HEALING HANDS INTERNATIONAL, INC.

FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2021 and 2020

And Report of Independent Auditor

Cherry Bekaert LLP
CPAs & Advisors

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Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor

To the Board of Directors
Healing Hands International, Inc.
Nashville, Tennessee

Opinion

We have audited the accompanying financial statements of Healing Hands International, Inc. (a nonprofit organization) (the "Organization"), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and 2020, 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 the Organization 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 the Organization'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.

Cherry Bekaert LLP

Nashville, Tennessee
May 6, 2022

HEALING HANDS INTERNATIONAL, INC.
STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 3,726,563	$ 3,222,161
Investments	5,343,846	-
Prepaid expense	18,783	17,959
Employee advances	33,578	22,572
Inventory	219,630	264,360
Total Current Assets	9,342,400	3,527,052
Property and Equipment:		
Land	180,896	180,896
Building	599,995	599,995
Building improvements	505,037	505,037
Software	20,676	20,676
Vehicles	47,357	47,357
	1,353,961	1,353,961
Less accumulated depreciation	(600,809)	(539,957)
Net Property and Equipment	753,152	814,004
Total Assets	$ 10,095,552	$ 4,341,056
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$ 18,343	$ 96,297
Accrued expenses	40,672	30,289
Funds held for others	39,739	39,739
Total Current Liabilities	98,754	166,325
Net Assets:		
Without Donor Restrictions:		
Undesignated	1,401,810	3,619,845
Board designated for endowment	7,147,603	-
Total Without Donor Restrictions	8,549,413	3,619,845
With Donor Restrictions:	1,447,385	554,886
Total Net Assets	9,996,798	4,174,731
Total Liabilities and Net Assets	$ 10,095,552	$ 4,341,056

The accompanying notes to the financial statements are an integral part of these statements.

HEALING HANDS INTERNATIONAL, INC.
STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support:			
Contributions	$ 6,651,263	$ 3,041,429	$ 9,692,692
In-kind donations	687,150	-	687,150
Interest income	12,410	-	12,410
Other income	225,000	-	225,000
Unrealized loss on investments	(6,154)	-	(6,154)
Net assets released from restrictions	2,148,930	(2,148,930)	-
Total Revenues and Support	9,718,599	892,499	10,611,098
Expenses:			
Program services	4,071,847	-	4,071,847
Management and general	317,331	-	317,331
Fundraising	399,853	-	399,853
Total Expenses	4,789,031	-	4,789,031
Change in net assets	4,929,568	892,499	5,822,067
Net assets, beginning of year	3,619,845	554,886	4,174,731
Net assets, end of year	$ 8,549,413	$ 1,447,385	$ 9,996,798

The accompanying notes to the financial statements are an integral part of these statements.

HEALING HANDS INTERNATIONAL, INC.
STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support:			
Contributions	$ 1,787,496	$ 1,552,005	$ 3,339,501
In-kind donations	734,588	-	734,588
Interest income	25,258	-	25,258
Other income	221,275	-	221,275
Net assets released from restrictions	1,924,885	(1,924,885)	-
Total Revenues and Support	4,693,502	(372,880)	4,320,622
Expenses:			
Program services	3,632,033	-	3,632,033
Management and general	332,878	-	332,878
Fundraising	149,859	-	149,859
Total Expenses	4,114,770	-	4,114,770
Change in net assets	578,732	(372,880)	205,852
Net assets, beginning of year	3,041,113	927,766	3,968,879
Net assets, end of year	$ 3,619,845	$ 554,886	$ 4,174,731

The accompanying notes to the financial statements are an integral part of these statements.

