

**RIGHT SHARING OF WORLD
RESOURCES, INC.
(A NONPROFIT ORGANIZATION)
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021**

**RIGHT SHARING OF WORLD RESOURCES, INC.
(A NONPROFIT ORGANIZATION)**

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BRADY WARE
& SCHOENFELD

INDEPENDENT AUDITORS' REPORT

Board of Directors
Right Sharing of World Resources, Inc.
Richmond, Indiana

Opinion

We have audited the accompanying financial statements of **Right Sharing of World Resources, Inc.** (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Right Sharing of World Resources, Inc.** as of June 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Right Sharing of World Resources, Inc.** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Right Sharing of World Resources, Inc.'s** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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INDEPENDENT AUDITORS' REPORT - CONTINUED

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **Right Sharing of World Resources, Inc.'s** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Right Sharing of World Resources, Inc.'s** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Richmond, Indiana
May 5, 2023

**RIGHT SHARING OF WORLD RESOURCES, INC.
(A NONPROFIT ORGANIZATION)**

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ 114,159	\$ 254,524
Investments	2,101,422	2,551,907
Pledges receivable	-	6,500
Accounts receivable	4,069	1,579
Notes receivable	20,939	2,662
Prepaid expenses	1,760	1,760
Equipment, net	<u>512</u>	<u>617</u>
	<u>\$ 2,242,861</u>	<u>\$ 2,819,549</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 4,377	\$ 1,405
Accrued liabilities	7,460	11,730
Grants payable	-	87,650
Notes payable	<u>113,972</u>	<u>113,972</u>
	<u>125,809</u>	<u>214,757</u>
NET ASSETS		
Without donor restrictions		
Board designated	1,669,423	2,153,894
Board designated - future grants pool	250,000	250,000
Undesignated	<u>197,629</u>	<u>194,398</u>
	<u>2,117,052</u>	<u>2,598,292</u>
With donor restrictions		
Time-restricted for future periods	<u>-</u>	<u>6,500</u>
	<u>2,117,052</u>	<u>2,604,792</u>
	<u>\$ 2,242,861</u>	<u>\$ 2,819,549</u>

**RIGHT SHARING OF WORLD RESOURCES, INC.
(A NONPROFIT ORGANIZATION)**

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ 497,658	\$ 51,675	\$ 549,333
Contributions of nonfinancial assets	11,711	-	11,711
Interest income	137	-	137
Investment income	79,875	-	79,875
Net realized gain on investments	215,001	-	215,001
Net unrealized loss on investments	(629,502)	-	(629,502)
Miscellaneous revenue	4,973	-	4,973
Total Support and Revenue	179,853	51,675	231,528
NET ASSETS RELEASED FROM RESTRICTIONS	<u>58,175</u>	<u>(58,175)</u>	<u>-</u>
	<u>238,028</u>	<u>(6,500)</u>	<u>231,528</u>
FUNCTIONAL EXPENSES			
Program services	621,861	-	621,861
Administrative and general	39,820	-	39,820
Fundraising	57,587	-	57,587
Total Functional Expenses	<u>719,268</u>	<u>-</u>	<u>719,268</u>
CHANGE IN NET ASSETS	(481,240)	(6,500)	(487,740)
NET ASSETS			
Beginning of year	<u>2,598,292</u>	<u>6,500</u>	<u>2,604,792</u>
End of year	<u>\$ 2,117,052</u>	<u>\$ -</u>	<u>\$ 2,117,052</u>

**RIGHT SHARING OF WORLD RESOURCES, INC.
(A NONPROFIT ORGANIZATION)**

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ 736,025	\$ 70,686	\$ 806,711
Contributions of nonfinancial assets	2,750	-	2,750
Interest income	302	-	302
Investment income	64,711	-	64,711
Net realized gain on investments	2,751	-	2,751
Net unrealized gain on investments	411,480	-	411,480
Miscellaneous revenue	3,291	-	3,291
	<u>1,221,310</u>	<u>70,686</u>	<u>1,291,996</u>
Total Support and Revenue			
	<u>1,221,310</u>	<u>70,686</u>	<u>1,291,996</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>66,686</u>	<u>(66,686)</u>	<u>-</u>
	<u>1,287,996</u>	<u>4,000</u>	<u>1,291,996</u>
FUNCTIONAL EXPENSES			
Program services	606,673	-	606,673
Administrative and general	36,406	-	36,406
Fundraising	51,735	-	51,735
	<u>694,814</u>	<u>-</u>	<u>694,814</u>
Total Functional Expenses			
	<u>694,814</u>	<u>-</u>	<u>694,814</u>
CHANGE IN NET ASSETS	593,182	4,000	597,182
NET ASSETS			
Beginning of year	<u>2,005,110</u>	<u>2,500</u>	<u>2,007,610</u>
End of year	<u>\$ 2,598,292</u>	<u>\$ 6,500</u>	<u>\$ 2,604,792</u>

