



FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

RIGHT SHARING OF WORLD RESOURCES, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor’s Report	3-4
Financial Statements:	
Statement of Financial Position	5
Statement of Activities and Changes in Net Assets	6
Statement of Functional Expenses	7
Statement of Cash Flows	8
Notes to Financial Statements	9-16



Independent Auditor's Report

To the Board of Directors of
Right Sharing of World Resources, Inc.

Opinion

We have audited the accompanying financial statements of the Right Sharing of World Resources, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, the related statement of activities and changes in net assets, functional expenses, and cash flows for the year 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 the Right Sharing of World Resources, Inc. as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's 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 audit. 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.

Auditor's 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 auditor's 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, including omissions, 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.

Alta CPA Group, LLC

Annapolis, MD
March 5, 2025

RIGHT SHARING OF WORLD RESOURCES
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

ASSETS

Cash and Cash Equivalents	\$	158,310
Investments		2,559,034
Notes Receivable		34,236
Prepaid Expenses		1,753
Assets Held Under Split-Interest Agreements		<u>338,477</u>
Total Assets	\$	<u><u>3,091,810</u></u>

LIABILITIES AND NET ASSETS

Accounts Payable	\$	10,047
Accrued Liabilities		47,123
Notes Payable		101,822
Liabilities Under Split-Interest Agreements		<u>227,282</u>
Total Liabilities		386,274
NET ASSETS		
Without Donor Restrictions:		2,594,341
With Donor Restrictions		<u>111,195</u>
Total Net Assets		<u>2,705,536</u>
Total Liabilities and Net Assets	\$	<u><u>3,091,810</u></u>

See independent auditor's report and accompanying notes to financial statements.

RIGHT SHARING OF WORLD RESOURCES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Grants and Contributions	\$ 623,169	\$ 118,863	\$ 742,032
In-kind Contributions	5,429	-	5,429
Investment Income, Net	355,946	-	355,946
Other Income	5,564	-	5,564
Change in Value of Split-Interest Agreements	-	(41,561)	(41,561)
Net Assets Released from Restrictions	-	-	-
Total Revenue and Support	990,108	77,302	1,067,410
Expenses:			
Program Services	843,591	-	843,591
Support Services:			
Management and General	58,436	-	58,436
Fundraising	79,541	-	79,541
Total Expenses	981,568	-	981,568
Change in Net Assets	8,540	77,302	85,842
Net Assets at Beginning of Year	2,585,801	33,893	2,619,694
Net Assets at End of Year	\$ 2,594,341	\$ 111,195	\$ 2,705,536

See independent auditor's report and accompanying notes to financial statements.

RIGHT SHARING OF WORLD RESOURCES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Payroll and Related Expenses:				
Salaries	\$ 282,388	\$ 28,239	\$ 42,358	\$ 352,985
Employee Benefits	34,989	3,499	5,248	43,736
Payroll Taxes	22,867	4,002	1,715	28,584
Workers' Compensation	633	111	47	791
	<u>340,877</u>	<u>35,851</u>	<u>49,368</u>	<u>426,096</u>
Total Payroll and Related Expenses				
Bank Service Charges	-	5,016	1,672	6,688
Board Expenses	14,159	2,360	7,079	23,598
Computer Related Expenses	25,020	3,127	3,127	31,274
Contract Services	7,117	7,333	7,117	21,567
Fundraising and Communication	7,508	-	1,877	9,385
Grants to Projects	172,065	-	-	172,065
In Country Representation	203,868	-	-	203,868
Marketing and Communication	18,290	914	3,658	22,862
Office Supplies	346	23	117	486
Other Expenses	1,586	3,174	1,586	6,346
Payroll Service Fees	1,456	237	127	1,820
Postage and Bulk Mail Services	2,465	123	493	3,081
Rent	278	278	557	1,113
Travel - Domestic	24,864	-	2,763	27,627
Travel - International	23,692	-	-	23,692
	<u>23,692</u>	<u>-</u>	<u>-</u>	<u>23,692</u>
Total Expenses	\$ <u>843,591</u>	\$ <u>58,436</u>	\$ <u>79,541</u>	\$ <u>981,568</u>

See independent auditor's report and accompanying notes to financial statements.