HEALING HANDS INTERNATIONAL, INC.
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2021

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Total
Medical, food, and other relief (including in-kind amounts of $731,880)	$ 2,543,282	$ -	$ -	$ 2,543,282
Salaries and benefits	839,639	221,455	294,019	1,355,113
Packaging and freight	213,169	-	-	213,169
Advertising	153,743	-	29,559	183,302
Postage and printing	95,667	2,594	42,297	140,558
Other travel	46,327	-	21,553	67,880
Depreciation	49,602	11,250	-	60,852
Bank/credit card fees	24,869	5,063	10,720	40,652
Professional fees	31,012	7,033	-	38,045
Office equipment and supplies	-	37,811	-	37,811
Insurance	23,867	5,413	-	29,280
Travel - missions	20,599	-	-	20,599
Warehouse equipment and supplies	19,340	-	-	19,340
Utilities	-	13,512	-	13,512
Contract labor	-	13,200	-	13,200
Telephone	10,731	-	1,705	12,436
Total Expenses	$ 4,071,847	$ 317,331	$ 399,853	$ 4,789,031

The accompanying notes to the financial statements are an integral part of these statements.

HEALING HANDS INTERNATIONAL, INC.
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2020

		Supporting Services		
	Program Services	Management and General	Fundraising	Total
Medical, food, and other relief				
(including in-kind amounts of $681,698)	$ 2,245,147	$ -	$ -	$ 2,245,147
Salaries and benefits	901,585	252,996	121,868	1,276,449
Packaging and freight	175,020	-	-	175,020
Postage and printing	81,492	6,336	26,571	114,399
Other travel	60,190	-	1,420	61,610
Depreciation	41,805	12,546	-	54,351
Warehouse equipment and supplies	39,780	-	-	39,780
Office equipment and supplies	-	33,751	-	33,751
Insurance	20,709	6,215	-	26,924
Bank/credit card fees	20,432	3,685	-	24,117
Travel - missions	17,659	-	-	17,659
Utilities	-	14,641	-	14,641
Professional fees	9,025	2,708	-	11,733
Telephone	10,379	-	-	10,379
Advertising	8,810	-	-	8,810
Total Expenses	$ 3,632,033	$ 332,878	$ 149,859	$ 4,114,770

HEALING HANDS INTERNATIONAL, INC.
STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	$ 5,822,067	$ 205,852
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	60,852	54,351
Unrealized loss on investments	6,154	-
Disposal of property and equipment	-	6,500
Changes in operating assets and liabilities:		
Prepaid expense	(824)	(8,044)
Employee advances	(11,006)	(1,402)
Inventory	44,730	(52,890)
Accounts payable	(77,954)	(69,547)
Accrued expenses	10,383	(11,094)
Net cash flows from operating activities	5,854,402	123,726
Cash flows from investing activities:		
Purchase of investments	(5,350,000)	-
Purchase of property and equipment	-	(27,800)
Net cash flows from investing activities	(5,350,000)	(27,800)
Change in cash and cash equivalents	504,402	95,926
Cash and cash equivalents, beginning of year	3,222,161	3,126,235
Cash and cash equivalents, end of year	$ 3,726,563	$ 3,222,161

The accompanying notes to the financial statements are an integral part of these statements.

Note 1—Nature of operations and summary of significant accounting policies

Organization – Healing Hands International, Inc. (the "Organization") is a not-for-profit Christian relief agency incorporated in 1993 to serve missionaries and mission organizations internationally. As part of its humanitarian relief efforts, the Organization has distributed food, medical/agricultural/educational supplies and equipment, and medicine to over 50 countries worldwide. In addition, the Organization drills clean water wells and provides agriculture training in third world countries. In order to accomplish its mission, the Organization campaigns to raise awareness among Christians in the United States. The Organization, headquartered in Nashville, Tennessee, receives contributions from churches, individuals, foundations, and businesses.

Significant accounting policies used in the preparation of the Organization's financial statements are as follows:

Basis of Presentation – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Financial statement presentation is in accordance with standards of accounting and financial reporting prescribed for not-for-profit organizations. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

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 Directors. The Board of Directors has designated certain investments for a board endowment to be used at the Board's discretion.

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors. 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, whereby the donor has stipulated the funds be maintained in perpetuity. None of the Organization's net assets with donor restrictions are required to be held in perpetuity by the donors at December 31, 2021 and 2020.

