INTERNATIONAL SAMARITAN AND SUBSIDIARY

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2020 and 2019

INTERNATIONAL SAMARITAN AND SUBSIDIARY

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
of International Samaritan and Subsidiary

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of International Samaritan and Subsidiary (Ohio not-for-profit organizations), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of International Samaritan and Subsidiary as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the International Samaritan and Subsidiary's 2019 consolidated financial statements and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated March 21, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material aspects, with the audited financial statements for which it has been derived.

UHY LLP

Ann Arbor, Michigan
February 2, 2022

INTERNATIONAL SAMARITAN AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31, 2020	December 31, 2019
ASSETS		
CURRENT ASSETS		
Cash	**$ 1,452,270**	$ 433,331
Pledges receivable, current portion	**1,000,000**	1,050,000
Prepaid expenses	**27,485**	144,672
Total current assets	**2,479,755**	1,628,003
Pledges receivable, net	**-**	952,400
Investments	**21,874,763**	23,529,727
Cash surrender value - life insurance policy	**110,532**	91,379
Property and equipment, net	**322,867**	334,822
Total assets	**$ 24,787,917**	$ 26,536,331
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	**$ 33,428**	$ 142,366
Accrued payroll	**22,266**	32,166
Deposits	**37,800**	261,395
Total liabilities	**93,494**	435,927
NET ASSETS		
Without donor restrictions		
Undesignated	**2,659,632**	1,805,607
Board-designated for endowment	**21,874,763**	23,529,727
Total net assets without donor restrictions	**24,534,395**	25,335,334
With donor restrictions	**160,028**	765,070
Total net assets	**24,694,423**	26,100,404
Total liabilities and net assets	**$ 24,787,917**	$ 26,536,331

See notes to consolidated financial statements.

INTERNATIONAL SAMARITAN AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES
Year ended December 31, 2020 (with comparative totals for year ended December 31, 2019)

	2020			2019
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Total**
REVENUES AND SUPPORT				
Donations				
Public	**$ 197,187**	**$ 474,411**	**$ 671,598**	$ 1,377,283
Scholarships	**14,025**	**-**	**14,025**	10,100
Non-cash donations	**106,859**	**-**	**106,859**	25,798
Direct education program – service immersion income	**183,063**	**-**	**183,063**	641,496
Net investment return	**1,836,887**	**-**	**1,836,887**	3,465,661
Interest income	**527**	**-**	**527**	1,145
Miscellaneous income	**445**	**-**	**445**	-
Loss on disposal of assets	**-**	**-**	**-**	(2,188)
Total revenues and support	**2,338,993**	**474,411**	**2,813,404**	5,519,295
Net assets released from restrictions	**1,079,453**	**(1,079,453)**	**-**	-
	3,418,446	**(605,042)**	**2,813,404**	5,519,295
EXPENSES				
Program services	**3,824,518**	**-**	**3,824,518**	2,835,204
Fundraising activities	**228,198**	**-**	**228,198**	186,184
Administrative	**166,669**	**-**	**166,669**	290,875
Total expenses	**4,219,385**	**-**	**4,219,385**	3,312,263
Change in net assets	**(800,939)**	**(605,042)**	**(1,405,981)**	2,207,032
Net assets, beginning of year	**25,335,334**	**765,070**	**26,100,404**	23,893,372
Net assets, end of year	**$ 24,534,395**	**$ 160,028**	**$ 24,694,423**	$ 26,100,404

INTERNATIONAL SAMARITAN AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
Year ended December 31, 2020 (with comparative totals for year ended December 31, 2019)

