	34,414
Endowment fund earnings	51,555	25,037
Administrative projects	55,500	-
Other	36,089	7,610
Total Temporarily Restricted Net Assets	$ 557,108	$ 334,387

NOTE 9 PERMANENTLY RESTRICTED NET ASSETS

In June of 1983 an Endowment Fund was established as a permanently restricted fund to support the Organization's program services. The money is invested within a Community of Christ investment account. Permanently restricted endowment funds totaled $306,803 and $305,353 at September 30, 2014 and 2013, respectively.

NOTE 10 ENDOWMENTS

As required by generally accepted accounting principles, net assets associated with endowment funds, including any funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of the Organization has interpreted Missouri's enactment of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. Consequently, the Foundation classifies permanently restricted net assets as:

- The original value of gifts donated to the permanent endowment, and
- The original value of subsequent gifts to the permanent endowment.

NOTE 10 ENDOWMENTS (CONTINUED)

The remaining portion of the donor-restricted endowment fund, not classified as permanently restricted, is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization's Board. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purpose of the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs supported by the endowments. The endowment assets are invested in a manner that is intended to produce results similar to the S & P index, while assuming a moderate level of investment risk.

Spending Policy

The Organization has a policy of appropriating for distribution each year 5 percent of its endowment fund's average balance over the prior four years preceding the fiscal year in which the distribution is planned. Because this amount is calculated for the next fiscal year, any amount appropriated for the following fiscal years is added to temporarily restricted net assets in the current year.

In establishing this policy, the Organization considers the greater predictability of spendable income for budgeting purposes and for gradual, steady growth of invested assets for the support of operations. Accordingly, over the long term, the Organization expects the current spending policy will allow its endowment to retain the original corpus of the gift.

Strategies Employed for Achieving Objectives

The Organization relies on a total return strategy in which investment returns are achieved through capital appreciation and current yield (interest and dividends). The Organization targets a diversified asset allocation that emphasizes fixed income securities to achieve its long-term objectives within prudent risk constraints.

NOTE 10 ENDOWMENTS (CONTINUED)

Endowment Net Asset Composition by Type of Fund as of September 30, 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor Restricted Endowment Funds	$ -	$ 51,555	$ 306,803	$ 358,358

Changes in Endowment Net Assets for the Fiscal Year Ended September 30, 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net Assets, Beginning of Year	$ -	$ 25,037	$ 305,353	$ 330,390
Investment Return:				
Investment Income	-	40,434	-	40,434
Contribution	-	-	1,450	1,450
Appropriation of Endowment Assets for Expenditure	-	(13,916)	-	(13,916)
Net Assets, End of Year	$ -	$ 51,555	$ 306,803	$ 358,358

Endowment Net Asset Composition by Type of Fund as of September 30, 2013:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor Restricted Endowment Funds	$ -	$ 25,037	$ 305,353	$ 330,390

Changes in Endowment Net Assets for the Fiscal Year Ended September 30, 2013:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net Assets, Beginning of Year	$ -	$ 18,323	$ 303,303	$ 321,626
Investment Return:				
Investment Income	-	18,512	-	18,512
Contribution	-	-	2,050	2,050
Appropriation of Endowment Assets for Expenditure	-	(11,798)	-	(11,798)
Net Assets, End of Year	$ -	$ 25,037	$ 305,353	$ 330,390

NOTE 11 EMPLOYEE BENEFIT PLANS

Outreach International has adopted a simplified employee pension plan. The Plan is employer-funded with an amount equal to 13% of an employee's gross wages being contributed to the Plan. All full-time, and some part-time, U.S. employees of Outreach International are eligible to participate in the Plan. The Organization contributed $90,999 and $105,065 to the Plan for the years ended September 30, 2014 and 2013, respectively.

The Organization adopted a nonqualified deferred compensation plan for certain key employees during 2009. Under this plan, participants may elect to defer earnings per sections 457(3)(15) of the Internal Revenue Code. The deferred compensation of the participant is held in a trust and administered by an outside entity. The participants are fully vested in the program and have balances of $41,448 and $21,353 at September 30, 2014 and 2013, respectively.

NOTE 12 ALLOCATION OF JOINT COSTS

Costs associated with the publication and mailing of information to the public are allocated between fundraising and education based on the content of the mailing. At September 30, 2014, $8,876 of these costs were for the direct mailing of joint informational and solicitation pieces to the Organization's donor base, with $3,705 allocated to fundraising and $5,171 allocated to programs. At September 30, 2013, $35,482 of these costs were for the direct mailing of joint informational and solicitation pieces to the Organization's donor base, with $21,251 allocated to fundraising and $14,231 allocated to programs.

NOTE 13 FOREIGN CURRENCY TRANSLATION

Grants made to foreign organizations are stated in U.S. dollars, and the grantee assumes the risk of currency gains or losses. Gains must be used for the grant purpose.

Due to the extensive foreign travel required of Organization employees, some minor risk exists throughout the year related to translation gains and losses. Management does not believe that any such risks have the potential to be significant to the financial statements.

NOTE 14 RELATED PARTY

Outreach International was originally formed as an affiliate of the Community of Christ World Church ("Church", formerly known as the Reorganized Church of Jesus Christ of Latter Day Saints). In May 1988, Outreach International received Internal Revenue Service approval to be recognized as a separate 501(c)(3) tax-exempt entity. Outreach International continues to have significant ties to the Church. Grants from the Church for the years ended September 30, 2014 and 2013 totaled $258,796 and $245,000, respectively. Outreach International participates in and reimburses the Church for various insurance coverages, and also participates in pooled cash investment funds that are maintained by the Church. During the years ended September 30, 2014 and 2013, the Organization paid the Church $259,424 and $194,868 respectively, for insurance, payroll, and payroll related expenses. Outreach International also had accounts payable to the Church for payroll expenses, termination benefits and insurance coverage which totaled $33,386 and $20,474 as of September 30, 2014 and 2013, respectively.

NOTE 15 FLUCTUATIONS IN INVESTMENT VALUES

The Organization's investment portfolio is subject to significant fluctuations in its value. Because the values of individual investments fluctuate with market conditions, the amount of investment gains or losses that the Organization will recognize in its future financial statements, if any, cannot be determined.

NOTE 16 SUBSEQUENT EVENTS

In December 2014, the Organization received a $1,000,000 unrestricted contribution.

Management evaluated subsequent events through March 26, 2015, the date the financial statements were available to be issued. Events or transactions occurring after September 30, 2014, but prior to March 26, 2015 that provided additional evidence about conditions that existed at September 30, 2014, have been recognized in the financial statements for the year ended September 30, 2014.

NOTE 17 RECLASSIFICATIONS

Certain reclassifications of prior year's amounts have been made to conform to the presentation adopted for 2014. These reclassifications had no effect on previously reported net assets or changes in net assets.

SUPPLEMENTARY INFORMATION

OUTREACH INTERNATIONAL
SCHEDULES OF OVERHEAD PERCENTAGE
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	2014	Percent of Total	2013	Percent of Total
Fundraising Expenses	$ 944,541		$ 457,437	
Less Income Restricted for Fundraising	461,996		49,870	
Net Fundraising Expenses	482,545	16%	407,567	15%
Administrative Expenses	217,001		219,022	
Less Income Restricted for Administration	58,300		56,077	
Net Administrative Expenses	158,701	5%	162,945	6%
Net Non-Program Overhead Expenses	$ 641,246	21%	$ 570,512	21%
Total Expenses	$ 3,535,479		$ 2,774,160	
Less Restricted Income Above	520,296		105,947	
Net Expenses	$ 3,015,183	100%	$ 2,668,213	100%