

**RIGHT SHARING OF WORLD  
RESOURCES, INC.  
(A NONPROFIT ORGANIZATION)  
FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2020 AND 2019**

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

**TABLE OF CONTENTS**

**YEARS ENDED JUNE 30, 2020 AND 2019**

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	<b>Page</b>
<b>INDEPENDENT AUDITORS' REPORT</b>	1 - 2
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position	3
Statements of Activities	4 - 5
Statements of Functional Expenses	6 - 7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 15



**BRADY WARE**  
& SCHOENFELD

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the **Right Sharing of World Resources, Inc.** (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

3601 Rigby Road • Suite 400 • Dayton, Ohio • 45342-4981  
1 Woodside Drive • Richmond, Indiana • 47374-2630  
4249 Easton Way • Suite 100 • Columbus, Ohio • 43219-6170  
11175 Cicero Drive • Suite 300 • Alpharetta, Georgia • 30022-1166

[www.bradyware.com](http://www.bradyware.com)

## INDEPENDENT AUDITORS' REPORT

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### Opinion

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, 2020 and 2019, 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.

*Brady, Ware & Schoenfeld, Inc.*

Richmond, Indiana  
October 16, 2020

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

**STATEMENTS OF FINANCIAL POSITION**

**JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash	\$ 363,701	\$ 236,962
Investments	1,755,256	1,772,984
Pledges receivable	2,500	10,435
Accounts receivable	5,967	1,492
Note receivable	5,076	9,220
Prepaid expenses	3,937	884
Equipment, net	<u>2,039</u>	<u>3,131</u>
	<u>\$ 2,138,476</u>	<u>\$ 2,035,108</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 5,501	\$ 5,876
Accrued liabilities	11,393	15,916
Grants payable	-	8,950
Notes payable	<u>113,972</u>	<u>113,972</u>
	<u>130,866</u>	<u>144,714</u>
<b>NET ASSETS</b>		
Without donor restrictions		
Board designated	1,393,742	1,416,162
Board designated - future grants pool	250,000	240,000
Board designated - relief funds	3,586	-
Undesignated	<u>357,782</u>	<u>223,797</u>
	<u>2,005,110</u>	<u>1,879,959</u>
With donor restrictions		
Time-restricted for future periods	<u>2,500</u>	<u>10,435</u>
	<u>2,007,610</u>	<u>1,890,394</u>
	<u>\$ 2,138,476</u>	<u>\$ 2,035,108</u>

See notes to financial statements.

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

**STATEMENT OF ACTIVITIES**

**YEAR ENDED JUNE 30, 2020**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 652,832	\$ 91,808	\$ 744,640
In-kind donations	6,558	-	6,558
Interest income	416	-	416
Investment income	61,455	-	61,455
Net realized gain on investments	2,044	-	2,044
Net unrealized loss on investments	(12,090)	-	(12,090)
Miscellaneous revenue	<u>5,872</u>	<u>-</u>	<u>5,872</u>
Total Support and Revenue	717,087	91,808	808,895
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>99,743</u>	<u>(99,743)</u>	<u>-</u>
	<u>816,830</u>	<u>(7,935)</u>	<u>808,895</u>
<b>FUNCTIONAL EXPENSES</b>			
Program services	586,488	-	586,488
Administrative and general	39,594	-	39,594
Fundraising	<u>65,597</u>	<u>-</u>	<u>65,597</u>
Total Functional Expenses	<u>691,679</u>	<u>-</u>	<u>691,679</u>
<b>CHANGE IN NET ASSETS</b>	125,151	(7,935)	117,216
<b>NET ASSETS</b>			
Beginning of year	<u>1,879,959</u>	<u>10,435</u>	<u>1,890,394</u>
End of year	<u>\$ 2,005,110</u>	<u>\$ 2,500</u>	<u>\$ 2,007,610</u>

