

**OUR LITTLE ROSES FOREIGN MISSION SOCIETY**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**



CERTIFIED PUBLIC ACCOUNTANTS

**OUR LITTLE ROSES FOREIGN MISSION SOCIETY  
YEAR ENDED DECEMBER 31, 2021**

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CERTIFIED PUBLIC ACCOUNTANTS



SHARFF, WITTMER, KURTZ,  
JACKSON & DIAZ  
P.A.  
CERTIFIED PUBLIC ACCOUNTANTS

DAVID D. SHARFF, C.P.A. - DECEASED  
STEVEN C. WITTMER, C.P.A. - DECEASED  
JOSEPH M. KURTZ, C.P.A. - RETIRED  
MICHAEL L. JACKSON, C.P.A. - RETIRED  
MARTIN ROSEN, C.P.A. - RETIRED

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LAURA S. FEINBERG, C.P.A.

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Our Little Roses Foreign Mission Society

### **Opinion**

We have audited the accompanying financial statements of Our Little Roses Foreign Mission Society (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Our Little Roses Foreign Mission Society as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Our Little Roses Foreign Mission Society'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 Our Little Roses Foreign Mission Society'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 Our Little Roses Foreign Mission Society'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.

*Sharff, Wittmer, Kurtz, Jackson & Diaz, P.A.*

SHARFF, WITTMER, KURTZ, JACKSON & DIAZ, P.A.  
Certified Public Accountants

Coral Gables, Florida  
November 18, 2022



CERTIFIED PUBLIC ACCOUNTANTS

**OUR LITTLE ROSES FOREIGN MISSION SOCIETY  
STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**ASSETS**

<b>Current assets</b>	
Cash and cash equivalents	\$ 657,480
Investments	3,604,524
Contributions receivable	<u>51,808</u>
Total current assets	<u>4,313,812</u>
 Total assets	 <u>\$ 4,313,812</u>

**LIABILITIES AND NET ASSETS**

<b>Current liabilities</b>	
Accrued expenses	<u>\$ 4,568</u>
Total current liabilities	<u>4,568</u>
 Total liabilities	 4,568
<b>Net assets</b>	
Without donor restrictions	
Designated by the board	3,401,822
Undesignated	<u>551,403</u>
Total net assets without donor restrictions	3,953,225
Total net assets with donor restrictions	<u>356,019</u>
<b>Total net assets</b>	<b>4,309,244</b>
 Total liabilities and net assets	 <u>\$ 4,313,812</u>

**OUR LITTLE ROSES FOREIGN MISSION SOCIETY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Without donor restrictions	With donor restrictions	Total
<b>SUPPORT AND REVENUE</b>			
General contributions	\$ 718,260	\$ -	\$ 718,260
Sponsorships	245,438	-	245,438
Fundraising events	51,199	-	51,199
Grants	96,487	48,525	145,012
Education	69,203	13,785	82,988
Mission trips	-	26,150	26,150
Other income	43,028	55,181	98,209
In-Kind donations	31,737	-	31,737
Net assets released from restrictions	244,117	(244,117)	-
Total support and revenue	1,499,469	(100,476)	1,398,993
<b>EXPENSES</b>			
Program services			
Programs and activities in Honduras	1,000,560	-	1,000,560
Mission Team	26,150	-	26,150
Capital equipment	212,324	-	212,324
Special projects	323,610	-	323,610
Gifts for Girls	22,375	-	22,375
Total program services	1,585,019	-	1,585,019
General and administrative	130,389	-	130,389
Fundraising	213,916	-	213,916
Total expenses	1,929,324	-	1,929,324
Change in net assets before other changes	(429,855)	(100,476)	(530,331)
Other changes in net assets:			
Net investment gain	499,055	-	499,055
Change in net assets	69,200	(100,476)	(31,276)
Net assets, beginning of year	3,884,025	456,495	4,340,520
Net assets, end of year	\$ 3,953,225	\$ 356,019	\$ 4,309,244

