

**RIGHT SHARING OF WORLD RESOURCES, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2017 AND 2016**

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**RIGHT SHARING OF WORLD RESOURCES, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
June 30, 2017 and 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals for 2017</u>	<u>Totals for 2016</u>
<b>ASSETS</b>					
Cash on Hand	\$ 4,129	\$ 0	\$ 0	\$ 4,129	\$ 3,460
Checking	96,304	0	0	96,304	149,646
Savings	175,738	0	0	175,738	107,474
Money Market	24,528	0	217,472	242,000	242,000
Investments	1,371,620	0	0	1,371,620	1,266,109
Pledges Receivable	92,710	0	0	92,710	9,640
Accounts Receivable	0	0	0	0	184
Note Receivable	18,125	0	0	18,125	0
Prepaid Expenses	854	0	0	854	845
Computer	14,196	0	0	14,196	11,416
Less: Accumulated Depreciation	(10,329)	0	0	(10,329)	(9,080)
Deposits	950	0	0	950	1,900
<b>TOTAL ASSETS</b>	<u>\$ 1,788,825</u>	<u>\$ 0</u>	<u>\$ 217,472</u>	<u>\$ 2,006,297</u>	<u>\$ 1,783,594</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 5,719	\$ 0	\$ 0	\$ 5,719	\$ 11,642
Credit Card Payable	5,938	0	0	5,938	0
Payroll Taxes and Amounts Withheld and Payable	4,812	0	0	4,812	8,264
Grants Payable	48,650	0	0	48,650	72,375
Notes Payable	0	0	217,472	217,472	217,472
<b>TOTAL LIABILITIES</b>	<u>65,119</u>	<u>0</u>	<u>217,472</u>	<u>282,591</u>	<u>309,753</u>
<b>NET ASSETS</b>					
Unrestricted	1,723,706	0	0	1,723,706	1,473,841
Temporarily Restricted	0	0	0	0	0
Permanently Restricted	0	0	0	0	0
<b>TOTAL NET ASSETS</b>	<u>1,723,706</u>	<u>0</u>	<u>0</u>	<u>1,723,706</u>	<u>1,473,841</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,788,825</u>	<u>\$ 0</u>	<u>\$ 217,472</u>	<u>\$ 2,006,297</u>	<u>\$ 1,783,594</u>

SEE INDEPENDENT AUDITOR'S REPORT  
AND NOTES TO FINANCIAL STATEMENTS

**RIGHT SHARING OF WORLD RESOURCES, INC.**  
**STATEMENTS OF ACTIVITIES**  
**Years Ended June 30, 2017 and 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals for 2017</u>	<u>Totals for 2016</u>
<b>Support and Revenue</b>					
Contributions	\$ 582,912	\$ 42,895	\$ 0	\$ 625,807	\$ 551,183
Inkind Donations	12,144	0	0	12,144	11,314
Interest Income	2,011	0	0	2,011	1,031
Investment Earnings	52,433	0	0	52,433	53,859
Change in Market Value of Investments	110,284	0	0	110,284	(51,424)
Miscellaneous Revenue	217	0	0	217	314
	<u>760,001</u>	<u>42,895</u>	<u>0</u>	<u>802,896</u>	<u>566,277</u>
<b>Net Assets Released From Restrictions</b>					
Satisfaction of Usage Restrictions	42,895	(42,895)	0	0	0
Total Support and Revenue	<u>802,896</u>	<u>0</u>	<u>0</u>	<u>802,896</u>	<u>566,277</u>
<b>Functional Expenses</b>					
Program Services	446,698	0	0	446,698	404,087
Administrative and General	22,469	0	0	22,469	30,205
Fundraising	83,864	0	0	83,864	99,082
Total Functional Expenses	<u>553,031</u>	<u>0</u>	<u>0</u>	<u>553,031</u>	<u>533,374</u>
INCREASE IN NET ASSETS	249,865	0	0	249,865	32,903
NET ASSETS AT BEGINNING OF THE YEAR	<u>1,473,841</u>	<u>0</u>	<u>0</u>	<u>1,473,841</u>	<u>1,440,938</u>
NET ASSETS AT END OF THE YEAR	<u>\$ 1,723,706</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,723,706</u>	<u>\$ 1,473,841</u>

SEE INDEPENDENT AUDITOR'S REPORT  
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**RIGHT SHARING OF WORLD RESOURCES, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**Years Ended June 30, 2017 and 2016**