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

**STATEMENT OF ACTIVITIES**

**YEAR ENDED JUNE 30, 2019**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 496,652	\$ 54,897	\$ 551,549
In-kind donations	9,529	-	9,529
Interest income	890	-	890
Investment income	58,861	-	58,861
Net realized gain on investments	1,950	-	1,950
Net unrealized gain on investments	46,508	-	46,508
Miscellaneous revenue	<u>2,787</u>	<u>-</u>	<u>2,787</u>
Total Support and Revenue	617,177	54,897	672,074
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>81,772</u>	<u>(81,772)</u>	<u>-</u>
	<u>698,949</u>	<u>(26,875)</u>	<u>672,074</u>
<b>FUNCTIONAL EXPENSES</b>			
Program services	455,553	-	455,553
Administrative and general	29,994	-	29,994
Fundraising	<u>85,433</u>	<u>-</u>	<u>85,433</u>
Total Functional Expenses	<u>570,980</u>	<u>-</u>	<u>570,980</u>
<b>CHANGE IN NET ASSETS</b>	127,969	(26,875)	101,094
<b>NET ASSETS</b>			
Beginning of year	<u>1,751,990</u>	<u>37,310</u>	<u>1,789,300</u>
End of year	<u>\$ 1,879,959</u>	<u>\$ 10,435</u>	<u>\$ 1,890,394</u>

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

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED JUNE 30, 2020**

	<b>Program Services</b>	<b>Administrative and General</b>	<b>Fundraising</b>	<b>Total</b>
<b>Payroll and Related Expenses</b>				
Salaries	\$ 104,502	\$ 21,348	\$ 42,566	\$ 168,416
Benefits	9,724	1,447	5,260	16,431
Payroll taxes	<u>8,468</u>	<u>1,776</u>	<u>3,414</u>	<u>13,658</u>
	<u>122,694</u>	<u>24,571</u>	<u>51,240</u>	<u>198,505</u>
<b>Other Expenses</b>				
Advertising	1,324	-	441	1,765
Bank service charges	2,395	-	-	2,395
Board expenses	14,167	1,417	2,125	17,709
Computer related expenses	3,922	560	1,121	5,603
Conferences, conventions and meetings	2,228	139	418	2,785
Contract services	3,379	10,726	588	14,693
Depreciation	-	1,092	-	1,092
Fundraising	-	-	3,078	3,078
Grants to projects	196,650	-	-	196,650
Emergency food relief	111,450	-	-	111,450
Consultation expense	10,813	-	-	10,813
In country representation	93,069	-	-	93,069
Miscellaneous	969	471	274	1,714
Newsletter	13,594	-	3,399	16,993
Office supplies	485	81	242	808
Postage	809	58	577	1,444
Remote office	2,453	175	876	3,504
Rent	3,072	154	614	3,840
Telecommunications	1,568	78	314	1,960
Travel	<u>1,447</u>	<u>72</u>	<u>290</u>	<u>1,809</u>
Total Expenses	<u>\$ 586,488</u>	<u>\$ 39,594</u>	<u>\$ 65,597</u>	<u>\$ 691,679</u>



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

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED JUNE 30, 2019**

	<b>Program Services</b>	<b>Administrative and General</b>	<b>Fundraising</b>	<b>Total</b>
<b>Payroll and Related Expenses</b>				
Salaries	\$ 80,579	\$ 19,916	\$ 51,410	\$ 151,905
Benefits	8,285	1,231	7,283	16,799
Payroll taxes	<u>7,030</u>	<u>1,463</u>	<u>4,770</u>	<u>13,263</u>
	<u>95,894</u>	<u>22,610</u>	<u>63,463</u>	<u>181,967</u>
<b>Other Expenses</b>				
Advertising	2,841	-	2,841	5,682
Bank service charges	4,083	-	-	4,083
Board expenses	16,000	1,200	2,800	20,000
Computer related expenses	2,151	307	615	3,073
Conferences, conventions and meetings	2,860	179	536	3,575
Contract services	11,241	1,967	843	14,051
Depreciation	-	1,075	-	1,075
Fundraising	-	-	7,318	7,318
Grants to projects	200,075	-	-	200,075
In country representation	94,911	-	-	94,911
Miscellaneous	706	584	340	1,630
Newsletter	11,354	252	1,009	12,615
Office supplies	597	298	597	1,492
Postage	791	88	1,319	2,198
Remote office	899	112	1,236	2,247
Rent	2,520	840	840	4,200
Telecommunications	1,997	150	349	2,496
Travel	<u>6,633</u>	<u>332</u>	<u>1,327</u>	<u>8,292</u>
Total Expenses	<u>\$ 455,553</u>	<u>\$ 29,994</u>	<u>\$ 85,433</u>	<u>\$ 570,980</u>

