MENNONITE EDUCATION AGENCY, INC.
AND AFFILIATE
Elkhart, Indiana

CONSOLIDATED
FINANCIAL STATEMENTS
June 30, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Mennonite Education Agency, Inc. and Affiliate
Elkhart, Indiana

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Mennonite Education Agency, which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Mennonite Education Agency, as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Mennonite Education Agency 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Mennonite Education Agency'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mennonite Education Agency'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.

Crowe LLP

Crowe LLP

South Bend, Indiana
October 21, 2021

MENNONITE EDUCATION AGENCY, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2022 and 2021

	2022	2021
ASSETS		
Cash and cash equivalents	$ 636,344	$ 528,382
Investment in insurance reserve	14,342	20,405
Accounts receivable, net	12,360	36,441
Equipment		
Office equipment	41,345	41,345
Less accumulated depreciation	(36,370)	(31,978)
Net equipment	4,975	9,367
Investments	621,951	720,800
Investments - Agencies	183,941,735	204,931,065
	184,563,686	205,651,865
	$ 185,231,707	$ 206,246,460
LIABILITIES AND NET ASSETS		
Accounts payable and other liabilities	$ 162,345	$ 212,044
Accrued payroll and related taxes	20,524	7,044
Benefits payable	29,537	18,740
Capital lease obligation	5,262	9,316
Due to Agencies	183,941,735	204,931,065
Total liabilities	184,159,403	205,178,209
Net assets		
Without donor restrictions		
Undesignated	665,893	585,835
Board designated	133,579	151,859
Total without donor restrictions	799,472	737,694
With donor restrictions	272,832	330,557
Total net assets	1,072,304	1,068,251
	$ 185,231,707	$ 206,246,460

See accompanying notes to consolidated financial statements.

MENNONITE EDUCATION AGENCY, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years ended June 30, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, support, and gains						
Contributions - conferences and congregations	$ 144,340	$ -	$ 144,340	$ 151,631	$ -	$ 151,631
Contributions - Hispanic Ministries	-	74,036	74,036	-	62,121	62,121
Contributions - Racial/Ethnic Leadership Education	-	43,704	43,704	-	63,072	63,072
Contributions - other	92,386	550	92,936	61,724	17,514	79,238
Program support from institutions	256,818	-	256,818	295,094	-	295,094
Bequests	39,925	-	39,925	18,647	-	18,647
Program service revenue - Hispanic Ministries	29,714	-	29,714	24,676	-	24,676
Program service revenue - consulting income	10,622	-	10,622	16,147	-	16,147
Program service revenue - investment fund expense reimbursement	115,656	-	115,656	202,548	-	202,548
Investment income	22,656	13,833	36,489	6,807	3,978	10,785
Other	(3,523)	-	(3,523)	(21,634)	-	(21,634)
Net realized and unrealized gains (losses) on investments	(68,059)	(42,674)	(110,733)	92,449	62,229	154,678
Net assets released from purpose and time restrictions	147,174	(147,174)	-	139,573	(139,573)	-
Total revenue, support, and gains	787,709	(57,725)	729,984	987,662	69,341	1,057,003
Expenses						
Program						
Institutional relations	262,365	-	262,365	340,874	-	340,874
Hispanic Ministries	169,585	-	169,585	146,621	-	146,621
Racial/Ethnic Leadership Education	35,636	-	35,636	6,824	-	6,824
Church relations	41,617	-	41,617	51,655	-	51,655
Special projects	1,386	-	1,386	12,294	-	12,294
Total program	510,589	-	510,589	558,268	-	558,268
Supporting services						
General and administrative	130,510	-	130,510	91,579	-	91,579
Fundraising	29,736	-	29,736	14,444	-	14,444
First Fruits to Mennonite Church USA Executive Board	55,096	-	55,096	61,872	-	61,872
Total supporting services	215,342	-	215,342	167,895	-	167,895
Total expenses	725,931	-	725,931	726,163	-	726,163
Changes in net assets	61,778	(57,725)	4,053	261,499	69,341	330,840
Net assets, beginning of year	737,694	330,557	1,068,251	476,195	261,216	737,411
Net assets, end of year	$ 799,472	$ 272,832	$ 1,072,304	$ 737,694	$ 330,557	$ 1,068,251

See accompanying notes to consolidated financial statements.

