



ORPHAN OUTREACH

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020





REPORT OF INDEPENDENT AUDITOR

The Board of Directors
Orphan Outreach
Plano, Texas

Opinion

We have audited the accompanying financial statements of Orphan Outreach (“the Ministry”), which consist of the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Orphan Outreach as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ministry’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 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, including omissions, 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 risk 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.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ministry'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.

Batts Morrison Wales & Lee, P.A.

BATTS MORRISON WALES & LEE, P.A.

Plano, Texas
October 25, 2022

ORPHAN OUTREACH
STATEMENTS OF FINANCIAL POSITION

ASSETS

	December 31,	
	2021	2020
ASSETS		
Cash and cash equivalents	\$ 3,848,128	\$ 3,984,014
Investments	1,984,152	859,080
Other assets	57,848	183,333
Property and equipment, net	129,170	40,002
Total assets	\$ 6,019,298	\$ 5,066,429
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 138,650	\$ 86,971
Total liabilities	138,650	86,971
NET ASSETS		
Without donor restrictions		
Undesignated	1,649,506	1,327,633
Board designated	2,346,772	2,112,783
Total without donor restrictions	3,996,278	3,440,416
With donor restrictions	1,884,370	1,539,042
Total net assets	5,880,648	4,979,458
Total liabilities and net assets	\$ 6,019,298	\$ 5,066,429

The Accompanying Notes are an Integral
Part of These Financial Statements

ORPHAN OUTREACH
STATEMENTS OF ACTIVITIES

	For The Year Ended December 31, 2021			For The Year Ended December 31, 2020
	Without Donor Restrictions	With Donor Restrictions	Total	
PUBLIC SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS				
Special event revenue	\$ 271,533	\$ —	\$ 271,533	\$ 108,574
Direct event expenses	(194,106)	—	(194,106)	(56,368)
Net special event revenue	77,427	—	77,427	52,206
Contributions with donor restrictions	—	2,980,873	2,980,873	2,606,489
Contributions without donor restrictions	1,734,482	—	1,734,482	3,294,918
Investment income, net	233,867	—	233,867	122,638
Grant revenue	199,000	—	199,000	160,600
Other revenue	50,399	—	50,399	148,088
Noncash contributions	45,693	—	45,693	60,847
Net assets released from restrictions	2,635,545	(2,635,545)	—	—
Total public support and revenue and net assets released from restrictions	4,976,413	345,328	5,321,741	6,445,786
EXPENSES				
Program activities	3,609,355	—	3,609,355	3,144,485
Supporting activities				
General and administrative	404,308	—	404,308	369,159
Fundraising	406,888	—	406,888	349,143
Total supporting activities	811,196	—	811,196	718,302
Total expenses	4,420,551	—	4,420,551	3,862,787
Change in net assets without donor restrictions	555,862	—	555,862	1,968,245
Change in net assets with donor restrictions	—	345,328	345,328	614,754
CHANGE IN NET ASSETS	555,862	345,328	901,190	2,582,999
NET ASSETS - Beginning of year	3,440,416	1,539,042	4,979,458	2,396,459
NET ASSETS - End of year	\$ 3,996,278	\$ 1,884,370	\$ 5,880,648	\$ 4,979,458

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ORPHAN OUTREACH
STATEMENTS OF CASH FLOWS

	For The Years Ended	
	December 31,	
	2021	2020
OPERATING CASH FLOWS		
Change in net assets	\$ 901,190	\$ 2,582,999
Adjustments to reconcile change in net assets to net operating cash flows		
Depreciation	12,584	9,055
Conversion of notes payable to grant revenue (see Note G)	(199,000)	(150,600)
Net gain on investments	(184,073)	(103,185)
Change in other assets	125,485	(80,533)
Change in accounts payable and accrued expenses	51,679	(77,503)
Net operating cash flows	707,865	2,180,233
INVESTING CASH FLOWS		
Net purchases of investments	(940,999)	(706,742)
Purchases of and improvements to property and equipment	(101,752)	(9,950)
Net investing cash flows	(1,042,751)	(716,692)
FINANCING CASH FLOWS		
Proceeds from borrowings	199,000	150,600
Net financing cash flows	199,000	150,600
NET CHANGE IN CASH AND CASH EQUIVALENTS	(135,886)	1,614,141
CASH AND CASH EQUIVALENTS - Beginning of year	3,984,014	2,369,873
CASH AND CASH EQUIVALENTS - End of year	\$ 3,848,128	\$ 3,984,014

SUPPLEMENTAL DISCLOSURE

During 2021 and 2020, \$199,000 and \$150,600, respectively, of principal reductions of a certain note payable are included in "grant revenue" in the accompanying statements of activities. See Note G.