	<u>Program Services</u>	<u>Administrative and General</u>	<u>Fundraising</u>	<u>Totals for 2017</u>	<u>Totals for 2016</u>
<b>Payroll and Related Expenses</b>					
Salaries	\$ 74,230	\$ 11,122	\$ 35,288	\$ 120,640	\$ 135,262
Benefits	5,659	1,017	4,007	10,683	7,908
Payroll Taxes	5,469	1,114	3,544	10,127	12,165
	<u>85,358</u>	<u>13,253</u>	<u>42,839</u>	<u>141,450</u>	<u>155,335</u>
<b>Other Expenses</b>					
Advertising	2,127	107	425	2,659	2,677
Bank Service Charges	4,265	0	0	4,265	3,494
Board Expenses	11,025	827	1,929	13,781	10,361
Bulk Mail Services	0	0	0	0	849
Computer Related Expenses	2,025	289	579	2,893	765
Conferences,					
Conventions, Meetings	2,211	0	246	2,457	1,491
Contract Services	19,695	3,447	1,477	24,619	22,024
Depreciation	999	175	75	1,249	1,177
Equipment	0	0	0	0	29
Fundraising	0	0	23,896	23,896	21,438
Grants to Projects	214,277	0	0	214,277	197,100
In Country Representation	66,306	0	0	66,306	63,431
Interest Expense	0	97	0	97	0
Meeting Outreach/Education	51	1	8	60	365
Memberships	188	4	17	209	0
Newsletter	12,830	285	1,141	14,256	12,244
Office Supplies	1,174	588	1,174	2,936	2,510
Payroll Service Fees	302	91	212	605	904
Postage	2,352	261	3,920	6,533	2,219
Printing and Copying	0	0	0	0	218
Remote Office	2,556	1,022	1,534	5,112	4,092
Rent	3,630	1,210	1,210	6,050	7,200
Staff Development	219	0	218	437	0
Taxes	0	0	0	0	62
Telecommunications	2,272	170	397	2,839	2,856
Travel	12,836	642	2,567	16,045	20,533
	<u>446,698</u>	<u>22,469</u>	<u>83,864</u>	<u>553,031</u>	<u>533,374</u>
<b>TOTAL EXPENSES</b>	<u>\$ 446,698</u>	<u>\$ 22,469</u>	<u>\$ 83,864</u>	<u>\$ 553,031</u>	<u>\$ 533,374</u>

SEE INDEPENDENT AUDITOR'S REPORT  
AND NOTES TO FINANCIAL STATEMENTS

**RIGHT SHARING OF WORLD RESOURCES, INC.**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in Net Assets	\$ 249,865	\$ 32,903
<b>ADJUSTMENTS TO RECONCILE INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Depreciation	1,249	1,177
Change in Market Value of Investments	(110,284)	51,424
(Increase) Decrease in Pledges Receivable	(83,070)	180
Decrease (Increase) in Accounts Receivable	184	(184)
Increase in Note Receivable	(18,125)	0
Increase in Prepaid Expenses	(9)	(40)
Decrease in Deposits	950	0
(Decrease) Increase in Accounts Payable	(5,923)	8,283
Increase in Credit Card Payable	5,938	0
(Decrease) Increase in Grants Payable	(23,725)	13,600
(Decrease) Increase in Payroll Amounts Withheld and Payable	(3,452)	8,264
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>13,598</u>	<u>115,607</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Sale of Investments	4,773	1,567
Purchase of Investments	0	(27,903)
Purchase of Equipment	(2,780)	(595)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>1,993</u>	<u>(26,931)</u>
NET INCREASE IN CASH	15,591	88,676
CASH BEGINNING OF YEAR	<u>502,580</u>	<u>413,904</u>
CASH END OF YEAR	<u>\$ 518,171</u>	<u>\$ 502,580</u>
<b>SUPPLEMENTAL DISCLOSURES:</b>		
Interest Paid	\$ 97	\$ 0

SEE INDEPENDENT AUDITOR'S REPORT  
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**RIGHT SHARING OF WORLD RESOURCES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**Note #1 - Summary of Significant Accounting Policies**

The summary of significant accounting policies of Right Sharing of World Resources, Inc. (the Organization) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Nature of Operations - The Organization is a nonprofit organization that supports grassroots development and economic discipleship. The Organization works primarily with newly established and small development organizations around the world. 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".

Financial Statement Presentation - The financial statements have been prepared in conformity with Statement of Financial Accounting Standard (SFAS) No. 117, "Financial Statements for Not-for-profit Organizations". Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets:

1. Unrestricted - expendable funds for current operations, including board designated or appropriated amounts.
2. Temporarily restricted - funds temporarily restricted as to program purpose or time restrictions by the donor.
3. Permanently restricted - funds restricted by the donor that stipulates resources be maintained permanently but permits the organization to use part or all of the income derived from the donated assets. The Organization does not have any permanently restricted net assets. (See Note # 3)

Support and Revenue - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When donor restrictions expire, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Income Taxes - The Organization is exempt from income taxes under Section 501(c)(3) of the United States Internal Revenue Code and is not considered to be a private foundation. Therefore, no provision for income taxes has been made in these financial statements.

The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the tax years ending June 30, 2015, 2016 and 2017 are subject to examination by the Internal Revenue Service, generally for three years after they are filed.

Functional Allocation of Expenses - The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Property and Equipment - Equipment is carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the useful lives of the assets. Routine repairs and maintenance are expensed when incurred.

