Outreach International

Financial Report
September 30, 2021

Contents

Independent Auditor's Report

Board of Directors
Outreach International

Report on the Financial Statements
We have audited the accompanying financial statements of Outreach International, which comprise the statements of financial position as of September 30, 2021 and 2020, 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.

Auditor's 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 auditor's 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 entity'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 entity'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.

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, 2021 and 2020, 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.

RSM US LLP

Kansas City, Missouri
February 25, 2022

Outreach International

Statements of Financial Position
September 30, 2021 and 2020

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	**$ 1,209,443**	$ 212,127
Prepaid expenses and other assets	**35,589**	17,641
Total current assets	**1,245,032**	229,768
Investments	**1,082,741**	1,270,338
Building and equipment:		
Land and building	**770,379**	770,379
Building improvements	**1,379,065**	1,352,041
Furniture and equipment	**214,347**	208,610
Accumulated depreciation	**(442,017)**	(330,074)
Total building and equipment, net	**1,921,774**	2,000,956
Mineral rights	**38,483**	38,483
Total assets	**$ 4,288,030**	$ 3,539,545

See notes to financial statements.

	2021	2020
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	**$ 11,223**	$ 14,702
Accrued expenses and other liabilities	**61,946**	52,424
Current portion of capital lease obligation	**2,962**	4,326
Total current liabilities	**76,131**	71,452
Long-term liabilities:		
Deferred compensation	**92,035**	98,973
Capital lease obligation, less current portion	**12,190**	-
Paycheck Protection Program loan	**-**	173,400
Total long-term liabilities	**104,225**	272,373
Total liabilities	**180,356**	343,825
Net assets:		
Without donor restrictions:		
General operating	**2,852,666**	1,775,774
Board-designated	**819,787**	1,024,492
Total without donor restrictions net assets	**3,672,453**	2,800,266
With donor restrictions	**435,221**	395,454
Total net assets	**4,107,674**	3,195,720
Total liabilities and net assets	**$ 4,288,030**	$ 3,539,545

Outreach International

Statements of Activities and Changes in Net Assets
Years Ended September 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, losses and other support:						
Contributions	**$ 3,544,966**	**$ 236,307**	**$ 3,781,273**	$ 3,168,714	$ 91,503	$ 3,260,217
Gifts-in-kind	**-**	**244,058**	**244,058**	-	217,303	217,303
Other revenue:						
Investment income	**179,174**	**-**	**179,174**	70,879	-	70,879
Forgiveness of Paycheck Protection Program	**321,245**	**-**	**321,245**	-	-	-
Other income	**12,271**	**3,300**	**15,571**	23,125	30,000	53,125
Rental income	**7,560**	**-**	**7,560**	-	-	-
Net assets released from restrictions:						
Program use restrictions satisfied	**443,898**	**(443,898)**	**-**	1,374,762	(1,374,762)	-
Total revenues, gains, losses and other support	**4,509,114**	**39,767**	**4,548,881**	4,637,480	(1,035,956)	3,601,524
Expenses:						
Program services:						
Community development initiatives	**2,361,408**	**-**	**2,361,408**	2,374,373	-	2,374,373
Advocacy and development education	**586,696**	**-**	**586,696**	586,890	-	586,890
Total program services	**2,948,104**	**-**	**2,948,104**	2,961,263	-	2,961,263
Supporting services:						
Fundraising	**355,357**	**-**	**355,357**	352,220	-	352,220
Administration	**318,415**	**-**	**318,415**	260,675	-	260,675
Rental expense	**15,051**	**-**	**15,051**	-	-	-
Total supporting services	**688,823**	**-**	**688,823**	612,895	-	612,895
Total expenses	**3,636,927**	**-**	**3,636,927**	3,574,158	-	3,574,158
Changes in net assets	**872,187**	**39,767**	**911,954**	1,063,322	(1,035,956)	27,366
Net assets, beginning of year	**2,800,266**	**395,454**	**3,195,720**	1,736,944	1,431,410	3,168,354
Net assets, end of year	**$ 3,672,453**	**$ 435,221**	**$ 4,107,674**	$ 2,800,266	$ 395,454	$ 3,195,720

See notes to financial statements.