	Program Services					Supporting Services				
	Education	Service Immersions	Capital Improvements	Other Programs	Total Program	Administrative Expenses	Fundraising Activities	Total Supporting	2020 Total	2019 Total
Payroll and related	$ 311,131	$ 80,465	$ 139,472	$ 5,364	$ 536,432	$ 42,899	$ 110,209	$ 153,108	$ 689,540	$ 596,087
Grants and special assistance	166,550	-	599,085	720,618	1,486,253	-	-	-	1,486,253	896,157
Scholarships	1,090,092	-	-	-	1,090,092	-	-	-	1,090,092	642,262
International team/admin/facilites	275,162	22,930	137,581	22,930	458,603	-	-	-	458,603	247,684
Direct education program	-	236,399	-	-	236,399	-	-	-	236,399	586,289
Marketing	-	-	-	-	-	-	57,486	57,486	57,486	70,571
Insurance premiums	-	-	-	-	-	55,781	-	55,781	55,781	45,215
Fundraising	-	-	-	-	-	-	53,530	53,530	53,530	44,203
Occupancy	-	-	-	-	-	35,121	-	35,121	35,121	55,714
Office	5,223	3,644	3,158	121	12,146	6,073	6,073	12,146	24,292	35,405
Depreciation and amortization	-	-	-	-	-	20,449	-	20,449	20,449	20,445
Professional services	-	-	-	-	-	4,659	-	4,659	4,659	9,213
Professional Development	1,694	564	564	564	3,386	-	-	-	3,386	10,975
Conference and meetings	724	121	241	121	1,207	1,206	-	1,206	2,413	10,435
Travel	-	-	-	-	-	-	900	900	900	6,498
Miscellaneous	-	-	-	-	-	481	-	481	481	-
Taxes	-	-	-	-	-	-	-	-	-	21,652
Medical reimbursements	-	-	-	-	-	-	-	-	-	13,111
Contract services	-	-	-	-	-	-	-	-	-	347
Total expenses	$ 1,850,576	$ 344,123	$ 880,101	$ 749,718	$ 3,824,518	$ 166,669	$ 228,198	$ 394,867	$ 4,219,385	$ 3,312,263

See notes to consolidated financial statements.

INTERNATIONAL SAMARITAN AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years ended December 31, 2020	2019
OPERATING ACTIVITIES		
Change in net assets	**$ (1,405,981)**	$ 2,207,032
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	**20,449**	20,445
Non-cash stock contribution	**(25,922)**	(25,798)
Realized and unrealized (gain) on investments	**(1,591,428)**	(3,008,492)
Increase in cash surrender value - life insurance policy	**(19,153)**	(26,151)
Change in operating assets and liabilities:		
Accounts receivable	**-**	1,751
Pledges receivable	**1,002,400**	1,039,620
Prepaid expenses	**117,187**	(21,972)
Accounts payable	**(108,938)**	124,364
Accrued payroll	**(9,900)**	1,031
Deposits	**(223,595)**	(57,655)
Net cash provided by (used in) operating activities	**(2,244,881)**	256,363
INVESTING ACTIVITIES		
Purchase of property and equipment	**(8,493)**	(5,171)
Proceeds from sale of investments	**9,188,213**	18,952,523
Purchase of investments	**(5,915,900)**	(20,309,669)
Net cash provided by (used in) investing activities	**3,263,820**	(1,362,317)
Net change in cash	**1,018,939**	(1,105,954)
Cash, Beginning	**433,331**	1,539,285
Cash, Ending	**$ 1,452,270**	$ 433,331
NON-CASH INVESTING ACTIVITY		
Stock contributions	**$ 25,922**	$ 25,798

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES

The following is a summary of certain accounting policies followed in the preparation of these consolidated financial statements. The policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the consolidated financial statements.

Organization

International Samaritan, ("International"), is a not-for-profit Ohio corporation incorporated on May 12, 1995. International's mission is to provide educational opportunities, improve living conditions, and raise consciousness of the living conditions in areas of severe poverty in foreign countries. International raised funds for an endowment fund to provide these services on a long-term basis.

On December 19, 2013, International established International Samaritan Foundation, LLC (the "Foundation"), a 100% controlled subsidiary. The purpose of the Foundation is to support the International.

The Organization's support and funding primarily comes from members of the Board of Trustees.

Principles of Consolidation

The accompanying consolidated financial statements reflect the consolidated assets and liabilities, changes in net assets, and cash flows of the International and the Foundation (collectively, the "Organization"). All significant interrelated transactions have been eliminated in consolidation.

Basis of Presentation

The Organization follows accounting standards set by the Financial Accounting Standards Board (FASB). The FASB sets generally accepted accounting principles (GAAP) that the Organization follows to ensure they consistently report their financial condition, results of operations and cash flows. References to GAAP issued by the FASB in the following footnotes are the FASB *Accounting Standards Codification (ASC)*.

The financial statements of the Association have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Association to report information regarding its financial position and activities according to the following net asset classifications:

> **Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the Board of Trustees

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes the current revenue recognition requirements in Topic 605, *Revenue Recognition*. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The Organization adopted the ASU effective January 1, 2019. The adoption of the standard has no impact on the revenue recognition for the years ended 2020 or 2019.

In June 2018, the FASB issued ASU No. 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958). The ASU provides enhanced guidance to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchanges (reciprocal transactions) and (2) determining whether a contribution is conditional. As a result, it enhances comparability of financial information among not-for-profit entities. The Clinic adopted the ASU effective January 1, 2019. Management performed an assessment of the Clinic's contributions and determined the adoption of the standard has no impact on the recognition of contributions for both of the years ended December 31, 2020 and 2019.