ORPHAN OUTREACH
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2021

	Program Activities	Supporting Activities		Total Supporting Activities	Total Expenses
		General and Administrative	Fundraising		
Salaries and related expenses					
Salaries and wages	\$ 718,785	\$ 208,680	\$ 231,866	\$ 440,546	\$ 1,159,331
Health insurance	23,462	6,812	7,568	14,380	37,842
Total salaries and related expenses	<u>742,247</u>	<u>215,492</u>	<u>239,434</u>	<u>454,926</u>	<u>1,197,173</u>
Project expenses					
Guatemala	916,229	—	—	—	916,229
Honduras	461,910	—	—	—	461,910
Kenya	428,946	—	—	—	428,946
Russia	256,760	—	—	—	256,760
India	232,067	—	—	—	232,067
Ukraine	116,358	—	—	—	116,358
Backpacks	107,244	—	—	—	107,244
Latvia	91,994	—	—	—	91,994
Joseph's DreamCoat	15,167	—	—	—	15,167
Nepal	12,950	—	—	—	12,950
Total project expenses	<u>2,639,625</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,639,625</u>
Other expenses					
Miscellaneous	37,734	170,694	24,076	194,770	232,504
Marketing materials	—	—	111,181	111,181	111,181
Rent and maintenance	49,184	14,279	15,866	30,145	79,329
Mission trips	67,013	—	—	—	67,013
Travel	27,859	3,843	16,331	20,174	48,033
Humanitarian aid gifts	45,693	—	—	—	45,693
Total other expenses	<u>227,483</u>	<u>188,816</u>	<u>167,454</u>	<u>356,270</u>	<u>583,753</u>
Total expenses	<u>\$ 3,609,355</u>	<u>\$ 404,308</u>	<u>\$ 406,888</u>	<u>\$ 811,196</u>	4,420,551
				Direct event expenses	<u>194,106</u>
				Total expenses (including direct event expenses)	<u>\$ 4,614,657</u>

The Accompanying Notes are an Integral
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ORPHAN OUTREACH
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2020

	Program Activities	Supporting Activities		Total Supporting Activities	Total Expenses
		General and Administrative	Fundraising		
Salaries and related expenses					
Salaries and wages	\$ 631,641	\$ 186,385	\$ 217,449	\$ 403,834	\$ 1,035,475
Health insurance	19,443	5,737	6,693	12,430	31,873
Total salaries and related expenses	<u>651,084</u>	<u>192,122</u>	<u>224,142</u>	<u>416,264</u>	<u>1,067,348</u>
Project expenses					
Guatemala	616,485	—	—	—	616,485
Kenya	435,319	—	—	—	435,319
Honduras	406,550	—	—	—	406,550
Russia	293,203	—	—	—	293,203
India	198,911	—	—	—	198,911
Ukraine	96,354	—	—	—	96,354
Backpacks	74,881	—	—	—	74,881
Latvia	58,272	—	—	—	58,272
Joseph's DreamCoat	49,350	—	—	—	49,350
Nepal	11,381	—	—	—	11,381
Total project expenses	<u>2,240,706</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,240,706</u>
Other expenses					
Miscellaneous	51,665	162,097	26,649	188,746	240,411
Rent and maintenance	50,633	14,940	17,431	32,371	83,004
Marketing materials	—	—	77,644	77,644	77,644
Humanitarian aid gifts	60,847	—	—	—	60,847
Mission trips	60,056	—	—	—	60,056
Travel	29,494	—	3,277	3,277	32,771
Total other expenses	<u>252,695</u>	<u>177,037</u>	<u>125,001</u>	<u>302,038</u>	<u>554,733</u>
Total expenses	<u>\$ 3,144,485</u>	<u>\$ 369,159</u>	<u>\$ 349,143</u>	<u>\$ 718,302</u>	3,862,787
				Direct event expenses	<u>56,368</u>
				Total expenses (including direct event expenses)	<u>\$ 3,919,155</u>