Cash Equivalents – The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Accounts and Contributions Receivable – Accounts and contributions receivable, if any, are reviewed periodically as to their collectability. Based on collection experience and management's review, allowance for doubtful accounts is not considered necessary at December 31, 2021 and 2020.

Investments – Investments are reported 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 as of the measurement date. Gains or losses on such investments are reported as a change in net assets in the period they occur.

Fair Value Measurements – The Organization has an established process in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") guidelines for determining fair values. Fair value is based upon quoted market prices, where available. If listed prices or quotes are not available, fair value is based upon internally developed models or processes that use primarily market-based or independently-sourced market data and third party information. Valuation adjustments may be made to ensure financial instruments are recorded at fair value. 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 estimate of fair value at the reporting date. FASB ASC guidance has a three-level valuation hierarchy for fair value measurements. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Note 1—Nature of operations and summary of significant accounting policies (continued)

The three levels are explained 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 ability to access.

Level 2 – Inputs to the valuation methodology include the following:

- 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 measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The Organization's fixed income securities and equities are valued at the closing price reported on the active market on which the individual securities are traded.

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 method is 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.

Property and Equipment – Property and equipment is recorded at cost and is depreciated over the estimated useful lives of the related assets using the straight-line method. Expenditures for maintenance and repairs are expensed when incurred. Expenditures for renewals or betterments are capitalized. Estimated useful lives for the various classes of assets are as follows:

Buildings	5-40 years
Building improvements	3-40 years
Software	5 years
Vehicles	5 years

Inventory – The Organization's inventory of purchased or donated medical supplies and equipment used in its program efforts is generally included in the accompanying statements of financial position if the value can be readily determined.

Note 1—Nature of operations and summary of significant accounting policies (continued)

In-Kind Donations – The Organization receives substantial support from volunteers who donate their time to accomplish the Organization's purpose. The value of such time is not included in the accompanying financial statements unless the criteria for recognition of such volunteer effort under accounting and reporting standards prescribed for not-for-profit organizations has been satisfied. The Organization receives other in-kind donations of equipment and supplies. The Organization received approximately 23,000 and 21,000 Magi boxes, consisting of boxes including toys, hygiene items, school supplies, and clothing, during 2021 and 2020, respectively. The value of such items is included in in-kind donations, medical, food, and other relief expense, and inventory in the accompanying financial statements at December 31, 2021 and 2020.

During 2021 and 2020, the Organization received in-kind donations valued at $687,150 and $734,588, respectively. The Organization chose to record these contributions as the values were readily determinable. In-kind donations are generally utilized in the year received. During 2021 and 2020, the Organization recorded in-kind expense of $731,880 and $681,698, respectively, in the accompanying statements of activities in medical, food, and other relief.

Functional Allocation of Expenses – The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. While most costs have been directly assigned to a functional category, certain joint costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. Expenses that are allocated consisted primarily of salaries and wages expense which was allocated based on time and effort.

Income Taxes – The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. Accordingly, no provision for income taxes has been made in the financial statements.

The Organization follows FASB ASC guidance clarifying the accounting for uncertainty in income taxes recognized in an entity's financial statements. This guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. The Organization has no tax penalties or interest reported in the accompanying financial statements.

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Endowment Funds – The Uniform Prudent Management Institutional Funds Act ("UPMIFA") was enacted in Tennessee effective July 1, 2007. The not-for-profit topic of the FASB ASC provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of UPMIFA. It also requires disclosure of a description of the governing board's interpretation of the law that underlies the organization's net asset classification of donor-restricted endowment funds, a description of the organization's policies for the appropriation of endowment assets for expenditures (its endowment spending policies), a description of the organization's endowment investment policies, and additional disclosures not previously required.