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

**Note #1 - Summary of Significant Accounting Policies (continued)**

Cash and Cash Equivalents - The Organization considers all liquid investments with original maturities of three months or less to be cash equivalents.

Receivable and Payables - Receivables and Payables are shown in the statement of financial position. All are considered current. An allowance for uncollectible pledges is not considered necessary at this time.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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. Accordingly, actual results could differ from those estimates.

Advertising - All advertising costs are expensed as incurred.

Prior Year Amounts - The amounts shown for June 30, 2016 in the accompanying financial statements are presented to provide a basis for comparison with June 30, 2017.

**Note #2 - Business and Support Concentrations**

The Organization receives support from individuals, businesses, and other nonprofit organizations in Greater Cincinnati and Eastern Indiana area and nationwide. The Organization receives a substantial amount of its support from members of the Society of Friends (Quakers). The four largest donors gave \$57,500, \$50,110, \$50,000 and \$20,500 in the fiscal year ending June 30, 2017 and the four largest donors gave \$76,212, \$39,900, \$30,000 and \$16,500 in the fiscal year ending June 30, 2016. This represents 22% and 29% of total support and revenues for the years ending June 30, 2017 and 2016 respectively.

**Note #3 - Notes Payable**

Notes payable consisted of 9 loans for a total of \$217,472 as of June 30, 2017 and 2016. These noninterest bearing loans were made to the Organization by various individual and family supporters. The funds received from these supporters are permanently restricted. The loan covenants require that the principal be maintained in a separate interest-bearing account, and that the principal may not be spent. The interest is available for use by the Organization, and is transferred to the unrestricted account on a regular basis. As of June 30, 2017 and 2016, the three largest loans were in the amounts of \$103,500, \$74,000 and \$20,000. These loans comprise 91% of the total loans outstanding as of June 30, 2017 and 2016. All of the loans are noninterest bearing, payable on demand, with 30 to 180 days notice, and with issue dates from 2004 through 2013.

**Note #4 - Grants to Projects**

For the years ended June 30, 2017 and 2016 grants of \$214,277 and \$197,100 respectively, were made to a variety of projects worldwide. These grants ranged in amount from \$3,225 to \$5,500 each.

**Note #5 - Rent**

The Organization signed a 2 year lease for office space, commencing March 1, 2015 at \$600 per month. The lease was renegotiated on June 1, 2016 for a smaller space at \$500 per month thru June 30, 2018. Rent expense for the years ending June 30, 2017 and 2016 was \$6,050 and \$7,200 respectively. Lease obligations for the year ending June 30, 2018 are \$6,000.



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

**Note #6 - Investments**

Investments consist of funds invested with the Friends Fiduciary Corporation. This account was opened in 2008. The balance consists of the following:

	<u>2017</u>	<u>2016</u>
Cost Basis	\$ 1,068,664	\$ 1,072,439
Change in Market Value	<u>302,956</u>	<u>193,670</u>
Market Value	<u>\$ 1,371,620</u>	<u>\$ 1,266,109</u>

**Note #7 – Concentration of Credit Risk**

The Organization maintains its cash balances in two financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of June 30, 2017 and 2016, the Organization's uninsured cash balances were \$266,704 and \$248,893 respectively.

**Note #8 - Inkind Donations**

In addition to receiving cash contributions, the Organization receives inkind donations. It is the policy of the Organization to record the estimated fair market value of certain inkind donations as an expense in its financial statement, unless the inkind donation is a gift of furniture or equipment which is capitalized, and similarly increase donations. The value of these inkind donations is included in the financial statement and the corresponding expenses are as follows:

	<u>2017</u>	<u>2016</u>
Audit Fees	\$ 2,725	\$ 2,340
Graphic Designs	0	300
Board Expenses	<u>9,419</u>	<u>8,674</u>
	<u>\$ 12,144</u>	<u>\$ 11,314</u>

**Note #9 – Pledges Receivable**

Pledges Receivable consists of \$1,210 which is currently due and \$91,500 which is due by December 2019.

**Note #10 – Note Receivable**

The Organization lent \$20,618 to their Kenya representative for the purchase of a vehicle. Interest is at 4.5% with monthly P&I of \$384 maturing in October 2021 and secured by the vehicle. Principle received in the year ending June 30, 2017 was \$2,493 and interest received was 768.

Principle due over the next five years is as follows:

2018	\$ 3,880
2019	4,054
2020	4,240
2021	4,435
2022	1,516

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

Note #11 – Unrestricted Net Assets

Unrestricted Net Assets consist of the following:

Unrestricted Funds	\$ 1,473,706
Future Grants Pool	<u>250,000</u>
	<u>\$ 1,723,706</u>

The Future Grants Pool is a board designated fund. This fund is to insure that money will be available the following year to fund grants.

Note #12 - Evaluation of Subsequent Events

The Organization has evaluated subsequent events through September 21, 2017, the date which the financial statements were available to be issued.