MENNONITE EDUCATION AGENCY, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Change in net assets	$ 4,053	$ 330,840
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	4,392	5,513
Net realized and unrealized losses (gains) on investments	110,733	(154,678)
Change in fair value of investment in insurance pool	6,063	24,758
Changes in assets and liabilities		
Accounts receivable	24,081	29,219
Accounts payable and other liabilities	(49,699)	(25,016)
Accrued payroll and related taxes	13,480	(12,994)
Benefits payable	10,797	(10,919)
Net cash from operating activities	123,900	186,723
Cash flows used in investing activities		
Proceeds from sale of investments	24,974	12,500
Purchases of investments	(36,858)	(10,735)
Net cash used in investing activities	(11,884)	1,765
Cash flows used in financing activities		
Principal payments on capital lease obligation	(4,054)	(3,917)
Net cash used in financing activities	(4,054)	(3,917)
Net change in cash and cash equivalents	107,962	184,571
Cash and cash equivalents, beginning of year	528,382	343,811
Cash and cash equivalents, end of year	$ 636,344	$ 528,382
Supplemental disclosure		
Investments - Agencies operating activity:		
Net realized and unrealized gains and losses	$ (22,487,452)	$ 46,787,580
Net cash activity	1,498,122	(1,116,215)
Total increase (decrease) in Investments - Agencies and Due to Agencies	$ (20,989,330)	$ 45,671,365

See accompanying notes to consolidated financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization: Mennonite Education Agency, Inc. (MEA) works with elementary and secondary schools, colleges, universities, and seminaries to provide a Mennonite education experience to almost 10,000 students of all ages. MEA also works with conferences, congregations, and individuals throughout the church involved in the unique qualities of Mennonite education.

The Mennonite Education Agency Investment Fund LLC (the Fund) performs the duties of the investment committee. MEA is the sole member of the Fund and appoints 100% of the Fund's Board of Managers. The Fund is responsible for the continued oversight and direction of the pooled endowment fund.

MEA is one of five church-wide program boards of Mennonite Church USA. The other affiliated program boards consist of Mennonite Mission Network, Everence, Mennonite Publishing Network, and Mennonite Health Services Alliance. Mennonite Church USA consists of congregations that are affiliated with one another in regional district conferences. The conferences serve as the main administrative structure for congregations. The conferences are represented at a General Assembly that meets every two years to act in matters of interest to the Mennonite Church USA constituency. The Executive Board of Mennonite Church USA functions on behalf of the General Assembly when the Assembly is not in session.

MEA contributes approximately 10% of its next fiscal year's projected unrestricted revenue, adjusted for investment management fees and net assets released from restriction, to Mennonite Church USA as its contribution under the First Fruits Program. For the years ended June 30, 2022 and 2021, amounts contributed to Mennonite Church USA were $55,096 and $61,872 respectively.

Basis of Consolidation: The accompanying consolidated financial statements include the accounts of Mennonite Education Agency, Inc. and Mennonite Education Agency Investment Fund LLC (collectively referred to as the Organization). All inter-organization accounts and transactions between affiliated organizations have been eliminated in consolidation.

Basis of Accounting: The consolidated 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: The consolidated financial statements report the changes in and totals of each net asset class based on the existence of donor restrictions, as applicable. Net assets are classified as net assets without donor restrictions or net assets with donor restrictions and are detailed as follows:

> Net assets without donor restrictions are 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 Board designated net assets represent those assets that are internally designated for endowment.
>
> Net assets with donor restrictions are net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature and will be met by actions of the Organization or by the passage of time.

Use of Estimates: The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents: Cash and cash equivalents consist of bank deposits in accounts that are federally insured up to $250,000. Additionally, for purposes of the consolidated statements of cash flows, the Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents included in Investments – Agencies is for investment by the Agencies only and is not considered operating cash.

Investments: Investments are valued at their fair values in the consolidated statements of financial position. Unrealized gains and losses from investments owned by MEA are included in the change in net assets. See Notes 3 and 10 for additional information on the nature of the Organization's investments.