RIGHT SHARING OF WORLD RESOURCES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 85,842
Adjustments to Reconcile Change in Net Assets to Net Cash Used for Operating Activities:	
Donated Securities	(78,827)
Unrealized (Gain)/Loss on Investments	(314,750)
Forgiveness of Debt	(2,150)
Contributions Received Under Split-Interest Agreements	(118,863)
Change in Value of Split-Interest Agreements	41,561
Changes in Operating Assets and Liabilities:	
Accounts Receivable	4,069
Notes Receivable	9,715
Prepaid Expenses	7
Accounts Payable	(4,913)
Accrued Liabilities	<u>35,860</u>
Net Cash Used for Operating Activities	(342,449)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Investments	(41,155)
Proceeds from Sale of Investments	<u>313,790</u>
Net Cash Provided by Investing Activities	272,635
CASH FLOWS FROM FINANCING ACTIVITIES	
Borrowings of Notes Payable	<u>50,000</u>
Net Cash Provided by Financing Activities	<u>50,000</u>
Net Change in Cash and Cash Equivalents	(19,814)
Cash and Cash Equivalents at Beginning of Year	<u>178,124</u>
Cash and Cash Equivalents at End of Year	<u>\$ 158,310</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION	
Cash Paid During the Year for:	
Interest	\$ <u>-</u>
Income Taxes	\$ <u>-</u>
NON-CASH INVESTING AND FINANCING ACTIVITY	
Notes Payable Forgiven and Converted to Charitable Gift Annuity	<u>\$ 50,000</u>

See independent auditor's report and accompanying notes to financial statements.

RIGHT SHARING OF WORLD RESOURCES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Right Sharing of World Resources, Inc. (the "Organization") is a nonprofit organization that works for equity and a life of dignity for all by promoting partnerships with women in four countries and encouraging those with diverse resources to embrace our shared responsibility for one another's well being. The Organization partners with women's groups in under-resourced communities in India, Sierra Leone, Guatemala and Kenya. The Organization provides training to these groups, and then awards grants which become self-managed revolving loan funds which allow women to establish or grow micro-businesses. Additional training is provided in the three years following the grant. The training and the grants produce long-term improvements in family well-being including education, health, decrease in domestic violence, and increase in women's leadership in the community. Within communities of economic abundance, the Organization provides opportunities to reflect on the human family and our role in it. 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's primary sources of income are from contributions and investment earnings.

Basis of Accounting

The accrual basis of accounting is used by the Organization for financial reporting purposes. Under the accrual basis of accounting, expenses are recognized when incurred and revenues are recognized when earned.

Use of 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 and disclosures. Accordingly, actual results could differ from those estimates.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate a portion of these net assets for specific purposes.

RIGHT SHARING OF WORLD RESOURCES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Assets (Continued)

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) 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.

When contributions are received and the restrictions met within the same fiscal year, the amounts are reported as contributions without donor restrictions.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Grants and Contributions Receivable

Grants and contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. Grants and contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Management believes that all outstanding promises to give are collectible in full, therefore, no allowance for uncollectible promises to give has been provided.

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting standards set a framework for measuring fair value using a three-tier hierarchy based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or inputs (interest rates, currency exchange rates, commodity rates and yield curves) that are observable or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Inputs that are not observable in the market and reflect management's judgment about the assumptions that market participants would use in pricing the asset or liability.

RIGHT SHARING OF WORLD RESOURCES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment consist of leasehold improvements and equipment that are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. Property and equipment are capitalized if it has a cost of \$1,000 or more and a useful life when acquired of more than 1 year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Leasehold improvements are amortized over the term of the lease. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Leasehold Improvements	5 years
Equipment	3 years

The Organization has no property and equipment as of June 30, 2024.