Note 1—Nature of operations and summary of significant accounting policies (continued)

Accounting Policies for Future Pronouncements – In February 2016, FASB issued Accounting Standards Update ("ASU") 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right of use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statement of activities. This standard will be effective for the year ending December 31, 2022. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

Subsequent Events – The Organization evaluated subsequent events through May 6, 2022, when these financial statements were available to be issued.

Note 2—Liquidity and availability of resources

The Organization has a goal to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following table represents the Organization's financial assets as of December 31, 2021 and 2020, reduced by amounts not available for general expenditure within one year. The Organization considers general expenditures to be all expenditures related to its ongoing activities of achieving its mission.

	2021	2020
Financial assets at year-end:		
Cash and cash equivalents	$ 3,726,563	$ 3,222,161
Investments	5,343,846	-
Total financial assets	9,070,409	3,222,161
Less amounts not available to be used for general expenditures within one year:		
Board designated for endowment	(7,147,603)	-
Net assets restricted for specific purpose by donors	(1,447,385)	(554,886)
Financial assets available to meet cash needs for general expenditures within one year	$ 475,421	$ 2,667,275

Note 3—Cash and cash equivalents

Cash and cash equivalents consist of the following at December 31:

	2021	2020
Synovus Bank:		
Money market	$ 119,170	$ 1,817,017
Business checking	1,494,498	684,042
Brokerage	101	10,089
Christian Financial - ready cash	1,192,179	631,751
Ecobank - Kenya	3,235	6,682
Western Union	739	935
Petty cash	2,395	2,957
John Dube - Working Fund	11,132	4,384
Truist Bank:		
Interest bearing checking	903,114	63,576
Business checking	-	728
	$ 3,726,563	$ 3,222,161

Note 4—Concentrations

The Organization receives a substantial amount of its support from individuals, churches, and foundations. The Organization received contributions from one donor representing 36% of total contributions for the year ended December 31, 2021. A significant reduction in the level of contributions, if this were to occur, could have an adverse impact on the Organization's programs and services.

The Organization maintains cash and cash equivalents in excess of federally insured limits. The Organization has not experienced any losses in such accounts. As of December 31, 2021 and 2020, the Organization's depository accounts exceeded such insurance limits by approximately $2,900,000 and $2,700,000, respectively. In management's opinion, risk related to such concentrations is minimal.

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

Note 5—Leases

The Organization rented office and outreach space in Haiti, which is subject to leases. Total rent expense for the years ended December 31, 2021 and 2020 was $36,000 and $-0-, respectively.

Note 6—Net assets with donor restrictions

Net assets with donor restrictions at December 31, 2021 and 2020 is summarized in the following schedules:

	12/31/2020 Net Assets With Donor Restrictions	Contributions	Released from Restrictions Direct Costs	Released from Restrictions Indirect Costs	12/31/2021 Net Assets With Donor Restrictions
Contributions restricted for particular purpose:					
Water development	$ 385,733	$ 1,600,236	$ (1,056,798)	$ -	$ 929,171
Disaster relief	153,877	1,108,112	(757,298)	-	504,691
Empowering women	-	112,282	(112,282)	-	-
Education	15,276	26,807	(28,560)	-	13,523
Agriculture	-	193,992	(193,992)	-	-
	$ 554,886	$ 3,041,429	$ (2,148,930)	$ -	$ 1,447,385

	12/31/2019 Net Assets With Donor Restrictions	Contributions	Released from Restrictions Direct Costs	Released from Restrictions Indirect Costs	12/31/2020 Net Assets With Donor Restrictions
Contributions restricted for particular purpose:					
Water development	$ 298,168	$ 859,343	$ (771,778)	$ -	$ 385,733
Disaster relief	626,052	425,719	(897,894)	-	153,877
Empowering women	-	76,216	(76,216)	-	-
Education	3,546	36,160	(24,430)	-	15,276
Agriculture	-	154,567	(154,567)	-	-
	$ 927,766	$ 1,552,005	$ (1,924,885)	$ -	$ 554,886

Note 7—Investments

Investments are stated at fair value with fair value determined based on active markets (Level 1), and consist of the following at December 31:

Cash and cash equivalents	$ 1,791,601
Fixed income securities	1,017,938
Equities:	
Domestic	1,521,851
International	798,556
Diversifiers	213,900
	$ 5,343,846

For the year ended December 31, 2021, unrealized loss on investments amounted to $6,154.