Outreach International

Statement of Functional Expenses
Year Ended September 30, 2021

	Program Services			Supporting Services				
	Community Development Initiatives	Advocacy and Development Education	Total Program Services	Fundraising	Administration	Rental	Total Supporting Services	Total Expenses
Salaries and wages	$ 76,279	$ 219,471	$ 295,750	$ 132,332	$ 108,910	$ -	$ 241,242	$ 536,992
Payroll taxes and fees	6,206	11,808	18,014	8,772	8,223	-	16,995	35,009
Benefits	17,995	49,960	67,955	30,353	18,926	15	49,294	117,249
Other personnel	1,637	866	2,503	574	471	-	1,045	3,548
Professional fees	14,127	11,129	25,256	7,948	137,062	-	145,010	170,266
Advertising and promotion	180	546	726	2,054	61	-	2,115	2,841
Office supplies and printing	2,380	2,152	4,532	1,446	887	-	2,333	6,865
Information technology	32,453	27,957	60,410	18,562	10,251	-	28,813	89,223
Depreciation and amortization	48,890	40,962	89,852	21,142	23,517	1,864	46,523	136,375
Insurance	12,383	10,164	22,547	5,268	3,604	-	8,872	31,419
Resource development	51,942	202,640	254,582	117,132	3,217	5,572	125,921	380,503
Equipment and maintenance	5,354	4,245	9,599	2,697	1,899	-	4,596	14,195
Field support	407,670	-	407,670	-	-	-	-	407,670
Field operations	1,284,576	-	1,284,576	-	-	-	-	1,284,576
Community development projects	394,259	-	394,259	-	-	-	-	394,259
Site visits and mission trips	-	269	269	-	-		-	269
Miscellaneous	5,077	4,527	9,604	7,077	1,387	7,600	16,064	25,668
Total	$ 2,361,408	$ 586,696	$ 2,948,104	$ 355,357	$ 318,415	$ 15,051	$ 688,823	$ 3,636,927

See notes to financial statements.

Outreach International

Statement of Functional Expenses
Year Ended September 30, 2020

	Program Services			Supporting Services			
	Community Development Initiatives	Advocacy and Development Education	Total Program Services	Fundraising	Administration	Total Supporting Services	Total Expenses
Salaries and wages	$ 83,039	$ 233,890	$ 316,929	$ 155,151	$ 130,555	$ 285,506	$ 602,435
Payroll taxes and fees	4,404	14,409	18,813	10,892	9,680	20,572	39,385
Benefits	24,472	65,519	89,991	38,244	28,309	66,553	156,544
Other personnel	493	516	1,009	571	298	869	1,878
Professional fees	17,116	13,398	30,514	8,584	23,673	32,257	62,771
Advertising and promotion	446	3,207	3,653	2,262	155	2,417	6,070
Office supplies and printing	1,509	1,574	3,083	881	-	881	3,964
Information technology	35,303	29,766	65,069	20,987	15,402	36,389	101,458
Interest	706	456	1,162	322	513	835	1,997
Depreciation and amortization	49,660	39,206	88,866	24,830	21,426	46,256	135,122
Insurance	13,746	11,086	24,832	5,421	4,722	10,143	34,975
Resource development	118,155	166,759	284,914	75,650	22,732	98,382	382,770
Equipment and maintenance	4,617	3,426	8,043	2,319	2,034	4,353	12,396
Field support	382,770	-	382,770	-	-	-	382,770
Field operations	1,258,529	-	1,258,529	-	-	-	1,258,529
Community development projects	374,408	-	374,408	-	-	-	374,408
Miscellaneous	5,000	3,678	8,678	6,106	1,376	7,482	16,160
Total	$ 2,374,373	$ 586,890	$ 2,961,263	$ 352,220	$ 260,675	$ 612,895	$ 3,574,158

See notes to financial statements.

Outreach International

Statements of Cash Flows
Years Ended September 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Changes in net assets	$ 911,954	$ 27,366
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	136,375	135,122
Realized and unrealized gain on investments	(179,174)	(70,879)
Gain on forgiveness of PPP loan	(321,245)	-
Effects of changes in operating assets and liabilities:		
Other receivables	-	200,000
Prepaid expenses and other assets	(17,948)	25,874
Accounts payable	(3,479)	9,952
Accrued expenses, deferred compensation and other liabilities	2,584	34,684
Net cash provided by operating activities	529,067	362,119
Cash flows from investing activities:		
Purchase of investments	(85,349)	(720,000)
Proceeds from sale of investments	452,120	439,990
Purchase of building, equipment and building improvements	(41,781)	(14,253)
Net cash provided by (used in) investing activities	324,990	(294,263)
Cash flows from financing activities:		
Proceeds from line of credit	-	245,000
Payments on line of credit	-	(295,000)
Proceeds from PPP loan	147,845	173,400
Principal payments on capital lease obligation	(4,586)	(4,509)
Net cash (used in) provided by financing activities	143,259	118,891
Net increase in cash and cash equivalents	997,316	186,747
Cash and cash equivalents, beginning of year	212,127	25,380
Cash and cash equivalents, end of year	$ 1,209,443	$ 212,127
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	$ 94	$ 1,997
Supplemental disclosures of noncash information:		
Capital lease addition	$ 15,412	$ -