Contributions

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest, is received. All contributions are reported as increases in net assets without donor restrictions unless the use of the contributed assets is specifically restricted by the donor. A conditional promise to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. When contributions are received and the restrictions met within the same fiscal year, the amounts are reported as contributions without donor restrictions.

Contributions of Nonfinancial Assets

Contributions of nonfinancial assets consist primarily of board member payment of board expenses and are recorded at the respective fair value of the goods received.

Functional Allocation of Expenses

The costs of providing the various programs and support activities have been summarized on a functional basis in the statement of activities and functional expenses. The statement of functional expenses presents the natural expense detail by function. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include payroll, payroll taxes, payroll processing fees and insurance are allocated on the basis of time and effort. Other office related expenses are allocated based on estimated cost.

RIGHT SHARING OF WORLD RESOURCES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment and Spending Policies

The Organization has adopted an investment policy for invested assets that attempts to preserve the real purchasing power of the assets, provide a stream of income to be made available for spending, and keep pace with inflation. 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 invested funds. As deemed necessary, the Board of Directors may approve to withdraw funds in excess of the annually calculated regular distribution.

Assets Held and Liabilities Under Split-Interest Agreements

Charitable Gift Annuities

Under charitable gift annuity contracts, the Organization receives title to contributed assets and agree to make fixed recurring payments over the stipulated period. Contributed assets are recorded at fair value on the date of receipt. The related liability for future payments to be made to the specified beneficiaries is recorded at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the liability. The excess of contributed assets over the annuity liability is recorded as a contribution. In subsequent years, the liability for future payments to the donor is reduced by payments made to the donor and is adjusted to reflect changes in the fair value of the liability at the end of the year. Upon termination of the annuity contract, the remaining liability is removed and recognized as income.

Advertising

Advertising costs are expensed as incurred. Advertising expenses were \$4,570 for the year ended June 30, 2024 and are included in Marketing and Communication expense on the accompanying Statement of Functional Expenses.

RIGHT SHARING OF WORLD RESOURCES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is a nonprofit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Accordingly, there is no provision for income taxes in the accompanying financial statements. The Organization follows the accounting guidance for uncertain tax positions. The Organization believes that it has appropriate support for any tax position taken and as such, does not have any uncertain tax positions that are material to the financial statements.

Subsequent Events

The Organization evaluated subsequent events through the date that the financial statements were available to be issued. The Organization is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to March 5, 2025 that would have a material impact on the financial statements.

NOTE 2 - LIQUIDITY AND AVAILABILITY

The following represents the Organization's financial assets at June 30, 2024:

Cash and Cash Equivalents	\$	158,310
Investments		<u>2,559,034</u>
Total Current Financial Assets at Year End		2,717,344
Amounts Unavailable for General Expenditures		
Within One Year, Due to:		
Board Designated Funds Less the Next Year's Approved Draw of \$285,000		(2,172,212)
Funds Required to be Held for Notes Payable Repayment		<u>(101,822)</u>
Total Financial Assets Available for General Expenditure Within One Year	\$	<u><u>443,310</u></u>

The Organization monitors financial assets to meet ongoing operating expense over a 12-month period. The Organization's Board of Directors approved a withdrawal of \$285,000 for July 1, 2024 from the Board Designated Funds for operating purposes.

RIGHT SHARING OF WORLD RESOURCES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 3 - FAIR VALUE MEASUREMENTS

The following table presents assets and liabilities measured at fair value on a recurring basis at June 30, 2024:

	Quoted Market Prices in Active Markets <u>(Level 1)</u>	Other Observable Inputs <u>(Level 2)</u>	Unobservable Inputs <u>(Level 3)</u>	<u>Total</u>
<u>Assets</u>				
Operating Investments				
Balanced	\$ -	\$ 1,084,950	\$ -	\$ 1,084,950
Equity	-	1,230,115	-	1,230,115
Fixed Income	<u>-</u>	<u>243,969</u>	<u>-</u>	<u>243,969</u>
Total Investments	<u>-</u>	<u>2,559,034</u>	<u>-</u>	<u>2,559,034</u>
Assets Held Under Split- Interest Agreements	\$ <u>-</u>	\$ <u>338,477</u>	\$ <u>-</u>	\$ <u>338,477</u>
<u>Liabilities</u>				
Liabilities Under Split- Interest Agreements	\$ <u>-</u>	\$ <u>227,283</u>	\$ <u>-</u>	\$ <u>227,283</u>