Note 8—Endowment

The Organization's endowment funds were established to cover the Organization's administrative and fundraising costs so that donor gifts are completely utilized for programmatic purposes. The endowment funds were designated by the Board of Directors to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization has interpreted the UPMIFA as requiring that the Organization classify as net assets with donor restrictions and net assets designated for endowment, (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not held in perpetuity may be designated until those amounts are appropriated for expenditure by the Organization 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 and funds designated by the Board for endowment:

- The duration and preservation of the fund
- The purposes of the Organization and the endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Changes in endowment net assets for the year ended December 31, 2021:

Endowment net assets, beginning of year	$ -
Investment return, net	(6,154)
Donations designated for endowment	4,275,909
Transfers, net	2,877,848
Endowment net assets, end of year	$ 7,147,603

Endowment net assets totaling $7,147,603 at December 31, 2021 consist solely of board designated net assets.

Endowment Investment Policy and Risk Parameters – The Organization has adopted investment policies to allow endowment assets to support the Organization and to enable it to more completely fulfill its mission by providing operational funding for perpetuity. Under the Organization's investment policy for endowment assets, the primary objective is to maintain the accumulated balances and to protect the principal. The policy also requires that the funds, as a whole, should not be subjected to undue investment risk.

Strategies Employed for Achieving Investment Objectives – To satisfy its long-term objectives, the Organization relies on an investment strategy that allows the value of the funds to at least keep pace with inflation. It is expected that the funds' investment performance will be measured by total return, taking into account both income and capital appreciation into consideration. There are no specific guidelines as to how much current income should be generated by the funds' investments. To satisfy its long-term rate-of-return objectives, the Organization's investment policy is to generally maintain 0% to 10% in cash and cash equivalents, 25% to 45% in fixed income securities, 50% to 70% in equities, and 0% to 20% in diversifiers.

Note 8—Endowment (continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy – The Organization may authorize an annual distribution of up to 3% of the market value calculated on a rolling three-year average market value. Any distributions in excess of 3% during a fiscal year requires approval of a two-thirds majority of the Board. The Organization did not make a distribution during 2021.

Note 9—Paycheck Protection Program loan

In 2020, the Organization received a loan of $221,275 under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) Paycheck Protection Program (“PPP”) administered by the Small Business Administration (“SBA”). The application for the PPP loan requires the Organization to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operation of the Organization. This certification further requires the Organization to take into account current business activity and the ability to access other sources of liquidity sufficient to support the ongoing operations in a manner that is not significantly detrimental to the business. The receipt of the funds from the PPP loan and the forgiveness of the PPP loan is dependent on the Organization having initially qualified for the PPP loan and qualifying for the forgiveness of such PPP loan based on funds being used for certain expenditures such as payroll costs and rent, as required by the terms of the PPP loan.

The Organization applied for forgiveness with the SBA and the SBA forgave the PPP loan in full in January 2021. As a result, the Organization recognized $221,275 as other income on the statement of activities for the year ended December 31, 2020.

In 2021, under the same terms and requirements, the Organization received a second PPP loan in the amount of $225,000, which was established under the CARES Act and administered by the SBA. The Organization applied for forgiveness with the SBA and the SBA forgave the PPP loan in full in October 2021. As a result, the Organization recognized $225,000 as other income on the statement of activities for the year ended December 31, 2021.

Note 10—Uncertainty

Late in December 2019, an outbreak of a novel strain of coronavirus (“COVID-19”) emerged globally. As a result of the spread of COVID-19, economic uncertainties have arisen, which could negatively impact the Organization’s revenue and operations for an indeterminable time period. Other financial impacts could occur though such potential impacts are unknown at this time.