Partners Relief & Development

(a nonprofit Nevada corporation)

Financial Statements

December 31, 2022 and 2021

Partners Relief & Development

Table of Contents

BROCK CPAs

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Independent Auditor's Report

To the Board of Directors
Partners Relief & Development
Ada, Michigan

Opinion

We have audited the financial statements of Partners Relief & Development (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Partners Relief & Development as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As described in Note 1 to the financial statements, in 2022, Partners Relief & Development adopted Accounting Standards Update No. 2016-02, *Leases (Topic 842)*. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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, 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.

Independent Auditor's Report (continued)

Responsibilities of Management for the Financial Statements (continued)

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 Partners Relief & Development'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 Responsibility 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 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 substantial likelihood that, individually or in the aggregate, they would influence the judgement 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 Partners Relief & Development'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 Partners Relief & Development'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.

Brock and Company, CPAs, P.C.

Certified Public Accountants

Boulder, Colorado
September 6, 2023

Partners Relief & Development

Statements of Financial Position

December 31	**2022**	2021
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 1,989,120**	$ 2,559,631
Investments, at fair value	**74,113**	97,258
Contributions receivable	**53,461**	64,454
Inventories	**9,686**	30,795
Prepaid expenses and other current assets	**210**	16,370
Total current assets	**2,126,590**	2,768,508
Equipment and Software		
Equipment	**12,148**	12,280
Software	**11,760**	11,760
	23,908	24,040
Less accumulated depreciation	**(16,688)**	(17,650)
Net equipment and software	**7,220**	6,390
Other Assets		
Deposit	**2,947**	2,947
Right-of-use operating lease asset	**36,455**	-
Investments, at cost	**361,000**	361,000
Total other assets	**400,402**	363,947
Total assets	**$ 2,534,212**	$ 3,138,845
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	**$ 89,259**	$ 41,535
Accrued compensation and benefits	**20,016**	1,691
Current maturities of operating lease obligation	**16,667**	-
Total current liabilities	**125,942**	43,226
Long-Term Liabilities		
Operating lease obligation, net of current maturities	**19,788**	-
Total liabilities	**145,730**	43,226
Net Assets		
Without donor restrictions	**2,290,521**	2,087,697
With donor restrictions	**97,961**	1,007,922
Total net assets	**2,388,482**	3,095,619
Total liabilities and net assets	**$ 2,534,212**	$ 3,138,845

The accompanying Notes are an integral part of these financial statements

Partners Relief & Development

Statement of Activities

Year ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support			
Contributions and grants	**$ 3,710,112**	**$ 53,461**	**$ 3,763,573**
In-kind contributions	**2,754**	**-**	**2,754**
Net assets released from restrictions			
Satisfaction of program restrictions	**898,968**	**(898,968)**	**-**
Expiration of time restrictions	**64,454**	**(64,454)**	**-**
Total operating support	**4,676,288**	**(909,961)**	**3,766,327**
Operating Expenses			
Program services	**3,713,481**	**-**	**3,713,481**
Supporting services			
General and administrative	**548,470**	**-**	**548,470**
Fundraising	**300,083**	**-**	**300,083**
Total operating expenses	**4,562,034**	**-**	**4,562,034**
Total operating support in excess (deficit) of operating expenses	**114,254**	**(909,961)**	**(795,707)**
Other Changes			
Investment income	**104,825**	**-**	**104,825**
Other income	**2,084**	**-**	**2,084**
Loss on merchandise sales, net	**(17,233)**	**-**	**(17,233)**
Loss on disposal of equipment	**(1,106)**	**-**	**(1,106)**
Total other changes	**88,570**	**-**	**88,570**
Change in Net Assets	**202,824**	**(909,961)**	**(707,137)**
Net Assets, Beginning of Year	**2,087,697**	**1,007,922**	**3,095,619**
Net Assets, End of Year	**$ 2,290,521**	**$ 97,961**	**$ 2,388,482**

The accompanying Notes are an integral
part of these financial statements

Partners Relief & Development

Statement of Activities

Year ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support			
Contributions and grants	$ 2,816,322	$ 2,418,730	$ 5,235,052
In-kind contributions	361,000	-	361,000
Net assets released from restrictions			
Satisfaction of program restrictions	2,046,180	(2,046,180)	-
Expiration of time restrictions	226,802	(226,802)	-
Total operating support	5,450,304	145,748	5,596,052
Operating Expenses			
Program services	3,528,765	-	3,528,765
Supporting services			
General and administrative	357,451	-	357,451
Fundraising	351,448	-	351,448
Total operating expenses	4,237,664	-	4,237,664
Total operating support in excess of operating expenses	1,212,640	145,748	1,358,388
Other Changes			
Investment income	251,228	-	251,228
Paycheck Protection Program grant	75,607	-	75,607
Other income	2,382	-	2,382
Loss on merchandise sales, net	(2,174)	-	(2,174)
Total other changes	327,043	-	327,043
Change in Net Assets	1,539,683	145,748	1,685,431
Net Assets, Beginning of Year	548,014	862,174	1,410,188
Net Assets, End of Year	$ 2,087,697	$ 1,007,922	$ 3,095,619