The Organization manages pooled long-term investment funds for 19 educational institutions and other church affiliated not-for-profit organizations (Investments – Agencies) along with investments owned by MEA. These investments are carried at fair value. Various administrative tasks are performed by Mennonite Foundation Inc., a subsidiary of the Everence board of directors, and managed by selected investment asset managers. The objective of the pooled long-term investment funds is to maximize capital appreciation and to protect the principal portion of the fund while following socially responsible investing and environmental, social, and governance (ESG) criteria. Asset managers, where possible, are required to follow specific guidelines set forth by the Organization. The Organization also determines an allowable payout rate from the earnings on these investments.

Accounts Receivable: The Organization's accounts receivable consists primarily of amounts due from Mennonite schools and other organizations. Management periodically reviews the accounts receivable aging and writes off any accounts that appear to be uncollectible.

Allowance for Doubtful Accounts: The allowance for doubtful accounts is determined by management based on the Organization's historical losses, specific customer circumstances, and general economic conditions. Periodically, management reviews accounts receivable and adjusts the allowance based on current circumstances and charges off uncollectible receivables when all attempts to collect have failed. The Organization does not accrue interest on past due accounts.

There is no allowance for doubtful accounts recorded at June 30, 2022 and 2021 as management believes all amounts to be collectible.

Equipment: Equipment is stated at cost or, if donated to the Organization, at fair value on the date of acquisition. Additions and improvements are capitalized; expenditures for routine maintenance are charged to operations. Depreciation is provided over the estimated useful lives of the various classes of assets on the straight-line method. Depreciation expense for the years ended June 30, 2022 and 2021 was $4,392 and $5,513, respectively. Assets held under capital leases are being amortized over the shorter of their expected useful lives or the term of their respective lease agreements.

Due to Agencies: Due to agencies represents the pooled investment funds held for 19 educational institutions and other church affiliated not-for-profit organizations titled Investments – Agencies in the consolidated statements of financial position. The presentation reflects the agency relationship that the Organization maintains with each pool participant.

Contributions: Contributions received are recorded as revenue without donor restrictions or revenue with donor restrictions depending on the existence of donor restrictions and the nature of such restrictions, if they exist. Conditional promises to give, which are those that include a barrier and right of return, are recognized only when the conditions on which they depend are met.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

When a donor 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 consolidated statements of activities and changes in net assets as net assets released from purpose and time restrictions.

Donor restricted gifts that are received for which their restricted purpose is met during the same year are initially recorded as net assets with donor restrictions and then reported as net assets released from restrictions and reclassified as net assets without donor restrictions.

Program Service Revenue: Program service revenue is measured at the fair value of the consideration received or receivable and consists of support from institutions, tuition for various educational programs, consulting income, and investment management fees. Program service revenue is recognized when earned, which is when the related performance obligations are provided.

Fair Value of Financial Instruments: The Organization's carrying amount for its financial instruments include cash and cash equivalents, Investments – Agencies, investment in insurance reserve, accounts receivable, accounts payable and other current liabilities, benefits payable, and capital lease obligation approximate fair value.

Income Taxes: MEA is exempt from income taxes on income from related activities under Section 501©(3) of the U.S. Internal Revenue Code and corresponding state tax law. Accordingly, no provision has been made for federal or state income taxes.

U.S. GAAP requires that a tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded.

MEA does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months. MEA recognizes interest and/or penalties related to income tax matters in income tax expense. MEA did not have any amounts accrued for interest and penalties at June 30, 2022 and 2021.

Since the Fund is a single member limited liability company, all income is included in the taxable income of the individual member (MEA); thus, no federal or state income taxes are included in these consolidated financial statements.

Functional Allocation of Expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Reclassifications: Certain prior year amounts have been reclassified to conform with the current year presentation. These reclassifications had no effect on net income or net assets.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2022 to determine the need for any adjustments to and/or disclosures within the consolidated financial statements for the year ended June 30, 2022. Management has performed their analysis through October 21, 2021, the date the consolidated financial statements were available to be issued.