**RIGHT SHARING OF WORLD RESOURCES, INC.
(A NONPROFIT ORGANIZATION)**

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2022

	Program Services	Administrative and General	Fundraising	Total
Payroll and Related Expenses				
Salaries	\$ 150,038	\$ 19,981	\$ 33,702	\$ 203,721
Benefits	20,749	2,135	4,449	27,333
Payroll taxes	<u>5,623</u>	<u>760</u>	<u>1,216</u>	<u>7,599</u>
	<u>176,410</u>	<u>22,876</u>	<u>39,367</u>	<u>238,653</u>
Other Expenses				
Advertising	2,644	-	881	3,525
Bank service charges	5,746	-	-	5,746
Board expenses	14,643	1,464	2,196	18,303
Computer related expenses	3,797	542	1,085	5,424
Conferences, conventions and meetings	1,394	82	164	1,640
Contract services	12,427	11,500	-	23,927
Depreciation	-	1,191	-	1,191
Fundraising	-	-	2,089	2,089
Grants to projects	239,275	-	-	239,275
In country representation	127,525	-	-	127,525
Miscellaneous	4,523	575	1,367	6,465
Newsletter	9,981	-	2,495	12,476
Office supplies	343	57	171	571
Postage	1,095	78	782	1,955
Rent	3,072	154	614	3,840
Telecommunications	2,576	129	515	3,220
Travel	<u>16,410</u>	<u>1,172</u>	<u>5,861</u>	<u>23,443</u>
Total Expenses	<u>\$ 621,861</u>	<u>\$ 39,820</u>	<u>\$ 57,587</u>	<u>\$ 719,268</u>

**RIGHT SHARING OF WORLD RESOURCES, INC.
(A NONPROFIT ORGANIZATION)**

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021

	Program Services	Administrative and General	Fundraising	Total
Payroll and Related Expenses				
Salaries	\$ 141,917	\$ 17,947	\$ 32,838	\$ 192,702
Benefits	12,173	1,436	3,125	16,734
Payroll taxes	<u>14,439</u>	<u>1,951</u>	<u>3,122</u>	<u>19,512</u>
	<u>168,529</u>	<u>21,334</u>	<u>39,085</u>	<u>228,948</u>
Other Expenses				
Advertising	1,464	-	488	1,952
Bank service charges	3,061	-	-	3,061
Board expenses	1,157	116	174	1,447
Computer related expenses	3,396	485	970	4,851
Conferences, conventions and meetings	1,214	76	228	1,518
Contract services	8,500	11,250	-	19,750
Depreciation	-	1,422	-	1,422
Fundraising	-	-	2,531	2,531
Grants to projects	212,151	-	-	212,151
Emergency food relief	87,650	-	-	87,650
Consultation expense	800	-	-	800
In country representation	99,595	-	-	99,595
Miscellaneous	1,251	1,301	3,543	6,095
Newsletter	11,506	-	2,876	14,382
Office supplies	754	126	377	1,257
Postage	651	46	465	1,162
Rent	3,072	154	614	3,840
Telecommunications	1,775	89	355	2,219
Travel	<u>147</u>	<u>7</u>	<u>29</u>	<u>183</u>
Total Expenses	<u>\$ 606,673</u>	<u>\$ 36,406</u>	<u>\$ 51,735</u>	<u>\$ 694,814</u>

**RIGHT SHARING OF WORLD RESOURCES, INC.
(A NONPROFIT ORGANIZATION)**

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES		
Change in net assets	\$ (487,740)	\$ 597,182
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	1,191	1,422
Net unrealized (gain) loss on investments	629,502	(411,480)
Net realized gain on investments	(215,001)	(2,751)
Donated investments	<u>(3,707)</u>	<u>-</u>
	(75,755)	184,373
Changes in operating assets and liabilities:		
Pledges receivable	6,500	(4,000)
Accounts receivable	(2,490)	4,388
Notes receivable	(18,277)	2,414
Prepaid expenses	-	2,177
Accounts payable	2,972	(4,096)
Accrued liabilities	(4,270)	337
Grants payable	<u>(87,650)</u>	<u>87,650</u>
Net Cash Provided (Used) by Operating Activities	<u>(178,970)</u>	<u>273,243</u>
INVESTING ACTIVITIES		
Proceeds from sale of investments	1,067,715	8,089
Purchase of investments	(1,028,025)	(390,509)
Purchase of equipment	<u>(1,085)</u>	<u>-</u>
Net Cash Provided (Used) by Investing Activities	<u>38,605</u>	<u>(382,420)</u>
NET DECREASE IN CASH	(140,365)	(109,177)
CASH		
Beginning of year	<u>254,524</u>	<u>363,701</u>
End of year	<u>\$ 114,159</u>	<u>\$ 254,524</u>