Partners Relief & Development

Statement of Functional Expenses

Year ended December 31, 2022

	Program Services	Supporting Services: General and Administrative	Supporting Services: Fundraising	Total
Salaries and wages	$ 605,713	$ 350,457	$ 209,246	$ 1,165,416
Payroll taxes	28,208	15,410	12,148	55,766
Employee benefits	53,900	32,468	11,144	97,512
Total personnel costs	687,821	398,335	232,538	1,318,694
Program expenses	2,656,930	-	-	2,656,930
Legal and professional fees	144,881	43,950	40	188,871
Travel and meals	126,580	16,385	16,488	159,453
Technology and communications	15,343	37,494	18,923	71,760
Insurance	15,373	25,712	-	41,085
Occupancy	28,812	9,224	378	38,414
Marketing	243	-	25,852	26,095
Office expenses	19,109	1,317	1,318	21,744
Printing and postage	15,597	50	4,104	19,751
Miscellaneous expenses	731	13,411	322	14,464
Bank and credit card fees	1,166	1,724	-	2,890
Training and education	895	50	120	1,065
Depreciation	-	818	-	818
Total operating expenses	$ 3,713,481	$ 548,470	$ 300,083	$ 4,562,034

The accompanying Notes are an integral part of these financial statements

Partners Relief & Development

Statement of Functional Expenses

Year ended December 31, 2021

	Program Services	Supporting Services: General and Administrative	Supporting Services: Fundraising	Total
Salaries and wages	$ 769,539	$ 192,214	$ 253,716	$ 1,215,469
Payroll taxes	35,274	13,008	12,159	60,441
Employee benefits	49,264	17,856	4,903	72,023
Total personnel costs	854,077	223,078	270,778	1,347,933
Program expenses	2,450,232	-	-	2,450,232
Legal and professional fees	88,027	54,258	3,749	146,034
Technology and communications	24,082	29,733	43,477	97,292
Travel and meals	31,932	20,182	18,358	70,472
Insurance	24,650	12,754	-	37,404
Occupancy	11,394	5,637	4,650	21,681
Office expenses	17,156	1,817	2,365	21,338
Marketing	12,047	1,597	4,862	18,506
Printing and postage	9,874	635	3,209	13,718
Training and education	5,294	466	-	5,760
Miscellaneous expenses	-	4,556	-	4,556
Bank and credit card fees	-	1,937	-	1,937
Depreciation	-	801	-	801
Total operating expenses	$ 3,528,765	$ 357,451	$ 351,448	$ 4,237,664

The accompanying Notes are an integral part of these financial statements

Partners Relief & Development

Statements of Cash Flows

Increase (Decrease) in Cash and Cash Equivalents

Years ended December 31	2022	2021
Cash Flows From Operating Activities		
Change in net assets	**$ (707,137)**	$ 1,685,431
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities		
Depreciation	**818**	801
Amortization of right-of-use operating lease asset	**15,633**	-
Net realized and unrealized loss on investments	**22,315**	2,498
Loss on disposal of equipment	**1,106**	-
Donated equipment	**(2,754)**	-
Donated investments	**-**	(361,000)
Increase (decrease) from changes in assets and liabilities		
Contributions receivable	**10,993**	162,348
Inventories	**21,109**	(3,706)
Prepaid expenses and other current assets	**16,160**	(16,134)
Accounts payable	**47,724**	13,382
Accrued compensation and benefits	**18,325**	(15,140)
Operating lease obligation	**(15,633)**	-
Net cash (used) provided by operating activities	**(571,341)**	1,468,480
Cash Flows From Investing Activities		
Purchases of investments	**(12,504)**	(100,204)
Net proceeds from sale of investments	**13,334**	448
Purchases of equipment	**-**	(5,363)
Net cash provided (used) by investing activities	**830**	(105,119)
Net (Decrease) Increase in Cash and Cash Equivalents	**(570,511)**	1,363,361
Cash and Cash Equivalents, Beginning of Year	**2,559,631**	1,196,270
Cash and Cash Equivalents, End of Year	**$ 1,989,120**	$ 2,559,631