See notes to financial statements.

Note 1. Summary of Significant Accounting Policies

Nature of operations: Outreach International (the Organization) is a nonprofit organization incorporated in the state of Missouri in 1979. Outreach International operates out of an office in Missouri 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. Outreach International empowers community-led development to create lasting solutions to chronic poverty.

The primary programs and activities of the Organization include the following:

Programs: The Organization operates the following programs:

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 and 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 grassroots 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 interrelatedness 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.

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, websites, multimedia, conference presentations, public addresses and classes, the Organization will continue to reach out to various publications. 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.

Note 1. Summary of Significant Accounting Policies (Continued)

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Significant estimates incorporated into the Organization's financial statements include the fair market value of the Organization's interest in investments, useful lives of depreciable and amortizable assets, and the allocations incorporated into the functional allocations. Actual results could differ from those estimates.

Financial statement presentation: The accompanying financial statements are presented using the accrual basis of accounting in accordance with U.S. GAAP. Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, Presentation of Financial Statements of Not-for-Profit Entities. Under this topic, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets are not subject to donor-imposed restrictions but may be subject to designation by the Board for the Organization's mission in specific countries.

Net assets with donor restrictions: Net assets are subject to donor-imposed restrictions that may or will be met either by the passage of time or by actions of the Organization. Some net assets are purpose-restricted by donors to a particular geographic region for direct program or mission expenses. Other net assets include contributed net assets that 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 and pledges receivable: 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. There were no pledges receivable at September 30, 2021 and 2020.

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 donor restricted support and increase that net asset class. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets 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 with initial maturities of three months or less.

Concentration of credit risk: The Organization at times maintains deposits with banks in excess of the insured limits. The Organization has not experienced any losses in such accounts.

Investments: Investments are recorded at fair value. Fair value of mutual funds is determined by quoted market prices or the value of the underlying assets within the fund. Fair value of alternative investments is estimated using net asset value per share. See Note 3 for a discussion of fair value measurements.

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.

Note 1. Summary of Significant Accounting Policies (Continued)

Uncertain tax provisions, if any, are recorded in accordance with ASC 740, Income Taxes, which requires the recognition of a liability for tax positions taken that do not meet the more-likely-than-not standard that the position will be sustained upon examination by taxing authorities. There is no liability for uncertain tax positions recorded at September 30, 2021 and 2020.

Building and equipment: The purchased building and equipment are valued at historical cost less accumulated depreciation. 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 charged to expense using the straight-line method over the estimated useful life of each asset.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Building	40 years
Building improvements	15 years
Furniture and equipment	3-5 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. There were no impairments of long-lived assets at September 30, 2021 and 2020.

Bequests: The Organization records all bequests when the bequest is deemed unconditional. 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; 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. For the years ended September 30, 2021 and 2020, there were no revocable bequests carried by the Organization.

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 the Organization 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. The Organization receives a substantial amount of support from nonprofessional volunteers that do not meet the criteria listed above. Nonprofessional volunteers donate services for fundraising, education and administration that are not valued or recorded in the financial statements.

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.

Fundraising costs: The Organization expenses fundraising costs as incurred.

Note 1. Summary of Significant Accounting Policies (Continued)

Newly adopted accounting pronouncements: Effective October 1, 2020, the Organization adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606),* which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. This guidance will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The new standard permits the use of either the retrospective or cumulative-effect transition method. There was no impact to the Organization's financial statements as a result of the adoption of this standard.

Pending accounting pronouncements: In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842).* The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases.* Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for fiscal year 2023. The Organization is currently evaluating the impact of the pending adoption of the new standard on the financial statements.