**RIGHT SHARING OF WORLD RESOURCES, INC.
(A NONPROFIT ORGANIZATION)**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business - Right Sharing of World Resources, Inc. (the "Organization") is a nonprofit organization that supports grassroots development and economic discipleship around the world. The Organization works with groups of marginalized women in India, Sierra Leone and Kenya. The grants provided by the Organization support innovative income generating, awareness building, and environment regeneration projects. It is the Organization's philosophy that "God calls us to the right sharing of world resources, from the burden of materialism and poverty into the abundance of God's love, to work for equity through partnerships with our sisters and brothers throughout the world." The Organization provides educational opportunities in the United States, Europe, India, Sierra Leone and Kenya. The Organization's main sources of income are from contributions and investment earnings.

Basis of Accounting - The financial statements of the Organization have been prepared on the accrual basis of accounting and reflect all significant receivables, payables, and other liabilities.

Basis of Presentation - Accounting standards require the Organization 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.

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Organization has no net assets that are subject to donor restrictions that are perpetual in nature at June 30, 2022 and 2021.

Financial Estimates - 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 income and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations - The Organization received contributions from two donors in 2021 that represented 36% of the total contributions revenue for the year 2021. Amounts due from one donor accounted for 100% of the pledges receivable balance at June 30, 2021. There were no such concentrations in 2022.

Pledges Receivable - Unconditional pledges receivable are recorded at net realizable value. Conditional promises to give are recorded only when the conditions on which they depend are substantially met and the promises become unconditional. All of the unconditional promises to give at June 30, 2021 were expected to be received within one year. There were no unconditional promises to give at June 30, 2022.

**RIGHT SHARING OF WORLD RESOURCES, INC.
(A NONPROFIT ORGANIZATION)**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Investments - The Organization's investments are measured at fair value in the statements of financial position.

Contributions - Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in net assets without donor restrictions. All other donor restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a 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 as net assets released from restrictions.

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as increases in restricted net assets. Absent explicit donor stipulations regarding how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Endowment Investment and Spending Policies - The Organization has adopted an investment policy for endowment assets that attempts to preserve the real purchasing power of the assets, and provide a growing stream of income to be made available for spending, and keeping pace with inflation in order to sustain the operations and grant-making capacity of the Organization. The investment policy establishes a return objective through diversification of asset classes.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

The Organization adopted a formal spending policy to calculate the amount of money annually distributed from the Organization's endowed funds. For June 30, 2022 and 2021, the board approved a semi-annual spending rate of 4.5%.

Equipment - Equipment is stated at cost, less accumulated depreciation. The Organization's policy is to capitalize expenditures in excess of \$1,000 for equipment at cost. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. Donated assets are reflected at their estimated value at the date of receipt. Routine repairs and maintenance are expensed as incurred. Depreciation expense for the years 2022 and 2021 was \$1,191 and \$1,422.

Advertising Expense - Advertising costs are expensed as incurred. Advertising expenses were \$3,525 and \$1,952 for the years 2022 and 2021.

**RIGHT SHARING OF WORLD RESOURCES, INC.
(A NONPROFIT ORGANIZATION)**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Functional Allocation of Expenses - The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Salaries and wages and related employee benefits and payroll taxes which are allocated on the basis of estimates of time and effort. All other expenses are allocated based on estimates.

Tax-Exempt Status - The Organization, an Ohio nonprofit corporation, is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (the "Code"), and has been determined not to be a private foundation under Section 509(a)(1) of the Code. Accordingly, no provision for income tax is presented in the statements of financial position.

Accounting for Uncertainty in Income Taxes - Accounting standards require the evaluation of tax positions taken, or expected to be taken, in the course of preparing the Organization's tax returns, to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. This statement provides that a tax benefit from an uncertain tax position may be recognized in the financial statements only when it is "more-likely-than-not" the position will be sustained upon examination, including resolution of any related appeals or litigation processes, based upon the technical merits and consideration of all available information. Once the recognition threshold is met, the portion of the tax benefit that is recorded represents the largest amount of tax benefit that is greater than 50 percent likely to be realized upon settlement with a taxing authority. Based on its review, management does not believe the Organization has taken any material uncertain tax positions, including any position that would place the Organization's exempt status in jeopardy, as of June 30, 2022.