(Continued)

NOTE 2 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following (including amounts the Board could undesignated):

	2022	2021
Cash and cash equivalents	$ 636,344	$ 528,382
Accounts receivable, net	12,360	36,441
Investments	621,951	720,800
	1,270,655	1,285,623
Less net assets with donor restrictions	(272,832)	(330,557)
Less board designated net assets	(133,579)	(151,859)
	$ 864,244	$ 803,207

The Organization has a policy of maintaining cash reserves equal to 25% of the operating expense budget for the next fiscal year. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization typically collects accounts receivable within one year of the date of service.

The Organization's endowment fund consists of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure. Of the total amount of investments, $133,579 and $151,859 are designated by the Board of Directors as of June 30, 2022 and 2021, respectively, and must be undesignated to be spent for general expenditures.

NOTE 3 - INVESTMENTS

MEA's investments are in a pooled fund which is sponsored by the Fund. The following schedule reflects the fair value at June 30, 2022 and 2021 of the investments owned by MEA by net asset classification. See Note 10 for more information.

	2022	2021
Pooled Funds:		
Without donor restrictions:		
Undesignated	$ 249,773	$ 280,230
Designated	133,579	151,859
Total without donor restrictions	383,352	432,089
With donor restrictions	238,599	288,711
	$ 621,951	$ 720,800

(Continued)

NOTE 3 – INVESTMENTS (Continued)

The following schedule summarizes the investment return for the years ended June 30:

	2022	2021
Interest and dividends	$ 36,489	$ 10,785
Net realized and unrealized gains (losses)	(110,733)	154,678
	$ (74,244)	$ 165,463

NOTE 4 - INVESTMENTS - AGENCIES

The Organization manages pooled long-term investment funds for 19 educational institutions and other church affiliated not-for-profit organizations along with investments owned by MEA. The following schedule reflects the fair value at June 30, 2022 and 2021 of these pooled investments. See Note 10 for the detailed composition of the underlying assets in which the endowment pool is invested.

	2022	2021
Pooled endowment funds	$ 183,861,251	$ 204,797,499
Pooled annuity funds	80,484	133,566
	$ 183,941,735	$ 204,931,065

In addition to quarterly income distributions, there were various withdrawals from the pooled endowment by endowment pool participants totaling approximately $6,000 and $297,000 during the years ended June 30, 2022 and 2021, respectively. There was one new endowment pool participant during the year ended June 30, 2022 and one new endowment pool participant during the year ended June 30, 2021. During the years ended June 30, 2022 and 2021, there were also various cash additions to the pooled endowment of approximately $8,971,594 and $5,495,855, respectively.

NOTE 5 - BENEFITS PAYABLE

A former CEO of Mennonite Board of Education, Inc. (the predecessor to MEA) was also under contract with Goshen College. As a Goshen College employee, the CEO was entitled to benefits provided by the college, which included full health insurance coverage for the faculty member and spouse until the time of death. It was concluded that Goshen College would manage the benefit and assume a portion of the liability based on the employee's years of service to Goshen College, and MEA would assume the balance. Goshen College pays 23.1% of the liability, and MEA pays 76.9% of the liability. MEA's portion of the liability was $29,537 and $18,740 at June 30, 2022 and 2021, respectively.

(Continued)

NOTE 6 - LEASE COMMITMENT

The Organization leases office space with no stated termination date in the lease agreement. The Organization has no intentions of leaving the leased space.

Minimum lease commitments for the next five years are as follows:

2023	$ 23,950
2024	23,950
2025	23,950
2026	23,950
2027	23,950
	$ 119,750

Total rent expense was $23,859 and $23,859 for the years ended June 30, 2022 and 2021, respectively.

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

The Organization's net assets with donor restrictions are donor-restricted for specific purposes. At June 30, net assets restricted by purpose are as follows:

	2022	2021
Racial/Ethnic Leadership Education	$ 25,352	$ 32,286
LaJunta Mennonite School of Nursing (Note 11)	237,921	288,712
Anabaptist Servant Scholarship	117	117
Spring It Forward	9,442	9,442
	$ 272,832	$ 330,557

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

	2022	2021
Racial/Ethnic Leadership Education	$ 50,636	$ 39,857
LaJunta Mennonite School of Nursing	22,500	10,000
Hispanic Ministries	74,038	65,716
Anabaptist Servant Scholarship	-	20,000
Spring it Forward	-	4,000
	$ 147,174	$ 139,573

(Continued)

NOTE 8 - EMPLOYEE BENEFIT PLAN

The Organization contributed an amount equal to 3% of compensation to a defined contribution plan plus a match of employee contributions up to another 3% of annual wages for each employee working 20 hours or more each week for the years ended June 30, 2022 and 2021. Total contributions were $14,946 and $14,476 for the years ended June 30, 2022 and 2021, respectively.

