

**OUR LITTLE ROSES FOREIGN MISSION SOCIETY**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**



CERTIFIED PUBLIC ACCOUNTANTS

**OUR LITTLE ROSES FOREIGN MISSION SOCIETY  
YEAR ENDED DECEMBER 31, 2020**

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CERTIFIED PUBLIC ACCOUNTANTS



SHARFF, WITTMER, KURTZ,  
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P.A.  
CERTIFIED PUBLIC ACCOUNTANTS

DAVID D. SHARFF, C.P.A. - DECEASED  
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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

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, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

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, 2020, 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.

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

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

Coral Gables, Florida  
August 25, 2021



CERTIFIED PUBLIC ACCOUNTANTS

**OUR LITTLE ROSES FOREIGN MISSION SOCIETY  
STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**ASSETS**

<b>Current assets</b>	
Cash and cash equivalents	\$ 438,900
Investments	3,795,208
Contributions receivable	<u>152,831</u>
<b>Total current assets</b>	<u>4,386,939</u>
 <b>Total assets</b>	 <u><u>\$ 4,386,939</u></u>

**LIABILITIES AND NET ASSETS**

<b>Current liabilities</b>	
Loan payable, current portion	\$ 19,111
Accrued expenses	<u>5,656</u>
<b>Total current liabilities</b>	<u>24,767</u>
 <b>Long-term liabilities</b>	
Loan payable, net of current portion	<u>21,652</u>
<b>Total long-term liabilities</b>	<u>21,652</u>
 <b>Total liabilities</b>	 46,419
 <b>Net assets</b>	
Without donor restrictions	
Designated by the board	3,416,426
Undesignated	<u>467,599</u>
Total net assets without donor restrictions	3,884,025
Total net assets with donor restrictions	<u>456,495</u>
<b>Total net assets</b>	<u>4,340,520</u>
 <b>Total liabilities and net assets</b>	 <u><u>\$ 4,386,939</u></u>

**OUR LITTLE ROSES FOREIGN MISSION SOCIETY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Without donor restrictions	With donor restrictions	Total
<b>SUPPORT AND REVENUE</b>			
General contributions	\$ 650,633	\$ -	\$ 650,633
Sponsorships	256,890	-	256,890
Fundraising events	13,706	-	13,706
Grants	77,268	29,652	106,920
Education	62,388	13,410	75,798
Mission trips	-	39,838	39,838
Other income	3,222	147,783	151,005
In-Kind donations	30,343	-	30,343
Net assets released from restrictions	154,024	(154,024)	-
Total support and revenue	1,248,474	76,659	1,325,133
<b>EXPENSES</b>			
Program services			
Programs and activities in Honduras	954,684	-	954,684
Mission Team	39,838	-	39,838
Capital equipment	38,372	-	38,372
Special projects	46,458	-	46,458
Gifts for Girls	21,123	-	21,123
Total program services	1,100,475	-	1,100,475
General and administrative	127,781	-	127,781
Fundraising	232,776	-	232,776
Total expenses	1,461,032	-	1,461,032
Change in net assets from operating activities	(212,558)	76,659	(135,899)
Non-operating activities:			
Net investment gain	296,322	-	296,322
Change in net assets	83,764	76,659	160,423
Net assets, beginning of the year	3,800,261	379,836	4,180,097
Net assets, end of the year	\$ 3,884,025	\$ 456,495	\$ 4,340,520