In January 2016, the FASB issued ASU No. 2016-01, Financial Instruments – Overall, Recognition and Measurement of Financial Assets and Financial Liabilities (Topic 825). The ASU is intended to enhance the reporting model for financial instruments to provide users of financial instruments with more decision-useful information and addresses certain aspects of the recognition, measurement, presentation, and disclosure of financial instruments. Management performed an assessment of the Organization's equity investments determined the adoption of the standard has no impact on the fair value measurements for the years ended 2020 or 2019.

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of the consolidated 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 amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. In particular, the COVID-19 pandemic and the resulting adverse impact to global economic conditions, as well as the Organizations operations, may affect future estimates, including, but not limited to, the allowance for doubtful accounts.

Concentrations and Credit Risk

The Organization occasionally maintains deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions. Management has deemed this as a normal business risk.

The Organization's investments are held in a diversified portfolio with no concentrations of market risk. No other financial instruments expose the Organization to concentrations of credit risk or market risk.

The Organization receives a substantial portion of its revenue from a select number of individuals who are also members of the Organization. The Organization is aware that it will need to adjust its programs if a significant reduction of the current level of revenues occurs.

In addition, pledges receivable from Board Trustees was approximately 100% of total receivable, at December 31, 2019. The Organization had no pledges receivable from Board Trustees at December 31, 2020.

Cash equivalents

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

Investments

The Organization records its investments in marketable equity securities in accordance with ASC topic *Not-for-Profit Entities Investments*. Investments are stated at fair values based upon quoted market prices using prevailing financial market information. Realized gains and losses represent the difference between the proceeds received and the cost of investments sold. Unrealized gains and losses represent the change in the market value of the investments during the year.

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES (Continued)

Accounts and Pledges Receivable and Allowance

Accounts and pledges receivable are stated net of an allowance for doubtful accounts. Management believes all receivables are collectible as the majority of the amounts due come from the board members. The Organization does not require collateral for its accounts or pledges receivable. There was no allowance for doubtful accounts for accounts and pledges receivable at December 31, 2020 and 2019.

Property and Equipment

Property and equipment purchased by the Organization is carried on its books at cost. Property and equipment donated to the Organization has been recorded at its estimated value at the date of receipt by the Organization. Expenditures for major betterments and additions are charged to the property accounts, while replacements, maintenance and repairs which do not improve or extend the life of the respective assets are expensed as incurred. Depreciation and amortization are computed on the straight-line basis over the estimated useful lives of three to thirty-nine years.

Gains or losses from the sale of property and equipment are recorded in the consolidated statement of activities.

Long-Lived Assets

The Organization evaluates long-lived assets for impairment using a discounted cash flow method whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable in accordance with accounting principles generally accepted in the United States of America.

Deposits

Deposits consist of monies received related to program events (mission trips to other countries) that will occur in the subsequent fiscal year.

Revenue Recognition

All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as revenue and support with donor restrictions. Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES (Continued)

Pledges receivable in the accompanying consolidated statement of financial position consist of unconditional promises to give, which are recorded at their net realizable value at the time the promises are received. These promises to give are reflected as either current or long-term pledges receivable on the consolidated statement of financial position.

Revenue Recognition for Contracts with Customers

The Organization's revenue stream under contracts with customer is comprised of service immersion income received in conjunction with education program trips from the schools that partner with the Organization. The Organization performs an analysis to determine if service immersion income constitute separate performance obligations. The Organization's revenue is recognized when a given performance obligation is satisfied. The revenue is recognized at a given point in time when the control of the goods or service is transferred to the customer. The transaction price is calculated as the amount of consideration to which the Organization expects to be entitled (such as price of trips). The following explains the performance obligations related to the revenue stream and how it is recognized.

Service immersion income – The Organization recognizes the service income at the time that the trip occurs.

Functional Expenses

The costs of providing program and support services are reported on a functional basis in the statements of functional expense. Direct identifiable expenses are charged to programs and supporting services accordingly. Common costs are allocated among program and supporting service activities on the basis of planned resource usage established by management. Certain expenses have been allocated between programs on various bases and estimates. Although methods of allocation used are considered appropriate, other methods could be used that would produce different results.

Comparative Consolidated Financial Statements

The consolidated financial statements include certain prior-year summarized comparative information in total, but not by net assets class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended December 31, 2019, from which the summarized information was derived.

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES (Continued)

Income Taxes

International Samaritan and Subsidiary is a non-profit organization exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore, is not subject to tax under Federal income tax laws.

