Corus International, Inc. and Affiliates

Consolidated Financial Statements
Years Ended September 30, 2020 and 2019

Corus International, Inc. and Affiliates

Consolidated Financial Statements

Years Ended September 30, 2020 and 2019

Corus International, Inc. and Affiliates

Contents

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Independent Auditor's Report

To Board of Directors
Corus International, Inc. and Affiliates
Baltimore, Maryland

We have audited the accompanying consolidated financial statements of **Corus International, Inc. and Affiliates**, which comprise the consolidated statements of financial position as of September 30, 2020 and 2019, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of **Corus International, Inc. and Affiliates** as of September 30, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BDO USA, LLP

February 19, 2021

Consolidated Financial Statements

Corus International, Inc. and Affiliates

Consolidated Statements of Financial Position

September 30,		2020		2019
Assets				
Cash and cash equivalents	$	**17,519,435**	$	19,352,801
Investments		**22,291,300**		22,195,805
Advances to subrecipients		**2,856,517**		1,601,644
Grants and contributions receivable, net		**11,787,942**		10,212,780
Inventory of materials for distribution		**5,295,867**		4,200,072
Cash surrender value of life insurance contracts		**430,549**		408,970
Other investments		**4,474,285**		3,559,345
Charitable trusts		**2,035,040**		2,113,901
Other receivables and prepaid expenses		**3,945,009**		3,971,617
Other assets		**1,157,355**		1,012,646
Property and equipment, net		**1,458,234**		1,174,395
Total assets	$	**73,251,533**	$	69,803,976
Liabilities and net assets				
Liabilities				
Accounts payable and accrued expenses	$	**12,422,348**	$	11,853,738
Amounts due to subrecipients		**1,141,927**		-
Refundable advances for program purposes		**15,121,652**		19,778,265
Deferred rent and lease incentive		**1,272,713**		1,289,722
Payroll Protection Program		**3,534,500**		-
Debt		**2,817,538**		1,679,025
Total liabilities		**36,310,678**		34,600,750
Net assets				
Without donor restrictions				
General		**27,634,171**		26,784,095
Board designated funds		**1,178,502**		1,069,097
Total without donor restrictions		**28,812,673**		27,853,192
With donor restrictions				
Time restricted		**2,781,790**		2,796,885
Purpose restricted		**5,346,392**		4,553,149
Total with donor restrictions		**8,128,182**		7,350,034
Total net assets		**36,940,855**		35,203,226
Total liabilities and net assets	$	**73,251,533**	$	69,803,976

See accompanying notes to consolidated financial statements.

Corus International, Inc. and Affiliates

Consolidated Statements of Activities

Year ended September 30, 2020	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Support:			
Church body support:			
Evangelical Lutheran Church in America	$ 765,077	$ -	$ 765,077
Lutheran Church – Missouri Synod	-	15,000	15,000
	765,077	15,000	780,077
Individuals and congregations:			
Contributions	23,086,101	86,636	23,172,737
Bequests	6,765,890	-	6,765,890
	29,851,991	86,636	29,938,627
Institutional donors:			
U.S. Government grants	43,962,370	147,111	44,109,481
Foundation grants	5,260	-	5,260
Corporate and other grants	54,060,186	1,874,846	55,935,032
Program service revenue	1,209,759	-	1,209,759
	99,237,575	2,021,957	101,259,532
Total support	129,854,643	2,123,593	131,978,236
Revenue:			
Donated goods and services:			
Donated material resources	12,240,771	-	12,240,771
Contributed services	326,926	-	326,926
Total donated goods and services	12,567,697	-	12,567,697
Net assets released from restrictions:			
Satisfaction of program and time restrictions	1,345,445	(1,345,445)	-
Total support and revenue	143,767,785	778,148	144,545,933
Expenses:			
Program services	126,872,781	-	126,872,781
Supporting services:			
Management and general	10,812,834	-	10,812,834
Fundraising	5,079,113	-	5,079,113
Total supporting services	15,891,947	-	15,891,947
Total expenses	142,764,728	-	142,764,728
Changes in net assets before investment loss	1,003,057	778,148	1,781,205
Investment loss, net	(43,576)	-	(43,576)
Total change in net assets	959,481	778,148	1,737,629
Net assets, beginning of year	27,853,192	7,350,034	35,203,226
Net assets, end of year	$ 28,812,673	$ 8,128,182	$ 36,940,855

See accompanying notes to consolidated financial statements.