**OUR LITTLE ROSES FOREIGN MISSION SOCIETY  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Program Services					Supporting Activities		Total Expenses
	Programs and Activities in Honduras	Mission Team	Capital Equipment	Special projects	Gifts for Girls	General and Administrative	Fundraising	
Accounting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,860	\$ -	\$ 13,860
Bank fees	-	-	-	-	-	1,381	3,490	4,871
Donor relations	-	-	-	-	-	-	4,878	4,878
In-Kind expenses	10,424	-	-	-	-	10,326	10,988	31,738
Insurance	-	-	-	-	-	3,348	-	3,348
Marketing	-	-	-	-	-	-	6,079	6,079
Meals and entertainment	-	-	-	-	-	82	82	164
Miscellaneous	-	-	-	-	-	744	-	744
Office expenses	93	-	-	-	-	5,722	3,769	9,584
Outreach services	931,290	26,150	212,324	323,610	22,375	-	-	1,515,749
Payroll taxes	2,762	-	-	-	-	5,524	5,524	13,810
Personnel expenses	9,940	-	-	-	-	14,409	14,409	38,758
Postage and shipping	97	-	-	-	-	39	67,526	67,662
Professional and legal	-	-	-	-	-	200	-	200
Professional education	413	-	-	-	-	826	826	2,065
Salaries and wages	36,103	-	-	-	-	72,207	72,207	180,517
Telephone	377	-	-	-	-	1,697	1,697	3,771
Travel	21	-	-	-	-	24	850	895
Website development	9,040	-	-	-	-	-	21,591	30,631
<b>TOTAL EXPENSES</b>	<b>\$1,000,560</b>	<b>\$26,150</b>	<b>\$212,324</b>	<b>\$323,610</b>	<b>\$22,375</b>	<b>\$130,389</b>	<b>\$213,916</b>	<b>\$1,929,324</b>

**OUR LITTLE ROSES FOREIGN MISSION SOCIETY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Decrease in net assets	\$ (31,276)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Unrealized/realized gain on investments	(407,455)
Gain on loan forgiveness	(41,034)
Interest on forgiven loan	271
Decrease in accounts receivable	101,023
Decrease in accrued expenses	(1,088)
Contributed securities	(24,116)
Proceeds from sale of contributed securities	24,590
Net cash used in operating activities	<u>(379,085)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Net investment proceeds	<u>597,665</u>
Net cash provided by investing activities	<u>597,665</u>

Net increase in cash and cash equivalents 218,580

Cash and cash equivalents, beginning of year 438,900

Cash and cash equivalents, end of year \$ 657,480

**SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING ACTIVITY:**

Contributed securities \$ 24,116



**OUR LITTLE ROSES FOREIGN MISSION SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 – ORGANIZATION AND OPERATIONS**

Our Little Roses Foreign Mission Society (the “Organization”), formerly The Committee to Assist the Episcopal Diocese of Honduras, is a not-for-profit corporation organized in the state of Virginia on June 28, 1985 for charitable, religious, and educational purposes. The Organization operates primarily in Florida.

The Organization is affiliated with Our Little Roses Ministries (“OLR Ministries”), a non-governmental organization in San Pedro Sula, Honduras dedicated to rescuing the girl child of Honduras from situations of risk. OLR Ministries is committed to providing a safe, secure and loving environment of unity, respect and dignity, empowering and transforming girls into successful women with moral and spiritual values, strengthened through the teachings of Jesus Christ.

The Organization is a fundraising, educational and mission-oriented organization, grounded in the Episcopal tradition and associated with the Episcopal Church, and encourages mission trips from Episcopal and other faith-based and community groups to OLR Ministries in Honduras. In addition, the Organization recruits sponsors to contribute to the financial support of girls at OLR Ministries’ home for girls. Funds raised by the Organization are used to fund the various programs and activities of OLR Ministries in Honduras. A portion of the funds raised also cover educational programs, administrative and fundraising costs of the Organization in the United States. The Organization distributes funds to OLR Ministries on a regular basis based on the needs of OLR Ministries.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

Basis of presentation

Classification of the Organization's net assets and its revenues and expenses are based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as:

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. The Organization’s board of directors (the “Board”) may designate assets without restrictions for specific operational purposes from time to time.

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.

Cash and Cash Equivalents

Cash and cash equivalents includes all cash balances in a financial institution and in the Organization’s investment account.