ASC guidance regarding accounting for uncertainty in income taxes clarifies the accounting for income taxes by prescribing the minimum recognition threshold an income tax position is required to meet before being recognized in the consolidated financial statements and applies to all income tax positions. Each income tax position is assessed using a two-step process. A determination is first made as to whether it is more likely than not that the income tax position will be sustained, based upon technical merits, upon examination by the taxing authorities. If the income tax position is expected to meet the more likely than not criteria, the benefit recorded in the consolidated financial statements equals the largest amount that is greater than 50% likely to be realized upon its ultimate settlement. At December 31, 2020 and 2019, there were no uncertain tax positions that require accrual.

The Organization believes that it has been operating within its tax exempt status and has no unrelated business income.

COVID-19

On March 11, 2020, the World Health Organization declared a novel strain of coronavirus disease (“COVID-19”) a pandemic. The extent of COVID-19’s effect on the Organization’s operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult considering the rapidly evolving landscape.

The Organization's service locations were greatly impacted by the COVID-19 pandemic. Due to the pandemic and the need for the garbage dump community members to shelter-in-place, their ability to scavenge for recyclables and food was greatly reduced. The Organization limited capital improvement projects and focused resources on food support in order to ensure their health and safety.

Marketing

The cost of marketing are expensed as incurred. Marketing expense was $57,486 and $70,571 for the years ended December 31, 2020 and 2019, respectively.

NOTE 2 – LIQUIDITY AND AVAILABILITY

The Organization's financial assets available within one year of the consolidated statement of financial position date for general expenditures are as follows:

	December 31,	
	2020	2019
Financial assets		
Cash and cash equivalents	$ 1,452,270	$ 433,331
Pledge receivable, net	1,000,000	1,050,000
Total financial assets	2,452,270	1,483,331
Amounts not available for general use		
Net assets with donor restrictions	(160,028)	(765,070)
Financial assets available to meet general expenditures within one year	$ 2,292,242	$ 718,261

The Organization's financial assets have been reduced by amounts not available for general use because of donor imposed restrictions within one year of the statement of financial position date and amounts set aside for long-term investing in endowments.

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 3 – PLEDGES RECEIVABLE

Pledges receivable are comprised of the following:

	December 31,	
	2020	2019
Receivable in less than one year	$ 1,000,000	$ 1,050,000
Receivable in one to five years	-	1,000,000
	1,000,000	2,050,000
Less discount to net present value	-	47,600
	$ 1,000,000	$ 2,002,400

The discount rate used in long-term pledges receivable was 5% for the year ended December 31, 2019.

NOTE 4 – INVESTMENTS

Investments were comprised of the following:

	December 31, 2020	December 31, 2019
Equity funds	$ 13,627,436	$ 14,953,476
Bond funds	7,120,972	7,560,560
Catholic Foundation of Michigan Endowment	1,126,355	1,015,691
	$ 21,874,763	$ 23,529,727

The following schedule summarizes the net investment earnings (losses) included in the consolidated statement of activities:

	December 31, 2020	December 31, 2019
Dividend and interest income	$ 373,153	$ 578,695
Investment fees	(127,694)	(121,526)
Realized and unrealized gains	1,591,428	3,008,492
Investment return, net	$ 1,836,887	$ 3,465,661

NOTE 5 – FAIR VALUE MEASUREMENTS

ASC topic *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC topic *Fair Value Measurements* are described as follows:

Level 1 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the abilities to access.

NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)

Level 2 Inputs to the valuation methodology include:

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

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value.

Equity funds: Valued at the net asset value of shares held by the Organization at year end.

Bond funds: Valued at the net asset value of shares held by the Organization at year end.

Catholic Foundation of Michigan: Valued at accumulated unit value of units held by the Organization at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value or certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value:

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Assets:				
Equity funds	$ 13,627,436	$ -	$ -	$ 13,627,436
Bond funds	-	7,120,972	-	7,120,972
Catholic Foundation of				-
Michigan Endowment	-	1,126,355	-	1,126,355
Net assets at fair value	$ 13,627,436	$ 8,247,327	$ -	$ 21,874,763

	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Assets:				
Equity funds	$ 14,953,476	$ -	$ -	$ 14,953,476
Bond funds	-	7,560,560	-	7,560,560
Catholic Foundation of				
Michigan Endowment	-	1,015,691	-	1,015,691
Net assets at fair value	$ 14,953,476	$ 8,576,251	$ -	$ 23,529,727