NOTE 9 - INVESTMENT IN INSURANCE RESERVE

The Organization is in a pool with five other entities, referred to as the Mennonite Educators Benefit Plan (MEBP), to pay for major medical expenses of covered employees. Each participating entity made an initial investment into the MEBP. The participating entities submit to the plan health care claims incurred by their employees during the fiscal year. At fiscal year end the participating entities are responsible for their proportionate share of the claims incurred. Each entity's proportionate share is determined by the MEBP.

The MEBP has established policies for determining the ownership of the net assets of the MEBP. The amount recorded as "investment in insurance reserve" has been determined based on these policies as of June 30, 2022 and 2021 to be $14,342 and $20,405, respectively. The Organization's share of income or loss of the pool is recorded in the consolidated statements of activities and changes in net assets.

Should the MEBP ever dissolve, final disposition is subject to MEBP membership policies.

NOTE 10 - FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

U.S. GAAP defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Organization's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

A fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Three levels of inputs may be used to measure fair value:

Level 1: Quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect the Organization's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The following tables present the financial instruments carried at fair value on a recurring basis as of June 30, 2022 and 2021, by valuation hierarchy, all of which were based on the market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets. The tables also present alternative investments that are valued at net asset value (NAV) and are not presented within the fair value hierarchy based on U.S. GAAP.

(Continued)

NOTE 10 - FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Assets Measured on a Recurring Basis: Assets measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements at June 30, 2022			
	Level 1	Level 2	NAV	Total
Investments:				
Cash and cash equivalents	$ 8,685,059	$ -	$ -	$ 8,685,059
Equity securities - large cap	56,533,560	-	-	56,533,560
Equity securities - international	30,346,906	-	-	30,346,906
Equity mutual funds	15,853,019	-	-	15,853,019
Fixed income mutual funds	28,744,072	-	-	28,744,072
Real estate funds	4,474	-	30,035,096	30,039,570
Bond funds of funds	-	-	8,952,714	8,952,714
Private equity fund of funds	-	-	5,408,786	5,408,786
Total investments	$140,167,090	$ -	$ 44,396,596	$184,563,686

	Fair Value Measurements at June 30, 2021			
	Level 1	Level 2	NAV	Total
Investments:				
Cash and cash equivalents	$ 5,886,604	$ -	$ -	$ 5,886,604
Equity securities - large cap	67,080,672	-	-	67,080,672
Equity securities - international	39,711,168	-	-	39,711,168
Equity mutual funds	22,110,132	-	-	22,110,132
Fixed income mutual funds	35,241,304	-	-	35,241,304
Real estate funds	5,805	-	22,574,354	22,580,159
Bond funds of funds	-	-	9,232,040	9,232,040
Private equity fund of funds	-	-	3,809,786	3,809,786
Total investments	$170,035,685	$ -	$ 35,616,180	$205,651,865

Inputs and Valuation Techniques: In determining fair value, management uses various valuation approaches. With respect to investments for which quoted prices in active markets are observable (Level 1 inputs), management determines fair value based on the quoted prices at the measurement date.

With respect to investments using significant observable inputs other than Level 1 prices, management determines fair value using the net asset value (NAV). The NAVs of investment vehicles are determined on the accrual basis of accounting in conformity with U.S. GAAP. Investment managers utilize standard valuation procedures and policies to assess the fair value of the underlying investment holdings to derive NAV. For holdings in marketable securities listed on national securities exchanges, the values represent the publicly traded values. Holdings in private securities are generally valued using the mark-to-market method, which attempts to apply a fair value standard by referring to meaningful third-party transactions, comparable public market valuations, appraisals, and/or the income approach.