The Organization entered into a Cash Features Program with its brokerage firm. It is a service provided by the brokerage firm to automatically invest the Organization’s free cash balance in its brokerage account into a highly liquid investment to earn interest. As of December 31, 2021, the free cash balance in its brokerage account was \$177,518 and it is included in the statement of cash flows as cash and cash equivalents.

**OUR LITTLE ROSES FOREIGN MISSION SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Investments

Investments are reported at fair value in the statement of financial position. Any unrealized and realized gains or losses are reported in the statements of activities as a change in net assets without donor restrictions. Interest and dividend income is recognized when earned. Dividends are recorded on the ex-dividend date. Realized gains and losses on sale of investments are calculated on the basis of specific identification of the securities sold. Purchases and sales of securities are recognized on a trade-date basis.

Fair Value Measurements

*FASB ASC 820, Fair Value Measurements and Disclosures*, specifies a fair value hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions based upon market data obtained from independent sources (observable inputs). Level inputs identified are as follows:

Level 1 Inputs – Unadjusted quoted market prices for identical assets and liabilities in an active market that the Organization has the ability to access.

Level 2 Inputs – Inputs other than the quoted prices in active markets that are observable either directly or indirectly.

Level 3 Inputs – Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements.

Investments in bonds, equities, and mutual funds are carried at fair value based on quoted prices in active markets in the statement of financial position.

Revenue Recognition

The Organization is primarily supported through donor contributions. Contributions received are measured at their fair values and are reported as an increase in net assets. Gifts of cash and other assets are reported as restricted support if they have donor stipulations that limit the use of the donated assets or if they are designated as support for future periods. When a donor-imposed restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Donated Services

In accordance with FASB ASC 958-605-25-16, donated services are reported at fair value in the statement of activities for voluntary donations of services when those services (a) create or enhance nonfinancial assets or (b) require specialized skills provided by individuals possessing those skills and are services which would be typically purchased if not provided by donation. Many individuals volunteer their time and perform a variety of tasks throughout the year, but their time is not recognized as contribution income in the financial statements since the recognition criteria under FASB ASC 958-605-25-16 are not met. Donated services comprised of accounting and marketing services rendered for the Organization. The income and the expense created by these donated services offset each other and there is no effect on net assets.

Donated Assets

Noncash donations are recorded as unrestricted contributions at their estimated fair values at the date of donation. It is the Organization's policy to sell donated securities as soon as possible after they are received. The Organization received approximately \$24,000 in donated marketable securities during the fiscal year ended December 31, 2021.

**OUR LITTLE ROSES FOREIGN MISSION SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Program and Supporting Services

Program services primarily consist of support of the work of OLR Ministries in Honduras. The Organization also provides information, direction and guidance to mission groups and individuals visiting OLR Ministries. In addition, the Organization seeks to increase awareness of the mission needs of OLR Ministries in United States Episcopal parishes as well as in other faith-based and community groups and to encourage relationships between supporters and OLR Ministries.

General and administrative services provide administrative support for the Organization's activities including personnel, financial, and facility management.

Fundraising services provide the structure necessary to encourage and secure financial support for the Organization. They include all activities related to maintaining contributor information, direct mail solicitation, distribution of materials and other similar projects related to the procurement of funds.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and detailed in the statement of functional expenses. Salaries and related expenses are allocated based on employees' direct time spent on program or support activities or the best estimate of time spent. All other expenses which are not directly identifiable by program or support services are allocated based on the best estimates of management.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Measure of Operations:

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing activities. Non-operating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Management's Review

FASB ASC 855-10, "Subsequent Events", establishes general standards of accounting for the disclosure of events that occur after the balance sheet date but before the financial statements are issued or ready to be issued. The Company has evaluated subsequent events through November 18, 2022, which is the date the financial statements were available to be issued.

**OUR LITTLE ROSES FOREIGN MISSION SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 – OLR MINISTRIES**

The Organization and OLR Ministries are considered financially interrelated organizations under FASB ASC 958-20-25. As a result, all contributions for OLR Ministries received by the Organization are recorded as contributions. No amounts were receivable from or due to the Organization at December 31, 2021.

The Organization acts as an agent for OLR Ministries (“beneficiary”) as it agrees to solicit assets from potential donors specifically for the beneficiary’s use and to distribute those assets to the beneficiary. The Organization recognizes the fair value of the nonfinancial assets received by donors as an increase in net assets.