NOTE 6 – BOARD-DESIGNATED ENDOWMENTS

The Organization's endowment consists of individual funds established to fulfill its mission statement. Its endowment includes funds designated by the Board of Trustees to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

NOTE 6 – BOARD-DESIGNATED ENDOWMENTS (Continued)

Interpretation of Relevant Law

The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. There are no such donor-restricted endowment funds. As a result of this interpretation, the Organization would retain in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

The Board of Trustees has determined that the majority of the Organization’s contributions are subject to the terms of its governing documents. Certain contributions are received subject to other gift instruments, or are subject to specific agreements with the Organization. Under the terms of the Organization’s governing documents, the Board of Trustees has the ability to distribute as much of the original principal of any trust or separate gift, devise, bequest, or fund as the Board in its sole discretion shall determine. As a result of the ability to distribute the original principal, all contributions not classified as without donor restrictions are classified as net assets with donor restrictions for financial statement purposes.

NOTE 6 – BOARD-DESIGNATED ENDOWMENTS (Continued)

Investment Return Objectives, Risk Parameters and Strategies

The Organization has adopted investment and spending policies, approved by the Board of Trustees, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and bond securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the funds if possible. Therefore, the Organization expects its endowment assets, over time, to produce an average rate of return of approximately 5% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy

The Organization has a policy establishing a predisposition toward reinvesting income of the endowment fund, subject to the needs of the Organization for additional general operational funds from time to time. The Organization's spending policy currently does not have a provision allowing for any distribution from donor-restricted endowment funds.

Changes in endowment net assets are as follows:

	Year ended December 31,	
	2020	2019
Board-designated net assets, beginning of year	$ 23,529,727	$ 19,138,290
Net investment return	1,862,913	3,465,661
Contributions	26,026	1,025,798
Expenditures	(3,326,162)	(100,022)
Board-designated net assets, end of year	$ 22,092,504	$ 23,529,727

NOTE 7 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	December 31, 2020	December 31, 2019
Buildings and improvements	$ 340,036	$ 340,036
Furniture and equipment	116,730	108,237
	456,766	448,273
Less: accumulated depreciation and amortization	133,899	113,451
	$ 322,867	$ 334,822

Depreciation and amortization expense was $20,449 and $20,445 for the years ended December 31, 2020 and 2019, respectively.

NOTE 8 – NET ASSETS – WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are restricted for the following purposes:

	December 31, 2020	December 31, 2019
Personnel	$ -	$ 2,263
Education	158,315	761,094
Other	1,713	1,713
	$ 160,028	$ 765,070

During the years ended December 31, 2020 and 2019, net assets released from restrictions totaled $1,079,453 and $994,022, respectively.

NOTE 9 – CASH SURRENDER VALUE OF LIFE INSURANCE

During the year ended December 31, 2015, the Organization purchased insurance on the life of an unrelated party. The unrelated party donated the funds to pay the policy premiums, and will continue to do so, on an ongoing basis. As beneficiary, the Organization receives the cash surrender value if the policy is terminated and, upon death of the insured, receives all benefits payable. Cash value of life insurance is reported in the financial statements net of policy loans and surrender charges. Cash surrender value was $110,532 and $91,379 as of December 31, 2020 and 2019, respectively, and was recorded as assets on the statement of financial position.

NOTE 10 – OPERATING LEASES

The Organization leases a copier from an unrelated party. Under the lease, annual payments are required, and the lease expires in March 2023. Rental expense under the lease for the years ended December 31, 2020 and 2019 was $4,152 and $3,764, respectively. Minimum future payments are as follows:

Year ending December 31,	Total
2021	$ 4,152
2022	4,152
2023	1,038
	$ 9,342

NOTE 11 – RELATED PARTY TRANSACTIONS

The Organization receives a substantial amount of its support from various members of the Board. Related party gross pledge receivables amounted to $-0- and $50,000 as of December 31, 2020 and 2019, respectively. Contribution revenue from the related parties was $136,026 and $50,798 for the years ended December 31, 2020 and 2019, respectively.

The Chairman of the Board is the owner of SJS investments, which manages the Organization's investments. The Organization paid SJS investments $113,522 and $121,526 for investment services for the fiscal years of 2020 and 2019, respectively.

The Trustee of the Board is a partner of Shumaker, Loop & Kendrick, LLP for legal services. The Organization paid $-0- and $1,720 for the fiscal years of 2020 and 2019, respectively.

NOTE 12 – SUBSEQUENT EVENTS

The Organization has performed a review of events subsequent to the consolidated statement of financial position through February 2, 2022, the date the consolidated statements were available to be issued.