The Accompanying Notes are an Integral
Part of These Financial Statements

ORPHAN OUTREACH
NOTES TO FINANCIAL STATEMENTS

NOTE A – NATURE OF ACTIVITIES

Orphan Outreach (“the Ministry”) is a not-for-profit Texas corporation, established to glorify Jesus Christ by having a significant, long-term impact on orphaned and vulnerable children, equipping each child for a fulfilling, independent Christian life in their community. The Ministry is located in Plano, Texas.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Contributions

The Ministry generally recognizes cash contributions as revenue when the contributions are received by the Ministry. Contributions received are recorded as with or without donor restrictions depending on the existence and/or nature of any donor restrictions. When a 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.”

Special event revenue

Special event revenue is reported at the amount that reflects the consideration to which the Ministry expects to be entitled for hosting the related event and from the sale of certain items during the event made by artisans in communities the Ministry serves. Such amounts are generally due from event attendees and sponsors. Revenue is recognized upon completion of the event.

Performance obligations for event revenue are determined based on the nature of the goods and services provided by the Ministry. The Ministry measures the performance obligation for event revenue from the point of registration through the completion of the event or at the point of sale for certain items. The Ministry determines the transaction price for event revenue based on a fee schedule or retail price.

Assessments

The Board of Directors has established a policy to utilize up to 10% of contributions restricted for the support of ministry programs to help offset general operational expenses, including the cost of operating the headquarters office. The amounts so utilized are reflected as “contributions without donor restrictions” in the accompanying statements of activities.

Cash and cash equivalents

All investment instruments purchased or donated with original maturities of three months or less are considered to be cash and cash equivalents.

Investments

Investments are stated at estimated fair value.

Property and equipment

Property and equipment is stated at original cost, if purchased, or estimated fair value on the date of donation, if donated. Depreciation is provided using the straight-line method over the expected useful lives of the related assets.

Net assets

Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Board designated net assets consist of amounts designated by the Board of Directors for operational reserves. Net assets with donor restrictions consist of amounts with uses limited by donor-imposed time and/or purpose restrictions.

ORPHAN OUTREACH
NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional allocation of expenses

The statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Indirect costs that benefit multiple functional areas are allocated among the various functional areas based primarily on employee time and space utilization.

Income taxes

The Ministry is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code and from state income tax pursuant to Texas law. The Ministry is further classified as a public charity and not as a private foundation for federal tax purposes. The Ministry has not incurred unrelated business income taxes. As a result, no income tax provision or liability has been provided for in the accompanying financial statements.

Use of estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include those used in estimating the fair value of investments, determining the useful lives of property and equipment, and estimating the fair value of noncash contributions. Actual results could differ from the estimates.

Economic uncertainties

In January 2020, the World Health Organization (“WHO”) announced a global health emergency related to the outbreak of a virus. In March 2020, WHO elevated the classification of the outbreak to a pandemic (“the pandemic”). Management is closely monitoring the potential impact of the pandemic on the Ministry’s financial condition and has taken actions to mitigate its impact. Such actions include availing the Ministry of relief measures available under federal law. Because of the unknown impact on global commerce, management is not able to estimate the effects of the pandemic on its operating results, financial condition, or liquidity for 2022.

Subsequent events

The Ministry has evaluated for possible financial statement reporting and disclosure subsequent events through October 25, 2022, the date as of which the financial statements were available to be issued.