(Continued)

NOTE 10 - FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

In most instances, the Organization possesses the ability to redeem its investment at the NAV at the measurement date, and in some instances additional restrictions on redemption, such as lock-ups and gates, are in place such that investment redemption at NAV is not possible at the measurement date.

Cash and Cash Equivalents - Cash and cash equivalents consist of cash and money market funds. The fair values of money market funds that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs).

Equity Securities - The fair values of equity securities are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs). Common stocks include a variety of large cap, mid cap, small cap, and international companies which have varying levels of capitalization.

Equity Mutual Funds - Equity mutual funds consist of mutual funds which are primarily invested in equity securities. The funds' objective is to seek long-term growth of capital through investment in worldwide publicly traded equities. In pursuing this objective, these funds invest in diversified portfolios of small cap, mid cap, and large cap equity securities in countries other than the United States and are traded on international stock exchanges throughout the world. The fair values of mutual funds, which are readily marketable, are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs). At June 30, 2022, the funds have no restrictions on redemption and can be liquidated on a daily basis.

Fixed Income Mutual Funds - Fixed income mutual funds consist of mutual funds which are primarily invested in fixed income securities. The fair values of mutual funds, which are readily marketable, are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs).

Real Estate Funds - Real estate funds consist of mutual funds invested in commodities and futures contracts, as well as funds invested in real estate securities and other real estate investments. The fair values of real estate mutual funds consist of publicly traded real estate securities and are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs). The fair values of the other real estate investments, which includes futures contracts, include investments in private real estate operating companies, private real estate partnerships, and privately held real estate investment trusts (REITs), are based on NAV reported by fund managers, which is determined by managers based on the value of underlying holdings of the funds (NAV). At June 30, 2022, redemption on these funds are subject to a gate ranging from 7 to 12 years.

Bond Funds of Funds - Bond funds of funds consists of investments in various fixed income bond funds with investment objectives focused on tactical asset allocation. The primary objective of these funds is to provide returns in a low risk environment using a tactical asset allocation strategy. The fair values of bond funds of funds are based on NAV reported by the fund manager, which are determined by managers based on the value of underlying holdings of the fund (NAV). At June 30, 2022, the funds have no restrictions on redemption and can be liquidated on a daily basis.

(Continued)

NOTE 10 - FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Private Equity Fund of Funds - Private equity fund of funds consists of secondary private equity holdings invested in various funds with investment objectives focused on steady cash returns for investors. To achieve this objective, this fund invests in pre-existing investor commitments for investors looking for liquidity. The Organization cannot withdraw funds on an as needed basis but can sell or trade the Organization's interest provided the general partner approves. The fair value of private equity funds of funds is based on NAV reported by the fund manager, which is determined by managers based on the value of underlying holdings of the fund (NAV). At June 30, 2022, redemption on this is subject to a gate ranging from 7 to 12 years.

At June 30, 2022 and 2021, the Organization has $13,284,198 and $10,187,705, respectively, of unfunded commitments to fund these NAV investments.

NOTE 11 - ENDOWMENT COMPOSITION

The Organization's endowment primarily consists of equity, fixed income, real estate, and commodities funds. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as an endowment. As required by applicable standards, net assets associated with these endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Endowment net asset composition as of June 30 is as follows:

2022:

	Board Designated	With Donor Restrictions	Total
Board designated	$ 133,579	$ -	$ 133,579
Donor-restricted	-	237,921	237,921
Total endowment	$ 133,579	$ 237,921	$ 371,500

2021:

	Board Designated	With Donor Restrictions	Total
Board designated	$ 151,859	$ -	$ 151,859
Donor-restricted	-	288,712	288,712
Total endowment	$ 151,859	$ 288,712	$ 440,571

(Continued)

NOTE 11 - ENDOWMENT COMPOSITION (Continued)

Changes in endowment net assets for years ended June 30 were as follows:

2022:

	Board Designated	With Donor Restrictions	Total
Beginning balance	$ 151,859	$ 288,712	$ 440,571
Interest and dividend income	7,491	13,833	21,324
Realized and unrealized loss on investments	(23,721)	(42,674)	(66,395)
Additions	-	550	550
Appropriations for expenditure	(2,050)	(22,500)	(24,550)
Total endowment	$ 133,579	$ 237,921	$ 371,500