**NOTE 4 - LIQUIDITY**

Quantitative

The Organization’s financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash and cash equivalents	\$ 657,480
Investments	3,604,524
Contributions receivable	51,808
Less: amounts unavailable for general expenditure:	
Due to donor-imposed restrictions	(356,019)
Without board approval – board-designated endowment fund	(3,401,822)
	\$ 555,971

The Organization has approximately \$556,000 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure. The contribution receivable of \$51,808 is expected to be collected within one month. Additionally, the Board has designated \$3,401,822, from net assets without donor restrictions, as board-designated endowment fund (the “Fund”). Although the Board does not intend to spend from the Fund, it could be made available at the Board’s discretion if necessary.

Qualitative

The Organization has a goal to maintain financial assets, which consist of cash and short-term investments on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$260,000. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, as part of its liquidity management, the Organization entered into a Cash Features Program with its brokerage firm, to automatically invest the Organization’s free cash balance in its brokerage account into a highly liquid investment to earn interest.

**OUR LITTLE ROSES FOREIGN MISSION SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 5 – INVESTMENTS AND FAIR VALUE MEASUREMENTS**

The following table represents the Organization’s investments, measured at fair value on a recurring basis, and their level within the fair value hierarchy:

Fair Value Measurements at December 31, 2021 using:				
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
Equity securities	\$ 326,077	\$ -	\$ -	\$ 326,077
Exchange traded funds	2,580,831	-	-	2,580,831
Bonds	697,616	-	-	697,616
Total investments	\$ 3,604,524	\$ -	\$ -	\$ 3,604,524

Investment gain is recorded in the statement of activities and is comprised of the following for the year ended December 31, 2021:

Dividend and interest income	\$ 129,516
Net Unrealized/realized gain	407,455
Investment fees	(37,916)
Total	\$ 499,055

In certain cases, the inputs to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment’s level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Organization’s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgement and considers factors specific to the investment. The Organization assesses the levels of the investments at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer. There were no transfers among levels 1, 2 and 3 during the year ended December 31, 2021.

**NOTE 6 – CONCENTRATIONS**

Deposits Held in Financial Institutions

The Organization maintains its cash accounts at a financial institution. These deposit accounts were fully insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. As of December 31, 2021, the Organization’s cash balance exceeded the FDIC limit by approximately \$160,000.

Major Beneficiary

During the year ended December 31, 2021, the majority of total funds raised by the Organization were used to support the work of OLR Ministries in Honduras.

Contributions Receivables

At December 31, 2021, concentration of credit risk is limited due to the large number of donors.

**OUR LITTLE ROSES FOREIGN MISSION SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 7 – CONTRIBUTIONS RECEIVABLE**

The Organization uses a third-party company to collect certain donations. As at December 31, 2021, the amounts due to the Organization consist of \$51,808 from a third-party company, that collects online donations on behalf of the Organization.

**NOTE 8 – NET ASSETS**

With donor restrictions

As of December 31, 2021, net assets with donor restrictions are restricted for the following purposes:

Education	\$ 114,920
Hospitality house	170,411
Pension	42,889
Program and operations	<u>27,799</u>
Net assets with donor restrictions	<u><u>\$ 356,019</u></u>

Net assets were released during the year ended December 31, 2021, for satisfaction of the following purposes:

Education	\$ 17,275
Pension	2,736
Program and operations	<u>224,106</u>
Net assets released from restrictions	<u><u>\$ 244,117</u></u>

Without donor restrictions

The Organization's Board has designated \$3,401,822, from net assets without donor restrictions, as board-designated endowment fund, to be invested to provide income for a long but unspecified period. The principal of the board-designated endowment fund is not donor restricted and is classified as net assets without donor restrictions. The Organization has a policy of appropriating for distribution each year \$160,000 of its board-designated endowment fund for general expenses. Additionally, the principal and income of the board-designated endowment fund may be utilized at the discretion of the Board. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent rate of return that has sufficient liquidity to make an annual distribution of \$160,000 while growing the funds if possible.