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

**STATEMENTS OF CASH FLOWS**

**YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ 117,216	\$ 101,094
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,092	1,075
Net unrealized (gain) loss on investments	12,090	(46,508)
Net realized gain on investments	<u>(2,044)</u>	<u>(1,950)</u>
	<b>128,354</b>	53,711
Changes in operating assets and liabilities:		
Pledges receivable	7,935	26,875
Accounts receivable	(4,475)	6,554
Note receivable	4,144	4,711
Prepaid expenses	(3,053)	-
Accounts payable	(375)	807
Accrued liabilities	(4,523)	3,189
Grants payable	<u>(8,950)</u>	<u>(625)</u>
Net Cash Provided by Operating Activities	<u><b>119,057</b></u>	<u>95,222</u>
<b>INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	7,682	110,857
Purchase of investments	<u>-</u>	<u>(264,600)</u>
Net Cash Provided (Used) by Investing Activities	<u><b>7,682</b></u>	<u>(153,743)</u>
<b>FINANCING ACTIVITIES</b>		
Principal payments on notes payable	<u>-</u>	<u>(103,500)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>126,739</b>	(162,021)
<b>CASH</b>		
Beginning of year	<u><b>236,962</b></u>	<u>398,983</u>
End of year	<u><b>\$ 363,701</b></u>	<u>\$ 236,962</u>

See notes to financial statements.

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

**NOTES TO FINANCIAL STATEMENTS**

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**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.

**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 one donor that represented 17% and 11% of the total contributions revenue for the years 2020 and 2019. Amounts due from one donor accounted for 100% and 96% of pledges receivable balance at June 30, 2020 and 2019.

At June 30, 2020, the Organization had deposits held at a financial institution that were in excess of FDIC limits. At June 30, 2019, the Organization's cash deposits were not in excess of the FDIC insurance limits.

**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, 2020 and 2019 were expected to be received within one year.

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

**NOTES TO FINANCIAL STATEMENTS**

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**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, 2020 and 2019, 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 2020 and 2019 was \$1,092 and \$1,075.

**Advertising Expense** - Advertising costs are expensed as incurred. Advertising expenses were \$1,765 and \$5,682 for the years 2020 and 2019.

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

**NOTES TO FINANCIAL STATEMENTS**

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**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. The main expenses that are allocated include salaries and wages and related employee benefits and payroll taxes which are allocated on the basis of estimates of time and effort.

**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, 2020.

**Subsequent Events** - In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 16, 2020, 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>2020</u>	<u>2019</u>
Cash	\$ 363,701	\$ 236,962
Investments	1,755,256	1,772,984
Pledges receivable	2,500	10,435
Accounts receivable	5,967	1,492
Note receivable	<u>5,076</u>	<u>9,220</u>
Total financial assets	<u>2,132,500</u>	<u>2,031,093</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	(1,031,985)	(1,044,427)
Board designated non-endowment funds	(566,715)	(562,521)
Funds required to be held for notes payable repayment	<u>(113,972)</u>	<u>(113,972)</u>
	<u>(1,712,672)</u>	<u>(1,720,920)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 419,828</u>	<u>\$ 310,173</u>

**NOTE 3 - INVESTMENTS**

	<u>2020</u>	
	<u>Cost</u>	<u>Fair Value</u>
Quaker Growth and Income Fund	\$ 1,210,132	\$ 1,607,241
Short Term Investment Fund	<u>138,898</u>	<u>148,015</u>
	<u>\$ 1,349,030</u>	<u>\$ 1,755,256</u>
	<u>2019</u>	
	<u>Cost</u>	<u>Fair Value</u>
Quaker Growth and Income Fund	\$ 1,215,771	\$ 1,629,662
Short Term Investment Fund	<u>138,898</u>	<u>143,322</u>
	<u>\$ 1,354,669</u>	<u>\$ 1,772,984</u>

**Quaker Growth and Income Fund and Short Term Investment Fund** - Fair values for these funds are considered to be level 2 investments which are based on quoted prices in markets that are not active, or model inputs that are observable either directly or indirectly for substantially the full term of investments.