Corus International, Inc. and Affiliates

Consolidated Statement of Activities

Year ended September 30, 2019	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Support:			
Church body support:			
Evangelical Lutheran Church in America	$ 150,000	$ 1,100,437	$ 1,250,437
Lutheran Church - Missouri Synod	-	100,000	100,000
	150,000	1,200,437	1,350,437
Individuals and congregations:			
Contributions	15,126,196	2,510,387	17,636,583
Bequests	4,397,386	14,990	4,412,376
	19,523,582	2,525,377	22,048,959
Institutional donors:			
U.S. Government grants	38,766,706	-	38,766,706
Foundation grants	3,745,979	-	3,745,979
Corporate and other grants	41,625,970	1,568,248	43,194,218
Program service revenue	1,167,574	-	1,167,574
	85,306,229	1,568,248	86,874,477
Total support	104,979,811	5,294,062	110,273,873
Revenue:			
Donated goods and services:			
Donated material resources	12,437,924	-	12,437,924
Contributed services	462,657	-	462,657
Total donated goods and services	12,900,581	-	12,900,581
Net assets released from restrictions:			
Satisfaction of program and time restrictions	5,462,139	(5,462,139)	-
Total support and revenue	123,342,531	(168,077)	123,174,454
Expenses:			
Program services	111,117,734	-	111,117,734
Supporting services:			
Management and general	16,841,940	-	16,841,940
Fundraising	3,626,019	-	3,626,019
Total supporting services	20,467,959	-	20,467,959
Total expenses	131,585,693	-	131,585,693
Changes in net assets before investment return, net	(8,243,162)	(168,077)	(8,411,239)
Investment return, net	1,185,819	15,093	1,200,912
Total change in net assets	(7,057,343)	(152,984)	(7,210,327)
Net assets, beginning of year	34,910,535	7,503,018	42,413,553
Net assets, end of year	$ 27,853,192	$ 7,350,034	$ 35,203,226

See accompanying notes to consolidated financial statements.