Changes in the board-designated endowment fund are as follows for the year ended December 31, 2021:

Beginning balance	\$ 3,416,426
Board approved spending	(353,658)
Investment income, net of fees	91,599
Net unrealized/realized gains	407,455
Other changes:	
Distribution from board-designated endowment pursuant to distribution policy	<u>(160,000)</u>
Ending balance	<u><u>\$ 3,401,822</u></u>

**OUR LITTLE ROSES FOREIGN MISSION SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 9 – IN-KIND DONATIONS**

During 2021, the Organization received professional services and materials as follows:

	Program Services	General and Administrative	Fundraising	Total
Rent	\$3,840	\$7,680	\$7,680	\$19,200
Professional services	662	2,646	3,308	6,616
Gifts, clothing and other supplies	5,922	-	-	5,922
	<u>\$10,424</u>	<u>\$10,326</u>	<u>\$10,988</u>	<u>\$31,738</u>

This income was offset by the expenses recorded in the same amount and therefore, it had no effect on net assets.

**NOTE 10 – JOINT COSTS**

During the year ended December 31, the Organization incurred joint costs of approximately \$270,000 for conducting activities that included requests for contributions, as well as program and management and general components. The Organization allocated approximately \$110,000, to fundraising expense, \$109,000 management and general expense and \$51,000 to program expense.

**NOTE 11 – PAYCHECK PROTECTION PROGRAM LOAN PAYABLE**

On April 25, 2020, the Organization obtained a loan in the amount of \$40,763, implemented by the U.S Small Business Administration (the "SBA"), as part of the Paycheck Protection Program ("PPP") established by the Coronavirus Aid, Relief, and Economic Security ("CARES") Act. On March 15, 2021, the PPP loan, plus accrued interest of approximately \$271 was fully forgiven.

**NOTE 12 – TAX-EXEMPT STATUS**

Under Internal Revenue Code Section 501(c)(3), the Organization qualifies as a non-profit organization exempt from federal and state taxes on income other than unrelated business income. No provision for federal or state income taxes are required as of December 31, 2021 since the Organization has no unrelated business income.

The Organization is classified as a mission society and, therefore, is not required to file Form 990, Return of Organization Exempt from Income Tax. The Organization believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements.

**NOTE 13 – RELATED PARTIES**

During 2021, the Organization received donations from directors and members of the Organization's Board totaling \$165,290.

During 2021, the Organization transferred \$1,515,749 to its beneficiary, OLR Ministries. As of December 31, 2021, no amounts were receivable from OLR Ministries or due to the Organization.

**OUR LITTLE ROSES FOREIGN MISSION SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 14 – SUBSEQUENT EVENTS**

FASB ASC 855-10, "Subsequent Events", establishes general standards of accounting for the disclosure of events that occur after the balance sheet date but before the financial statements are issued or ready to be issued. The Organization has evaluated subsequent events through November 18, 2022, which is the date the financial statements were available to be issued.

Decline in Value of Investments

Subsequent to December 31, 2021, the stock market experienced a significant decline in value. As of October 31, 2022, the S&P 500 declined 19% and the Dow Jones industrial average declined 5% since December 31, 2021. As of October 31, 2022, it is estimated that the Organization's investments declined by approximately 14.5% or \$550,000. The Organization will continue to monitor its investments as it has successfully done in the past but has no immediate plans to change its investment portfolio.

**NOTE 15 – COVID-19 RESPONSE**

On January 30, 2020, The World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO declared the COVID-19 outbreak a global pandemic and recommended containment and mitigation measures worldwide.

Due to the various mitigation measures put in place both nationally and state-wide, all fundraising events scheduled after March 2020 were canceled. Additionally, the Honduran borders were closed in March 2020 to anyone who is not an official resident of Honduras. As a result, OLR had to cancel all mission trips, where people travel to Honduras to learn about OLRM's programming and deepen their understanding of life in Honduras. Instead, they adjusted and started hosting mission trips over the internet via zoom. As a result, 2021 contributions were negatively impacted.

It is uncertain as to the full impact of the pandemic and its variant will have on the Organization's future results of operations, as it depends on the ultimate duration and scope of the pandemic and the success of vaccination programs. Management of the Organization is actively monitoring the global situation and its impact on its financial conditions, liquidity, operations, industry and workforce, and will continue to take actions to mitigate the impact of the pandemic.