Subsequent Events - In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 5, 2023, the date the financial statements were available to be issued.

NOTE 2 - LIQUIDITY AND AVAILABILITY

The following reflects the Organization's financial assets as of the statements of financial position date, reduced by amounts not available for general use within one year of the statements of financial position date because of donor-imposed restrictions or internal designations. Financial assets are considered unavailable when not convertible to cash within one year such as endowments which include board designated endowments. These board designations could be drawn upon if the Board of Trustees approves that action.

**RIGHT SHARING OF WORLD RESOURCES, INC.
(A NONPROFIT ORGANIZATION)**

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - LIQUIDITY AND AVAILABILITY - CONTINUED

	<u>2022</u>	<u>2021</u>
Cash	\$ 114,159	\$ 254,524
Investments	2,101,422	2,551,907
Pledges receivable	-	6,500
Accounts receivable	4,069	1,579
Notes receivable	<u>20,939</u>	<u>2,662</u>
Total financial assets	<u>2,240,589</u>	<u>2,817,172</u>
Less those unavailable for general expenditure within one year due to:		
Endowment funds subject to the Organization's spending policy:		
Board designated funds less the next year's approved draw	(575,702)	(1,540,147)
Board designated non-endowment funds	(1,316,594)	(791,175)
Funds required to be held for notes payable repayment	<u>(113,972)</u>	<u>(113,972)</u>
	<u>(2,006,268)</u>	<u>(2,445,294)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 234,321</u>	<u>\$ 371,878</u>

NOTE 3 - INVESTMENTS

	<u>2022</u>	
	<u>Cost</u>	<u>Fair Value</u>
Quaker Growth and Income Fund	\$ 767,976	\$ 961,193
Short Term Investment Fund	178,918	181,999
Quaker Index Fund	<u>966,325</u>	<u>958,230</u>
	<u>\$ 1,913,219</u>	<u>\$ 2,101,422</u>
	<u>2021</u>	
	<u>Cost</u>	<u>Fair Value</u>
Quaker Growth and Income Fund	\$ 1,595,304	\$ 2,403,892
Short Term Investment Fund	<u>138,898</u>	<u>148,015</u>
	<u>\$ 1,734,202</u>	<u>\$ 2,551,907</u>

**RIGHT SHARING OF WORLD RESOURCES, INC.
(A NONPROFIT ORGANIZATION)**

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - INVESTMENTS - CONTINUED

The investments above represent the fair values of the Organization's financial assets that are measured on a recurring basis as of June 30, 2022 and 2021. All of the Organization's investments are considered as level 2 assets.

Level 1 - Fair values for investments are determined by reference to quoted market prices.

Level 2 - Fair values for investments are calculated using quoted market prices for similar assets in markets that are not active.

Level 3 - Fair values for investments are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair measurement.

NOTE 4 - EQUIPMENT

	<u>2022</u>	<u>2021</u>
Computers and equipment	\$ 7,808	\$ 6,722
Less accumulated depreciation	<u>7,296</u>	<u>6,105</u>
	<u>\$ 512</u>	<u>\$ 617</u>

NOTE 5 - NOTES RECEIVABLE AND RELATED ACCOUNTS RECEIVABLE

The Organization lent \$20,618 to their Kenya representative for the purpose of a vehicle. Interest was payable at 4.5% with monthly payments of \$366. The note matured August 2021 and was secured by the vehicle. The balance was \$662 as of June 30, 2021. The loan was paid in full during 2022.

During 2022, the Organization lent an additional \$20,000 to their Kenya representative for the purpose of a vehicle with interest payable at 4.5%. The outstanding balance as of June 30, 2022 is \$20,000 to be paid within five years.

In addition to the outstanding loan to the Organization's Kenya representative as of June 30, 2022 and 2021, the Organization lent \$2,000 to the Kenya assistant field representative in 2021. The outstanding balance as of June 30, 2022 and 2021 was \$939 and \$2,000 to be paid in full within two years.

NOTE 6 - GRANTS PAYABLE

Grants payable consists of grants that are authorized but unpaid as of June 30, 2021. The balance of \$87,650 reflected on the statements of financial position as of June 30, 2021 is to be paid in less than one year. There was no such payable as of June 30, 2022.

**RIGHT SHARING OF WORLD RESOURCES, INC.
(A NONPROFIT ORGANIZATION)**

NOTES TO FINANCIAL STATEMENTS

NOTE 7 - NOTES PAYABLE

Notes payable consisted of eight loans for a total of \$113,972 as of June 30, 2022 and 2021. The non-interest bearing loans were made to the Organization by various individual and family supporters.