NOTE C – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure within one year of the date of the statements of financial position are as follows:

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
Financial assets available:		
Cash and cash equivalents	\$ 3,848,128	\$ 3,984,014
Investments	<u>1,984,152</u>	<u>859,080</u>
Total financial assets available within one year	5,832,280	4,843,094
Less:		
Amounts held subject to Board designations	<u>(2,346,772)</u>	<u>(2,112,783)</u>
Net financial assets available within one year	<u>\$ 3,485,508</u>	<u>\$ 2,730,311</u>

ORPHAN OUTREACH
NOTES TO FINANCIAL STATEMENTS

NOTE C – LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)

The Ministry is primarily supported by contributions. As part of the Ministry’s liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Board of Directors has designated certain amounts for operational reserves. Because of these designations, such amounts are not available for general expenditure within the next year; however, the Board of Directors could make them available, if necessary. Donor-restricted net assets are available for general expenditure within one year, because the restrictions on the net assets are expected to be met by conducting the normal activities of the Ministry in the coming year. Management believes the Ministry has sufficient financial assets available for general operations that may be drawn upon in the event of unanticipated financial distress or an immediate liquidity need.

NOTE D – CONCENTRATIONS

The Ministry maintains its cash and cash equivalents in deposit or brokerage accounts which may not be federally insured, may exceed federally insured limits, or may be insured by an entity other than an agency of the federal government. The Ministry has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to cash and cash equivalents.

During 2021 and 2020, approximately 26% and 45% of the Ministry’s cash contributions, respectively, was received from certain board members.

NOTE E – FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States (“U.S. GAAP”) define fair value for an investment generally as the price an organization would receive upon selling the investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. The information available to measure fair value varies depending on the nature of each investment and its market or markets. Accordingly, U.S. GAAP recognizes a hierarchy of “inputs” an organization may use in determining or estimating fair value. The inputs are categorized into “levels” that relate to the extent to which an input is objectively observable and the extent to which markets exist for identical or comparable investments. In determining or estimating fair value, an organization is required to maximize the use of observable market data (to the extent available) and minimize the use of unobservable inputs. The hierarchy assigns the highest priority to unadjusted quoted prices in active markets for identical items (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Following is a description of each of the three levels of input within the fair value hierarchy:

Level 1 – unadjusted quoted market prices in active markets for identical items

Level 2 – other significant observable inputs (such as quoted prices for similar items)

Level 3 – significant unobservable inputs

The estimated fair value of items measured on a recurring basis at December 31, 2021 is as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Corporate stocks	\$ 1,748,723	\$ 1,748,723	\$ —	\$ —
Exchange-traded funds	<u>235,429</u>	<u>235,429</u>	<u>—</u>	<u>—</u>
Total	<u>\$ 1,984,152</u>	<u>\$ 1,984,152</u>	<u>\$ —</u>	<u>\$ —</u>

ORPHAN OUTREACH
NOTES TO FINANCIAL STATEMENTS

NOTE E – FAIR VALUE MEASUREMENTS (Continued)

The estimated fair value of items measured on a recurring basis at December 31, 2020 is as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Corporate stocks	\$ 774,280	\$ 774,280	\$ —	\$ —
Exchange-traded funds	<u>84,800</u>	<u>84,800</u>	<u>—</u>	<u>—</u>
Total	<u>\$ 859,080</u>	<u>\$ 859,080</u>	<u>\$ —</u>	<u>\$ —</u>

NOTE F – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

<u>Category</u>	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
Apartment unit – Russia	\$ 93,400	\$ —
Computers	31,368	24,405
Furniture and equipment	31,307	30,752
Leasehold improvements	<u>17,657</u>	<u>16,823</u>
Total property and equipment	173,732	71,980
Less: Accumulated depreciation	<u>(44,562)</u>	<u>(31,978)</u>
Net property and equipment	<u>\$ 129,170</u>	<u>\$ 40,002</u>

Depreciation expense amounted to \$12,584 and \$9,055 for 2021 and 2020, respectively.

During 2021, the Ministry acquired a certain apartment unit in Russia to provide affordable housing to individuals in need. As of December 31, 2021, the carrying value of such property (net of accumulated depreciation) is approximately \$92,000.

NOTE G – PAYCHECK PROTECTION PROGRAM

During each of the years 2020 and 2021, the Ministry obtained a Paycheck Protection Program note payable (“the PPP loans”) in the amounts of \$150,600 and \$199,000, respectively. The PPP loans were unsecured and payable to a financial institution at a fixed rate of 1.00% per annum with a deferral of interest and principal payments for a certain period.