**OUR LITTLE ROSES FOREIGN MISSION SOCIETY  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,032	\$ -	\$ 13,032
Bank fees	-	-	-	-	-	451	2,409	2,860
Donor relations	-	-	-	-	-	-	1,701	1,701
In-Kind expenses	3,034	-	-	-	-	12,137	15,172	30,343
Insurance	-	-	-	-	-	3,348	-	3,348
Marketing	-	-	-	-	-	-	4,866	4,866
Meals and entertainment	-	-	-	-	-	462	462	924
Miscellaneous	-	-	-	-	-	105	-	105
Office expenses	-	-	-	-	-	4,550	3,989	8,539
Outreach Services	903,000	39,838	38,372	46,458	21,123	-	-	1,048,791
Payroll taxes	1,366	-	-	-	-	5,462	6,828	13,656
Personnel expenses	21,267	-	-	-	-	14,124	17,655	53,046
Postage and shipping	72	-	-	-	-	29	71,064	71,165
Professional and legal	-	-	-	-	-	250	-	250
Professional education	120	-	-	-	-	479	599	1,198
Salaries and wages	17,851	-	-	-	-	71,404	89,255	178,510
Telephone	315	-	-	-	-	1,419	1,419	3,153
Travel	454	-	-	-	-	529	545	1,528
Website development	7,205	-	-	-	-	-	16,812	24,017
<b>TOTAL EXPENSES</b>	<b>\$954,684</b>	<b>\$39,838</b>	<b>\$38,372</b>	<b>\$46,458</b>	<b>\$ 21,123</b>	<b>\$ 127,781</b>	<b>\$232,776</b>	<b>\$1,461,032</b>

**OUR LITTLE ROSES FOREIGN MISSION SOCIETY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Increase in net assets	\$ 160,423
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Net Unrealized/realized gain on investments	(141,002)
Increase in accounts receivable	(89,788)
Increase in accrued expenses	2,531
Net cash used in operating activities	<u>(67,836)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Net investment proceeds	<u>8,335</u>
Net cash provided by investing activities	<u>8,335</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>	
Proceeds from Paycheck Protection Program loan	<u>40,763</u>
Net cash provided by financing activities	<u>40,763</u>
Net decrease in cash and cash equivalents	(18,738)
Cash and cash equivalents, beginning of year	<u>457,638</u>
Cash and cash equivalents, end of year	<u><u>\$ 438,900</u></u>



**OUR LITTLE ROSES FOREIGN MISSION SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**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.

Accounting Pronouncements Adopted

In 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The entity should recognize revenue when the entity satisfies a performance obligation. Not-for-profit entities must consider whether certain arrangements are fully or partially subject to Topic 606. Examples include, but are not limited to memberships, sponsorships, grants and contracts. Additionally, judgment is required to differentiate transactions between contribution and exchange components. The Organization has adopted this ASU as of and for the year ended December 31, 2020.

**OUR LITTLE ROSES FOREIGN MISSION SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

Accounting Pronouncements Adopted (Continued)

In 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Made*, to address difficulty and diversity in practice among not-for profit entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) subject to Topic 958, *Not-for-Profit Entities* or as exchanges (reciprocal transactions) subject to Topic 606 and (2) determining between conditional and unconditional contributions. This ASU applies to all entities that receive or make contributions. The term used in the presentation of financial statements to label revenue (for example, contribution, grant, donation) that is accounted for within Topic 958 is not a factor for determining whether an agreement is within the scope of that guidance. The Organization has adopted this ASU as of and for the year ended December 31, 2020.

Analysis of various provisions of the adopted ASUs resulted in no significant changes in the way the Organization recognizes revenue.

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, 2020, the free cash balance in its brokerage account was \$21,981 and it is included in the statement of cash flows as cash and cash equivalents.

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.

**OUR LITTLE ROSES FOREIGN MISSION SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

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

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 did not receive any donated marketable securities during the fiscal year ended December 31, 2020.

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.

**OUR LITTLE ROSES FOREIGN MISSION SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

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

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 August 25, 2021, which is the date the financial statements were available to be issued.

**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, 2020.

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	\$ 438,900
Investments	3,795,208
Contributions receivable	152,831
Less: amounts unavailable for general expenditure:	
Due to donor-imposed restrictions	(467,599)
Without board approval – board-designated endowment fund	<u>(3,416,426)</u>
	<u>\$ 502,914</u>

**OUR LITTLE ROSES FOREIGN MISSION SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 4 – LIQUIDITY (CONTINUED)**

The Organization has approximately \$503,000 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure. The contributions and other receivables, totaling \$152,831 is expected to be collected within one month. Additionally, the Board has designated \$3,416,426, 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 \$240,000. 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.