Note 2. Liquidity

The Organization regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for annual operations. As of September 30, the following financial assets are available to meet annual operating needs for the following fiscal year:

	2021	2020
Cash and cash equivalents	$ 1,209,443	$ 212,127
Investments	990,706	1,171,365
	2,200,149	1,383,492
Less donor-restricted funds	(435,221)	(395,454)
Less board-designated endowments	(819,787)	(618,600)
Financial assets available to meet cash needs	$ 945,141	$ 369,438

Note 3. Investments and Fair Value of Financial Instruments

The Fair Value Measurements and Disclosures topic of the ASC defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants and requires the use of valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources, or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. In that regard, the topic establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Note 3. Investments and Fair Value of Financial Instruments (Continued)

The three levels of the fair value hierarchy under the topic are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the entity has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation of other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

The determination of where an asset or liability falls in the hierarchy requires significant judgment. The Organization evaluates its hierarchy disclosures based on various factors. It is possible that an asset or liability may be classified differently from year to year. However, the Organization expects that changes between the different levels will be rare.

Assets recorded at fair value on a recurring basis: A description of the valuation methodologies used for assets recorded on a recurring basis is set forth below:

Investments: *S*ecurities 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. Investments are carried at fair value and consist of mutual funds and money market funds. Fair value of the mutual funds are based on quoted market prices. The fair value of money market funds approximate cost.

Mineral rights: The fair value measurements for mineral rights are calculated using an industry standard formula based upon the average of the past three years' 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.

Note 3. Investments and Fair Value of Financial Instruments (Continued)

The following tables summarize assets and liabilities measured on a recurring basis as of September 30 segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

	September 30, 2021			
	Level 1	Level 2	Level 3	Total
Investments:				
Mutual funds:				
Flexible premium variable annuity	$ 92,035	$ -	$ -	$ 92,035
Foreign large blend	61,351	-	-	61,351
Foreign small blend	8,903	-	-	8,903
Domestic small growth	6,236	-	-	6,236
Domestic small value	10,436	-	-	10,436
Domestic mid-cap growth	67,588	-	-	67,588
Domestic mid-cap value	97,906	-	-	97,906
Domestic large growth	160,312	-	-	160,312
Domestic large value	148,390	-	-	148,390
Diversified emerging markets	34,319	-	-	34,319
Bond funds	381,202	-	-	381,202
Money market	14,063	-	-	14,063
Other:				
Mineral rights	-	-	38,483	38,483
Total investments	$ 1,082,741	$ -	$ 38,483	$ 1,121,224

	September 30, 2020			
	Level 1	Level 2	Level 3	Total
Investments:				
Mutual funds:				
Flexible premium variable annuity	$ 99,011	$ -	$ -	$ 99,011
Foreign large blend	75,169	-	-	75,169
Foreign small blend	38,422	-	-	38,422
Domestic small growth	117,228	-	-	117,228
Domestic large growth	180,600	-	-	180,600
Domestic large blend	72,549	-	-	72,549
Diversified emerging markets	37,685	-	-	37,685
Real estate	66,094	-	-	66,094
Bond funds	228,848	-	-	228,848
Money market	354,732	-	-	354,732
Other:				
Mineral rights	-	-	38,483	38,483
Total investments	$ 1,270,338	$ -	$ 38,483	$ 1,308,821

Note 3. Investments and Fair Value of Financial Instruments (Continued)

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

	Oikocredit Caption Shares	Mineral Rights	Total
Balance, September 30, 2019	$ 360	$ 38,483	$ 38,843
Contributions	-	-	-
Withdrawals	(360)	-	(360)
Changes in fair market value	-	-	-
Balance, September 30, 2020	-	38,483	38,483
Contributions	-	-	-
Withdrawals	-	-	-
Changes in fair market value	-	-	-
Balance, September 30, 2021	$ -	$ 38,483	$ 38,483

Investment return for the years ended September 30, 2021 and 2020, was $179,174 and $70,879, respectively.

Note 4. Line of Credit and PPP Loan

On October 17, 2018, the Organization entered into a revolving bank line of credit for $500,000 with a variable interest rate. The line of credit requires monthly interest payments with principal balance due at maturity on April 30, 2023. The line is secured by the Organization's securities. The line of credit had an interest rate of 2.75% and had an ending balance of $0 as of September 30, 2021 and 2020.