The PPP loans were forgiven by the Small Business Administration based on the nature of the Ministry's expenditures during applicable time periods. Accordingly, the Ministry recognized \$150,600 and \$199,000, respectively as "grant revenue" for each year, with a corresponding reduction in "notes payable" as of each year-end.

ORPHAN OUTREACH
NOTES TO FINANCIAL STATEMENTS

NOTE H – NET ASSETS WITH DONOR RESTRICTIONS

Activity for net assets with donor restrictions during 2021 was as follows:

	<u>Balance</u> <u>January 1</u>	<u>Contributions</u>	<u>Releases</u>	<u>Balance</u> <u>December 31</u>
Kenya	\$ 23,598	\$ 967,203	\$ (333,250)	\$ 657,551
Russia	291,467	393,467	(350,160)	334,774
Honduras	418,008	315,963	(445,188)	288,783
Guatemala	317,291	675,390	(743,890)	248,791
Missions	152,530	44,586	(74,972)	122,144
India	111,230	236,146	(232,067)	115,309
Joseph’s DreamCoat	79,024	7,652	(15,167)	71,509
Ukraine	2,987	135,728	(116,358)	22,357
Nepal	4,971	21,781	(12,950)	13,802
Latvia	—	75,110	(65,760)	9,350
Emergency and disaster relief	137,936	603	(138,539)	—
Backpacks	—	107,244	(107,244)	—
Total	<u>\$ 1,539,042</u>	<u>\$ 2,980,873</u>	<u>\$ (2,635,545)</u>	<u>\$ 1,884,370</u>

Activity for net assets with donor restrictions during 2020 was as follows:

	<u>Balance</u> <u>January 1</u>	<u>Contributions</u>	<u>Releases</u>	<u>Balance</u> <u>December 31</u>
Honduras	\$ 278,293	\$ 482,780	\$ (343,065)	\$ 418,008
Guatemala	284,232	496,285	(463,226)	317,291
Russia	66,997	517,673	(293,203)	291,467
Missions	31,772	175,666	(54,908)	152,530
Emergency and disaster relief	—	137,936	—	137,936
India	107,740	202,401	(198,911)	111,230
Joseph’s DreamCoat	121,047	7,327	(49,350)	79,024
Kenya	27,084	344,698	(348,184)	23,598
Nepal	—	16,352	(11,381)	4,971
Ukraine	—	99,341	(96,354)	2,987
Backpacks	4,098	70,783	(74,881)	—
Latvia	3,025	55,247	(58,272)	—
Total	<u>\$ 924,288</u>	<u>\$ 2,606,489</u>	<u>\$ (1,991,735)</u>	<u>\$ 1,539,042</u>

NOTE I – NONCASH CONTRIBUTIONS

The Ministry recognizes noncash contributions of below-market rent from a certain organization. Such contributions are recognized as revenue and expense ratably throughout the year as the difference between the estimated fair market value of the monthly lease amount and the amount paid by the Ministry. During 2021 and 2020, the Ministry recognized noncash contributions of \$45,693 and \$60,847, respectively, which is included in “noncash contributions” and reported as expense allocated to the appropriate functional categories in the accompanying statements of activities.

ORPHAN OUTREACH
NOTES TO FINANCIAL STATEMENTS

NOTE J - LEASES

The Ministry leases building space and equipment under certain operating lease agreements. Rent expense (including common area maintenance and other charges) related to such leases was approximately \$79,000 and \$82,000 during 2021 and 2020, respectively.

Future minimum required rental payments under a certain noncancellable lease agreement are approximately as follows:

<u>Year Ending</u> <u>December 31,</u>	
2022	\$ 70,000
2023	<u>41,000</u>
Total	<u>\$ 111,000</u>

NOTE K - RETIREMENT PLAN

The Ministry has adopted a SIMPLE IRA plan ("the Plan") for the benefit of its employees. The Ministry contributes 2% of an eligible employee's compensation to the Plan annually. The Ministry contributed approximately \$23,000 and \$20,000 to the Plan during 2021 and 2020, respectively.