The loan covenants require that the principal be maintained in a separate interest-bearing account. As of June 30, 2022 and 2021, the Organization held \$181,999 and \$148,015 in a short-term investment fund which is included in the investments total on the statements of financial position. The earnings are available for use by the Organization.

The three largest loans as of June 30, 2022 and 2021 were in the amounts of \$50,750, \$30,000 and \$20,000. These loans comprise 88% of the total loans outstanding as of June 30, 2022 and 2021. All of the loans are non-interest bearing, payable on demand with 30 to 180 days notice, and with issue dates from 2004 through 2018.

NOTE 8 - OPERATING LEASES

The Organization signed a one year lease effective September 1, 2020 at \$320 per month for office space. After the one year was up, the Organization started leasing the office space on a month-to-month basis.

Rent expense for the years 2022 and 2021 was \$3,840.

NOTE 9 - ENDOWMENT FUNDS AND NET ASSETS

The following is a summary of changes in endowment net assets for the years 2022 and 2021:

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 1,612,719	\$ -	\$ 1,612,719
Investment income	55,913	-	55,913
Net investment loss (realized and unrealized)	(280,688)	-	(280,688)
Transfers	(722,212)	-	(722,212)
Amounts appropriated for expenditure	(62,903)	-	(62,903)
Endowment net assets, end of year	<u>\$ 602,829</u>	<u>\$ -</u>	<u>\$ 602,829</u>
	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 1,080,613	\$ -	\$ 1,080,613
Investment income	45,298	-	45,298
Net investment gain (realized and unrealized)	289,961	-	289,961
Contributions	247,807	-	247,807
Amounts appropriated for expenditure	(50,960)	-	(50,960)
Endowments net assets, end of year	<u>\$ 1,612,719</u>	<u>\$ -</u>	<u>\$ 1,612,719</u>

**RIGHT SHARING OF WORLD RESOURCES, INC.
(A NONPROFIT ORGANIZATION)**

NOTES TO FINANCIAL STATEMENTS

NOTE 9 - ENDOWMENT FUNDS AND NET ASSETS - CONTINUED

In addition to endowment net assets, the Organization also manages other non-endowed funds. The following tables summarize all Organization net assets as of June 30, 2022 and 2021:

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds:			
Board designated	\$ 602,829	\$ -	\$ 602,829
Non-endowment funds:			
Board designated	1,066,594	-	1,066,594
Board designated - future grants pool	250,000	-	250,000
Undesignated	197,629	-	197,629
	1,514,223	-	1,514,223
	\$ 2,117,052	\$ -	\$ 2,117,052
	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds:			
Board designated	\$ 1,612,719	\$ -	\$ 1,612,719
Non-endowment funds:			
Board designated	541,175	-	541,175
Board designated - future grants pool	250,000	-	250,000
Time restricted for future periods	-	6,500	6,500
Undesignated	194,398	-	194,398
	985,573	6,500	992,073
	\$ 2,598,292	\$ 6,500	\$ 2,604,792

NOTE 10 - NET ASSETS RELEASED FROM RESTRICTIONS

The following schedule reflects net assets released from restrictions for the years 2022 and 2021:

	2022	2021
Purpose restriction met	\$ 51,675	\$ 64,186
Time restriction met	6,500	2,500
	\$ 58,175	\$ 66,686

**RIGHT SHARING OF WORLD RESOURCES, INC.
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NOTES TO FINANCIAL STATEMENTS

NOTE 11 - CONTRIBUTIONS OF NONFINANCIAL ASSETS

Contributions of nonfinancial assets for the year ended June 30, 2022:

	<u>Revenue Recognized</u>	<u>Utilization in Programs/ Activities</u>	<u>Donor Restrictions</u>	<u>Valuation Techniques and Inputs</u>
Board expenses	\$ 8,836	Program services, administrative and general, and fundraising	No associated donor restrictions	The Organization valued the board expenses based on the actual amount of the transactions that were incurred by the board members.
Contract services	<u>2,875</u>	Administrative and general	No associated donor restrictions	The Organization valued the contract services based on the amount in the engagement letter from the auditor.
	<u>\$ 11,711</u>			

Contributions of nonfinancial assets for the year ended June 30, 2021:

	<u>Revenue Recognized</u>	<u>Utilization in Programs/ Activities</u>	<u>Donor Restrictions</u>	<u>Valuation Techniques and Inputs</u>
Contract services	<u>\$ 2,750</u>	Administrative and general	No associated donor restrictions	The Organization valued the contract services based on the amount in the engagement letter from the auditor.