2021:

	Board Designated	With Donor Restrictions	Total
Beginning balance	$ 119,219	$ 232,031	$ 351,250
Interest and dividend income	1,994	3,978	5,972
Realized and unrealized gain on investments	33,146	62,229	95,375
Additions	-	474	474
Appropriations for expenditure	(2,500)	(10,000)	(12,500)
Total endowment	$ 151,859	$ 288,712	$ 440,571

Interpretation of UPMIFA: The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Organization classifies as net assets with donor restrictions those donor-restricted gifts that are available to be spent for specified purposes or in specific periods, in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Return Objectives and Risk Parameters: The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment. Endowment assets include those assets of donor-restricted funds that the Organization must hold for a donor-specified period(s) as well as Board-designated funds.

NOTE 11 - ENDOWMENT COMPOSITION (Continued)

Strategies Employed for Achieving Objectives: The purpose of the endowment fund is to facilitate donors' desires to make substantial long-term gifts to the Organization to develop a significant source of revenue to support the endeavors of the Organization.
Spending Policy and How the Investment Objectives Relate to Spending Policy: Distributions shall not exceed 5% of the average net asset valuation for the previous 40 quarters in any given fiscal year.

Fund with Deficiencies: From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. Cumulative deficiencies of this nature that are in excess of related amounts with donor restrictions and are reported in net assets with donor restrictions. There were no deficiencies as of June 30, 2022 and 2021.

NOTE 12 - FUNCTIONAL EXPENSES

The operating expenses of the Organization presented by their natural classification within the consolidated statements of operations and changes in net assets are summarized by function as follows:

	For the year ended June 30, 2022				
	Program Services	General and Administrative	Fundraising	First Fruits	Total
Salaries and employee benefits	$ 121,327	$ 96,786	$ -	$ -	$ 218,113
Payroll taxes	1,594	1,665	-	-	3,259
Contract services	2,175	1,791	-	-	3,966
Professional fees	52,458	5,513	-	-	57,971
Occupancy	2,259	5,840	-	-	8,099
Depreciation	-	1,187	-	-	1,187
Dues and subscriptions	2,039	9,455	-	55,096	66,590
Supplies and equipment	19,256	1,837	15,019	-	36,112
Insurance	-	1,424	-	-	1,424
Scholarships	22,500	-	-	-	22,500
Technology fees	3,304	2,232	-	-	5,536
Travel and meetings	16,910	494	-	-	17,404
Utilities	429	255	-	-	684
Miscellaneous	5,044	2,031	-	-	7,075
Overhead	228,630	-	14,717	-	243,347
Transfer of program assets to Partner Organization	32,664	-	-	-	32,664
	$ 510,589	$ 130,510	$ 29,736	$ 55,096	$ 725,931

(Continued)

NOTE 12 - FUNCTIONAL EXPENSES (Continued)

	For the year ended June 30, 2021				
	Program Services	General and Administrative	Fundraising	First Fruits	Total
Salaries and employee benefits	$ 109,464	$ 56,727	$ -	$ -	$ 166,191
Payroll taxes	7,302	4,377	-	-	11,679
Contract services	-	1,963	-	-	1,963
Professional fees	141,130	6,262	-	-	147,392
Occupancy	2,259	5,274	-	-	7,533
Depreciation	-	1,346	-	-	1,346
Dues and subscriptions	-	792	-	61,872	62,664
Supplies and equipment	14,942	-	14,444	-	29,386
Insurance	-	1,243	-	-	1,243
Scholarship	10,000	-	-	-	10,000
Technology fees	3,304	2,016	-	-	5,320
Travel and meetings	13,733	2,167	-	-	15,900
Utilities	360	176	-	-	536
Miscellaneous	5,598	9,236	-	-	14,834
Overhead	250,176	-	-	-	250,176
	$ 558,268	$ 91,579	$ 14,444	$ 61,872	$ 726,163

The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and employee benefits, which are allocated on the basis of estimates of time and effort, as well as professional fees, and supplies and equipment, which are allocated similarly to the overall salaries and benefits allocation. Overhead is mostly comprised of salaries and employee benefits, supplies and equipment, depreciation and occupancy.