NOTE 4 - SPLIT-INTEREST AGREEMENTS

Several irrevocable charitable gift annuities have been established by various donors naming the Organization as the ultimate beneficiary. The Organization recognized \$118,863 in contributions related to charitable gift annuities established during the year ended June 30, 2024. Ending balances related to split-interest agreements as of June 30, 2024 consist of the following:

Charitable Gift Annuities:	
Assets Held	\$ 338,477
Annuities Payable to Donors	<u>227,282</u>
Net Beneficial Interest in Charitable Gift Annuities	\$ <u>111,195</u>

NOTE 5 - NOTES RECEIVABLE

Notes receivable consists of loans and other receivables to in-country representatives. Notes receivable have interest payable at 4.5%. The outstanding balance as of June 30, 2024 was \$34,236 and consists of two notes.

RIGHT SHARING OF WORLD RESOURCES, INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2024

NOTE 6 - NOTES PAYABLE

Notes payable consist of six loans for a total of \$101,822 as of June 30, 2024. The non-interest bearing loans were made to the Organization by various individual and family supporters. During the year ended June 30, 2024, the Organization recognized \$2,150 in forgiveness of debt included in grants and contributions revenue, and a loan of \$50,000 from a supporter was converted to a charitable gift annuity.

The loan covenants require that the principal be maintained in a separate interest-bearing account. The Organization held the loan funds in a short-term investment fund with a balance of \$243,969 as of June 30, 2024, which is included in Investments on the Statement of Financial Position. The earnings are available for use by the Organization.

The three largest loans as of June 30, 2024 were in the amounts of \$50,000, \$30,000 and \$20,000. These loans comprise 98% of the total loans outstanding as of June 30, 2024. All of the loans are non-interest bearing, payable on demand with 90 to 180 days notice, and with issue dates from 2004 through 2024.

NOTE 7 - BOARD DESIGNATED FUNDS

The Organization's Board of Directors made the decision to reclassify all quasi-endowment funds without donor restrictions making them available for expenditure effective July 1, 2023. The Organization maintains a policy that funds held within the investments cannot be withdrawn unless approved by the Board of Directors.

The following is a summary of changes in quasi-endowed net assets for the year ended June 30, 2024:

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Quasi-Endowed Net Assets, Beginning of Year	\$ 690,742	\$ -	\$ 690,742
Net Investment Income	-	-	-
Amounts Appropriated for Expenditure	<u>(690,742)</u>	<u>-</u>	<u>(690,742)</u>
Quasi-Endowed Net Assets, End of Year	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>

The Organization's Board of Directors has designated \$2,457,212, the amount held in investments less funds required to be held for notes payable repayment, for operating reserves as of June 30, 2024.

RIGHT SHARING OF WORLD RESOURCES, INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2024

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following:

Subject to the Passage of Time:

Beneficial Interest in Split-Interest Agreements \$ 111,195

Total Net Assets With Donor Restrictions \$ 111,195

NOTE 9 - IN-KIND CONTRIBUTIONS

For the year ended June 30, 2024, contributions of nonfinancial assets recognized within the Statement of Activities include the following:

	<u>Revenue Recognized</u>	<u>Utilization in Programs/Activities</u>	<u>Donor Restrictions</u>	<u>Valuation Techniques and Inputs</u>
Board Expenses \$	5,429	Program services, administrative and general, and fundraising	None	Actual amount of the transactions by board members

NOTE 10 - RETIREMENT PLAN

The Organization has established a SIMPLE IRA plan for the benefit of its employees who meet certain age and service requirements. SIMPLE IRA contributions were \$9,460 for the year ended June 30, 2024.