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

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 4 - EQUIPMENT**

	<u>2020</u>	<u>2019</u>
Computers and equipment	\$ 6,722	\$ 6,722
Less accumulated depreciation	<u>4,683</u>	<u>3,591</u>
	<u>\$ 2,039</u>	<u>\$ 3,131</u>

**NOTE 5 - NOTE RECEIVABLE AND RELATED ACCOUNTS RECEIVABLE**

The Organization lent \$20,618 to their Kenya representative for the purpose of a vehicle. Interest is payable at 4.5% with monthly payments of \$366. The note matures August 2021 and is secured by the vehicle. The balance was \$5,076 and \$9,220 as of June 30, 2020 and 2019. Interest received was \$330 and \$239 during 2020 and 2019.

Principal due over the next two years is as follows:

2021	\$ 4,231
2022	845

The loan is administered by Friends United Meeting (FUM). As of June 30, 2020 and 2019, the amount due from FUM related to these receipts was \$5,967 and \$1,492.

**NOTE 6 - NOTES PAYABLE**

Notes payable consisted of eight loans for a total of \$113,972 as of June 30, 2020 and 2019. 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, 2020 and 2019, the Organization held \$148,015 and \$143,322 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, 2020 and 2019 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, 2020 and 2019. 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 7 - OPERATING LEASES**

The Organization rented office space on a month-to-month lease from July 1, 2018 to August 31, 2018 at \$500 per month while the lease for the office space that expired June 30, 2018 was renegotiated. The Organization signed a one year lease effective September 1, 2018 at \$320 per month. The lease was renewed on September 1, 2019 and terminated on August 31, 2020. The Organization is currently leasing the office space on a month-to-month basis.

Rent expense for the years 2020 and 2019 was \$3,840 and \$4,200.

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - ENDOWMENT FUNDS AND NET ASSETS**

The following is a summary of changes in endowment net assets for the years 2020 and 2019:

	<b>2020</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 1,093,641	\$ -	\$ 1,093,641
Investment income	43,018	-	43,018
Net investment loss (realized and unrealized)	(13,028)	-	(13,028)
Amounts appropriated for expenditure	<u>(43,018)</u>	<u>-</u>	<u>(43,018)</u>
Endowment net assets, end of year	<u>\$ 1,080,613</u>	<u>\$ -</u>	<u>\$ 1,080,613</u>
	<b>2019</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 1,092,898	\$ -	\$ 1,092,898
Investment income	41,203	-	41,203
Net investment gain (realized and unrealized)	743	-	743
Amounts appropriated for expenditure	<u>(41,203)</u>	<u>-</u>	<u>(41,203)</u>
	<u>\$ 1,093,641</u>	<u>\$ -</u>	<u>\$ 1,093,641</u>

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, 2020 and 2019:

	<b>2020</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment funds:			
Board designated	<u>\$ 1,080,613</u>	<u>\$ -</u>	<u>\$ 1,080,613</u>
Non-endowment funds:			
Board designated	313,129	-	313,129
Board designated - future grants pool	250,000	-	250,000
Board designated - relief funds	3,586	-	3,586
Time restricted for future periods	-	2,500	2,500
Undesignated	<u>357,782</u>	<u>-</u>	<u>357,782</u>
	<u>924,497</u>	<u>2,500</u>	<u>926,997</u>
	<u>\$ 2,005,110</u>	<u>\$ 2,500</u>	<u>\$ 2,007,610</u>



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

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - ENDOWMENT FUNDS AND NET ASSETS - CONTINUED**

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds:			
Board designated	\$ 1,093,641	\$ -	\$ 1,093,641
Non-endowment funds:			
Board designated	322,521	-	322,521
Board designated - future grants pool	240,000	-	240,000
Time restricted for future periods	-	10,435	10,435
Undesignated	<u>223,797</u>	<u>-</u>	<u>223,797</u>
	<u>786,318</u>	<u>10,435</u>	<u>796,753</u>
	<u>\$ 1,879,959</u>	<u>\$ 10,435</u>	<u>\$ 1,890,394</u>

**NOTE 9 - IN-KIND DONATIONS**

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

	<u>2020</u>	<u>2019</u>
Board expenses	\$ 3,597	\$ 6,785
Contract services	2,665	2,500
Miscellaneous	<u>296</u>	<u>244</u>
	<u>\$ 6,558</u>	<u>\$ 9,529</u>

**NOTE 10 - UNCERTAINTIES**

The COVID-19 pandemic is having a substantial impact on the economy and the normal operations of most businesses. The severity of the financial impact of this pandemic on the financial position and long-term operations of the Organization is not known at this time.