The accompanying Notes are an integral part of these financial statements

Note 1 – Nature of Organization and Significant Accounting Policies

Nature of Organization. Partners Relief & Development (the Organization) is a Nevada non-profit corporation established in 2001 to provide direct care to children and families affected by war and oppression in Southeast Asia and the Middle East through sustainable development, the strengthening of families, and emergency relief. The Organization's work spans the following key areas: nutrition; education; health; care for children; income generation; migrant assistance; shelter and emergency relief. The Organization's revenues and other support are derived principally from charitable contributions from interested parties.

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

Basis of Presentation. The Organization reports 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 resulting from revenues generated by receiving contributions that have no donor stipulations and receiving investment and other income, less expenses incurred in providing program related services, raising contributions, and performing administrative functions.

Net Assets With Donor Restrictions. Net assets resulting from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Change in Accounting Principle. On January 1, 2022, the Organization adopted FASB ASU No. 2016-02, *Leases (Topic 842)*, which provides guidance on the accounting for leases that superseded previous guidance. Topic 842 requires lessees to recognize leases on the statement of financial position for all leases, including operating leases which were not previously recorded as assets and liabilities, and to disclose key information about leasing arrangements. The new standard establishes a right-of-use model (ROU) that requires a lessee to recognize a ROU asset and lease liability on the statement of financial position for all leases with a term longer than 12 months. Leases are now classified as financing, formerly capital, or operating, with classification affecting the pattern and classification of expense recognition in the statement of activities. The Organization adopted ASU 2016-02 under the modified retrospective approach, applying the amendments only to prospective reporting periods. In performing its analysis, the Organization reflected the aggregate effect of all modifications when identifying the lease obligations and ROU assets. The change in accounting method would not have had a material effect on the change in net assets for the year ended December 31, 2021, or on net assets as of December 31, 2021.

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Cash and Cash Equivalents. Cash consists of checking and savings accounts held at financial institutions. For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents.

Investments. The Organization's investments in mutual funds and exchange traded funds are stated at fair value. Fair value is 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. The Organization's management determines the valuation policies utilizing information provided by the investment advisors and custodians. Investments in the form of mineral rights are presented at the lower of cost or market.

Unrealized gains and losses are included in the accompanying statements of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Fair Value Measurements. The Organization reports using fair value measurements, which among other things requires enhanced disclosures about investments that are measured and reported at fair value and establishes a framework for measuring fair value. The 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 are described below:

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

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 specified (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's 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 measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Fair Value Measurements (continued). The Organization values mutual funds and exchange traded funds with readily determinable market values at fair value as determined by quoted market prices on national securities exchanges valued at the closing price on the last business day of the fiscal year. Securities traded on the over-the-counter market are valued at the last reported bid price.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodology used at December 31, 2022 and 2021.

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statement of financial position.

Contributions Receivable. Unconditional promises to give are recognized as revenue in the period received. Contributions receivable are recorded at the amount the Organization expects to receive, allowing for estimated uncollectible contributions. The allowance for uncollectible contributions is estimated based on management's review of specific contributions outstanding. As of December 31, 2022 and 2021, management believes all contributions receivable are fully collectible, and accordingly, no allowance for doubtful accounts has been recorded. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Inventories. Inventories consist of books, clothing and other accessories, and is stated at the lower of cost (first-in, first-out method) or net realizable value.

Equipment and Software. It is the Organization’s policy to capitalize equipment and software at cost for purchases over $2,500, while repair and maintenance items are charged to expense. Donations of equipment and software are capitalized at their estimated fair value at the date of gift. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Equipment and software is depreciated using straight-line methods over the estimated useful lives of the assets, which is generally five to ten years for equipment and software. Depreciation expense totaled $818 and $801 for the years ended December 31, 2022 and 2021, respectively. Amortization of software is included in depreciation expense.

Leases and Right-of-Use Assets. Commencing January 1, 2022, the Organization recognizes and measures its leases in accordance with FASB ASC 842, *Leases*. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Organization recognizes a lease liability and a right-of-use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments.

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Leases and Right-of-Use Assets (continued). Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate if it is readily determinable, or otherwise, the Organization uses its incremental borrowing rate based on the information available at the commencement date of the lease. The Organization's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment. The ROU asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus or minus any prepaid or accrued lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

Right-of-use assets under operating leases are recorded in other assets in the accompanying statement of financial position. The Organization has elected to exclude leases of 12 months or less from right-of-use asset recognition. Amortization of right-of-use assets for operating leases is included in rent expense.