**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, 2020 using:			
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
	Equity securities	\$ 691,748	-	-
Exchange traded funds	2,056,583	-	-	2,056,583
Equity funds	294,671	-	-	294,671
Bonds	-	752,206	-	752,206
Total investments	\$ 3,043,002	\$ 752,206	-	\$ 3,795,208

Investment gain is recorded in the statement of activities and is comprised of the following for the year ended December 31, 2020:

Dividend and interest income	\$ 188,877
Net Unrealized/realized gain	141,002
Investment fees	(33,557)
Total	\$ 296,322

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, 2020.

**OUR LITTLE ROSES FOREIGN MISSION SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**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, 2020, the Company’s cash balance exceeded the FDIC limit by approximately \$110,000.

Major Beneficiary

During the year ended December 31, 2020, 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, 2020, concentration of credit risk is limited due to the large number of donors.

**NOTE 7 – CONTRIBUTIONS RECEIVABLE**

The Organization uses a third-party company to collect certain donations. As at December 31, 2020, the amounts due to the Organization consist of the following:

Third-party company	\$ 79,791
Individual donors	73,040
	\$ 152,831

**NOTE 8 – NET ASSETS**

With donor restrictions

As of December 31, 2020, net assets with donor restrictions are restricted for the following purposes:

Education	\$ 132,194
Hospitality house	170,411
Pension	45,625
Program and operations	108,265
net assets with donor restrictions	\$ 456,495

Net assets were released during the year ended December 31, 2020, for satisfaction of the following purposes:

Education	\$ 13,600
Hospitality house	15,000
Pension	2,736
Program and operations	122,688
Net assets released from restrictions	\$ 154,024

**OUR LITTLE ROSES FOREIGN MISSION SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 8 – NET ASSETS (CONTINUED)**

Without donor restrictions

The Organization's Board has designated \$3,416,426, 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 principal and income of the board-designated endowment fund may be utilized at the discretion of the Board.

Changes in the board-designated endowment fund are as follows for the year ended December 31, 2020:

Beginning balance	\$ 3,442,875
Board approved spending	(322,635)
Investment income, net of fees	155,184
Net unrealized/realized gains	<u>141,002</u>
Ending balance	<u><u>\$ 3,416,426</u></u>

**NOTE 9 – IN-KIND DONATIONS**

During 2020, the Organization received professional services and materials as follows:

	Program Services	General and Administrative	Fundraising	Total
Rent	\$ 1,590	\$ 6,360	\$ 7,950	\$ 15,900
Professional services	960	3,843	4,804	9,607
Gifts, clothing and other supplies	484	1,934	2,418	4,836
	<u>\$ 3,034</u>	<u>\$ 12,137</u>	<u>\$ 15,172</u>	<u>\$ 30,343</u>

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

**NOTE 10 – 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. The loan bears interest at an annual rate of 1% and matures on April 25, 2022. For the year ended December 31, 2020, total interest expense on this PPP loan payable was \$271. On March 15, 2021, the PPP loan, plus accrued interest of approximately \$475 was fully forgiven.

As of December 31, 2020, the future maturities under this loan payable are as follows:

2021	\$ 19,111
2022	<u>21,652</u>
Total loan payable	<u><u>\$ 40,763</u></u>

**OUR LITTLE ROSES FOREIGN MISSION SOCIETY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 11 – 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, 2020 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 12 – RELATED PARTIES**

During 2020, the Organization received donations from directors and members of the Organization's Board totaling \$155,766.

During 2020, the Organization transferred \$1,048,791 to its beneficiary, OLR Ministries. As of December 31, 2020, no amounts were receivable from OLR Ministries or due to the Organization.

**NOTE 13 – 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 August 25, 2021, which is the date the financial statements were available to be issued.

**NOTE 14 – 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.

During 2020, the Organization had experienced, and may continue to experience, a decrease in total contributions. As of the date of this report, there is a surge in COVID-19 cases nationwide, due to the Delta variant of the virus. 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.