On March 27, 2020, the Coronavirus, Relief, and Economic Security (CARES) Act was signed into law and is meant to address the economic fallout from the COVID-19 pandemic. In connection with the CARES Act, the Organization received a U.S. Small Business Administration (SBA) Paycheck Protection Plan (PPP) loan for $173,400 on April 14, 2020. The loan was unsecured, bore interest at 1.00% and was set to mature on April 14, 2022. On December 21, 2020, the Organization was approved for full forgiveness of the loan and was recognized as loan forgiveness revenue in the statement of activities for the year ended September 30, 2021.

On February 4, 2021, the Organization received a second installment of the PPP loan for $147,845. The loan was unsecured, bore interest at 1.00% and was set to mature on February 4, 2026. Under the provision of the CARES Act and related loans, this loan will be forgiven if certain conditions are met related to the use of these proceeds. On August 1, 2021, the Organization was approved for full forgiveness of the loan and was recognized as loan forgiveness revenue in the statement of activities for the year ended September 30, 2021.

Note 5. Lease Commitments

The Organization leases office equipment under a capital lease that expires August 12, 2026.

At September 30, office equipment includes the following amounts related to a capital lease:

	Years Ending September 30	
	2021	2020
Office equipment	$ 15,412	$ 22,183
Accumulated depreciation	(514)	(18,485)
	$ 14,898	$ 3,698

Future minimum lease payments that have initial or remaining noncancelable lease terms in excess of one year are approximately as follows:

	Capital Lease
Years ending September 30:	
2022	$ 3,341
2023	3,341
2024	3,341
2025	3,341
2026	2,838
Total minimum lease payments	16,202
Less amount related to interest	(1,050)
	15,152
Less current maturities	(2,962)
	$ 12,190

Note 6. Composition of Net Assets

Net assets with donor restrictions are restricted for endowments, community development projects, and allocated support. The board of directors (Board) designate excess funds raised throughout the year to the endowment for future operational use as needed. The remaining Board-designated net assets without donor restrictions for these purposes is $819,787 and $1,024,492 as of September 30, 2021 and 2020, respectively.

Note 7. Net Assets Released From Restrictions

Net assets were released from donor restrictions by incurring expenses or satisfying the restricted purpose specified by donors during the years ended September 30 as follows:

	2021	2020
Allocated support	$ 245,567	$ 471,968
Outreach 3.0	-	30,000
Community development	198,331	872,794
	$ 443,898	$ 1,374,762

Note 8. Endowments

In June 1983, an endowment fund was established as a donor restricted fund to support the Organization's program services. As required by accounting principles generally accepted in the United States of America, 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 Organization classifies net assets with donor restrictions as:

- The original value of gifts donated to the restricted endowment, and

- The original value of subsequent gifts to the restricted endowment.

The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions 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% 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 8. Endowments (Continued)

Changes in endowment net assets for the fiscal year ended September 30, 2021, were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, beginning of year	$ 618,600	$ 169,945	$ 788,545
Investment return:			
Investment income	177,703	-	177,703
Contribution	71,550	1,000	72,550
Appropriation of endowment assets for expenditure	(48,066)	-	(48,066)
Net assets, end of year	$ 819,787	$ 170,945	$ 990,732

Changes in endowment net assets for the fiscal year ended September 30, 2020, were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, beginning of year	$ 569,215	$ 208,252	$ 777,467
Investment return:			
Investment income	62,701	-	62,701
Contribution	-	-	-
Appropriation of endowment assets for expenditure	(13,316)	(38,307)	(51,623)
Net assets, end of year	$ 618,600	$ 169,945	$ 788,545

Note 9. Employee Benefit Plans

The Organization 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 the Organization are eligible to participate in the plan. The Organization contributed $91,200 and $103,073 to the plan for the years ended September 30, 2021 and 2020, 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 section 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 $92,035 and $98,973 at September 30, 2021 and 2020, respectively.

Note 10. 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 international operations, 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 11. Related Party

The Organization was originally formed as an affiliate of the Community of Christ World Church (the Church, formerly known as the Reorganized Church of Jesus Christ of Latter Day Saints). In May 1988, the Organization received Internal Revenue Service approval to be recognized as a separate 501(c)(3) tax-exempt entity. The Organization continues to have significant ties to the Church. Grants from the Church for the years ended September 30, 2021 and 2020, totaled $133,000 for each respective year.

Note 12. Subsequent Events

Management has evaluated and disclosed subsequent events up to and including February 25, 2022.

In December 2021, the Organization received a $1,000,000 unrestricted contribution, similar to prior years.