Impairment of Long-Lived Assets. In the event that facts and circumstances indicate that equipment, or other assets, may be impaired, an evaluation of recoverability would be performed. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying amount to determine if a write-down to market value would be necessary. No impairment losses were recorded during 2022 and 2021.

Contributions. Contributions are recognized when the donation is received. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions and grants that are restricted by the donor or grantor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Contributed Services. Contributed services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. There were no contributed services for the years ended December 31, 2022 and 2021.

Functional Allocation of Expenses. The costs of providing programs and other activities have been summarized on a functional basis in the statement of functional expenses and in the statement of activities. Accordingly, direct expenses have been allocated to the applicable program for which the expenses were incurred. Indirect expenses have been allocated between program and supporting services based on an analysis of personnel time and space utilized for the related activities.

Income Taxes. The Organization is a nonprofit corporation exempt from income taxes as described in Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been made.

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Subsequent Events. The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through September 6, 2023, the date at which the financial statements were available for release.

Note 2 – Adoption of Accounting Pronouncement

The Organization adopted Topic 842 on January 1, 2022 using the modified retrospective approach and recorded increases to opening right-of-use assets and operating lease liabilities of $1,590. The adoption changed the recognition of lease obligations and right-of-use assets. The adoption did not change net assets. The Organization elected certain practical expedients allowed under ASC 842 and, accordingly, did not reassess whether any expired or existing contracts are or include leases, or the lease classification of any expired or existing leases, and initial direct costs for any existing leases.

The cumulative effects of the changes made to the statement of financial position as of January 1, 2022 for the adoption of Topic 842 were as follows:

	Balance at December 31, 2021	Adjustments Due to ASC 842	Balance at January 1, 2022
Assets			
Right-of-use operating lease asset	$ -	$ 1,590	$ 1,590
Liabilities			
Operating lease obligation	$ -	$ 1,590	$ 1,590
Net Assets	$ 3,095,619	$ -	$ 3,095,619

Note 3 – Liquidity and Availability

The Organization had $2,116,694 and $2,721,343 in financial assets available within one year of December 31, 2022 and 2021, respectively. The Organization receives significant contributions and promises to give that are restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability; maintaining adequate liquid assets to fund near-term operating needs; and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. To achieve these guiding principles, the Organization forecasts its future cash flows and monitors its liquidity monthly. During the years ended December 31, 2022 and 2021, the level of liquidity and reserves was managed within the guiding principles.

Note 4 – Investments and Fair Value Measurements

The following table sets forth by level, within the fair value hierarchy, the Organization's investments, at fair value, as of December 31, 2022:

	Level 1	Level 2	Level 3	Total
Investments carried at fair value				
Mutual Funds				
Equity funds	**$ 40,406**	**$ -**	**$ -**	**$ 40,406**
Bond funds	**11,759**	**-**	**-**	**11,759**
Other	**107**	**-**	**-**	**107**
Exchange Traded Funds	**21,841**	**-**	**-**	**21,841**
	$ 74,113	**$ -**	**$ -**	**74,113**
Investments carried at lower of cost or market				
Mineral rights				**361,000**
Total investments				**$ 435,113**

The following table sets forth by level, within the fair value hierarchy, the Organization's investments, at fair value, as of December 31, 2021:

	Level 1	Level 2	Level 3	Total
Investments carried at fair value				
Mutual Funds				
Equity funds	$ 40,994	$ -	$ -	$ 40,994
Bond funds	25,941	-	-	25,941
Other	1,142	-	-	1,142
Exchange Traded Funds	29,181	-	-	29,181
	$ 97,258	$ -	$ -	97,258
Investments carried at lower of cost or market				
Mineral rights				361,000
Total investments				$ 458,258

Mineral Rights. In April 2021, the Organization received overriding royalty interests in oil and gas wells (mineral rights) located in Lea County, New Mexico. An appraisal was performed to value the mineral rights at the date of gift. The ongoing fair value of the mineral rights is not readily determinable and they are considered for impairment annually.

Changes in Fair Value Levels. The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Note 4 – Investments and Fair Value Measurements (continued)

The Organization evaluated the significance of transfers between levels based upon the nature of the financial instruments and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2022 and 2021, there were no significant transfers in or out of fair value levels.

Investment income consisted of the following for the years ended December 31:

	2022	2021
Royalties	**$ 126,148**	$ 253,487
Interest and dividends	**1,822**	529
Net unrealized loss on investments	**(25,329)**	(2,946)
Net realized gain on investments	**3,014**	448
	105,655	251,518
Investment fees	**(830)**	(290)
Net investment income	**$ 104,825**	$ 251,228

Note 5 – Contributions Receivable

Contributions receivable were $53,461 and $64,454 as of December 31, 2022 and 2021, respectively. Amounts outstanding at December 31, 2021 were collected during 2022, and management estimates the outstanding amount at December 31, 2022 will be collected during 2023.

Note 6 – Operating Lease

The Organization leases office space in Ada, Michigan under a noncancelable operating lease. The lease includes rent escalation terms equal to the national inflation rate and expires in January 2025. The lease also requires the Organization to pay for its share of the shared costs. The rent escalation and the shared costs were determined to be variable lease payments and are not included in lease payments used to determine lease obligations and are recognized as variable costs when incurred. The operating lease obligation and related right-of-use asset as of December 31, 2022 each totaled $36,455.

Operating lease costs consist of the following for the year ended December 31, 2022:

	Amount
Amortization of right-of-use asset	$ 15,633
Interest on lease liability	3,447
Variable rent expense	9,893
	$ 28,973

Rent expense on leased office space for the year ended December 31, 2021, prior to the implementation of ASC 842, totaled $21,531.

Note 6 – Operating Lease (continued)

Cash paid for amounts included in the measurement of operating lease liabilities totaled $17,490 for the year ended December 31, 2022. A right-of-use asset obtained in exchange for an operating lease liability totaled $50,498 for the year ended December 31, 2022.

The weighted average of the remaining lease terms and discount rates are as follows at December 31, 2022:

Remaining lease term, operating lease	2.08 years
Discount rate, operating lease	8.82%

The discount rate for the operating lease is estimated based on the Organization's incremental borrowing rate at the commencement of the lease.

Scheduled maturities of operating lease liabilities are as follows at December 31, 2022:

Year	Amount
2023	$ 19,080
2024	19,080
2025	1,590
	39,750
Less imputed interest	(3,295)
	$ 36,455

Note 7 – Net Assets With Donor Restrictions

The following summarizes the changes in net assets with donor restrictions:

	Purpose Restrictions			
	Middle East and Southeast Asia Funds	Relief and Development Team Support	Time Restrictions	Total
Balance, January 1, 2021	$ 623,817	$ 11,555	$ 226,802	$ 862,174
Additions	2,350,057	4,219	64,454	2,418,730
Releases	(2,030,406)	(15,774)	(226,802)	(2,272,982)
Balance, December 31, 2021	943,468	-	64,454	1,007,922
Additions	**-**	**-**	**53,461**	**53,461**
Releases	**(898,968)**	**-**	**(64,454)**	**(963,422)**
Balance, December 31, 2022	**$ 44,500**	**$ -**	**$ 53,461**	**$ 97,961**

Note 8 – In-kind Contributions

The Organization received the following contributions of nonfinancial assets for the years ended December 31:

	2022	2021
Equipment	**$ 2,754**	$ -
Mineral rights	**-**	361,000
	$ 2,754	$ 361,000

Contributed equipment received by the Organization is valued at the current price for similar items located on a publicly available website. Contributed mineral rights received by the Organization was recorded at appraised value.

All donated assets were utilized by the Organization's programs and supporting services. There were no donor-imposed restrictions associated with the in-kind contributions.

Note 9 – Paycheck Protection Program

The Organization received proceeds from the Paycheck Protection Program administered by the U.S. Small Business Administration of $75,607 in 2021. Proceeds from the program were considered a government grant if at least 60% of the proceeds are spent on eligible payroll, with the remaining 40% on other narrowly specified expenses. As of December 31, 2021, the Organization fulfilled the requirements of the program. Accordingly, the Organization recognized the proceeds as grant revenue.

Note 10 – Retirement Plan

The Organization participates in a deferred compensation retirement plan under Internal Revenue Code Section 403(b). The plan covers substantially all employees and allows the Organization to provide a discretionary matching contribution equal to a uniform percentage or dollar amount of each employee's elective deferral. The Organization determines the formula for the discretionary matching contribution annually. The Organization contributed $38,143 and $38,750 to the plan for the years ended December 31, 2022 and 2021, respectively.

Note 11 – Concentrations of Credit Risk

Bank Deposits. The Organization routinely maintained cash balances in excess of federally insured limits during the years ended December 31, 2022 and 2021.

Major Donors. The Organization had a two donors that comprised 37% of total revenues for the year ended December 31, 2022. There were no major donors for the year ended December 31, 2021.