Corus International, Inc. and Affiliates

Consolidated Statement of Functional Expenses

	Program Services								Supporting Services			
Year Ended September 30, 2020	Health	Emergencies and Material Resources	Agriculture	Climate Change	Impact Investing	Livelihood	Other Program Activities	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries	$ 11,714,377	$ 39,918	$ 2,807,381	$ 779,956	$ 55,045	$ 283,083	$ 4,386,357	$ 20,066,117	$ 4,829,830	$ 1,445,718	$ 6,275,548	$ 26,341,665
Employee benefits and payroll taxes	7,707,987	14,146	1,059,368	234,374	14,052	88,386	1,559,204	10,677,517	1,567,379	529,190	2,096,569	12,774,086
Total salaries and related expenses	19,422,364	54,064	3,866,749	1,014,330	69,097	371,469	5,945,561	30,743,634	6,397,209	1,974,908	8,372,117	39,115,751
Program expenses:												
Subaward	27,583,195	778,157	3,456,533	-	-	344,520	54,668	32,217,073	-	-	-	32,217,073
Project materials	10,291,310	7,637	119,412	47,852	-	-	5,937	10,472,148	1,697	-	1,697	10,473,845
Project expenses	12,708,212	215,313	872,690	277,611	-	81,214	33,023	14,188,063	109,833	6,000	115,833	14,303,896
Material resources:												
Donated materials (blankets and quilts, medical, etc.)	-	11,198,998	-	-	-	-	810	11,199,808	-	-	-	11,199,808
Purchased materials and cash-related costs	3,313,850	814,159	33,202	395	-	-	263,587	4,425,193	9,513	-	9,513	4,434,706
Retained services	3,762,825	18,175	1,055,780	116,640	4,058	42,719	818,313	5,818,510	1,481,116	1,027,999	2,509,115	8,327,625
Travel and meetings	3,809,460	4,004	475,727	71,892	29,705	8,412	449,228	4,848,428	261,196	152,572	413,768	5,262,196
Occupancy costs, HQ and overseas	2,370,476	42,680	390,984	60,185	15,521	28,926	470,726	3,379,498	354,862	81,959	436,821	3,816,319
Cost of equipment, supplies and maintenance	2,621,063	2,776	195,609	57,821	537	18,423	104,189	3,000,418	477,963	113,083	591,046	3,591,464
Trainings and conferences	1,674,302	21,092	329,986	58,465	1,856	6,697	83,120	2,175,518	40,471	12,459	52,930	2,228,448
Communications and postage	818,600	534	251,280	20,859	2,355	5,122	126,408	1,225,158	85,653	543,663	629,316	1,854,474
Printing, publications and film	516,199	48	9,567	2,684	51	1	52,627	581,177	75,522	763,587	839,109	1,420,286
Grants expenses	90,899	277,027	34,213	350,132	-	10,386	2,958	765,615	155,946	-	155,946	921,561
Bank and merchant fees	522,130	1,420	8,041	435	105	1,476	12,143	545,750	112,333	301,506	413,839	959,589
Program materials and other supplies	673,469	268	57,182	10,708	259	18,701	47,754	808,341	47,639	2,181	49,820	858,161
Insurance	79,075	10,532	7,737	8,689	14	3,544	46,308	155,899	274,843	-	274,843	430,742
Membership fees	70,192	6	39,679	3	-	46	82,682	192,608	82,552	55,331	137,883	330,491
Depreciation	268	187	5,630	8,667	-	-	57,703	72,455	49,685	19,025	68,710	141,165
Miscellaneous	40,088	-	-	9,573	-	-	7,826	57,487	794,801	24,840	819,641	877,128
Total expenses	$ 90,367,977	$ 13,447,077	$ 11,210,001	$ 2,116,941	$ 123,558	$ 941,656	$ 8,665,571	$ 126,872,781	$ 10,812,834	$ 5,079,113	$ 15,891,947	$ 142,764,728

See accompanying notes to consolidated financial statements.

Corus International, Inc. and Affiliates

Consolidated Statement of Functional Expenses

	Program Services								Supporting Services			
Year ended September 30, 2019	**Health**	**Emergencies and Material Resources**	**Agriculture**	**Climate Change**	**Impact Investing**	**Livelihood**	**Other Program Activities**	**Total Program Services**	**Management and General**	**Fundraising**	**Total Supporting Services**	**Total Expenses**
Salaries	$ 9,550,194	$ 2,792,371	$ 3,875,535	$ 916,158	$ 373,841	$ 454,615	$ -	$ 17,962,714	$ 7,874,402	$ 1,072,180	$ 8,946,582	$ 26,909,296
Employee benefits and payroll taxes	5,034,812	940,166	1,458,511	390,976	16,315	144,579	356	7,985,715	1,876,911	348,695	2,225,606	10,211,321
Total salaries and related expenses	14,585,006	3,732,537	5,334,046	1,307,134	390,156	599,194	356	25,948,429	9,751,313	1,420,875	11,172,188	37,120,617
Program expenses:												
Subaward	19,528,579	2,427	(54,761)	142	793,366	9,000	-	20,278,753	-	-	-	20,278,753
Project materials	9,308,989	195,594	738,977	192,614	-	-	-	10,436,174	-	-	-	10,436,174
Project expenses	3,437,562	188,221	2,139,407	497,795	-	-	1,912	6,264,897	7,942	-	7,942	6,272,839
Material resources:												
Donated materials (blankets and quilts, medical, etc.)	-	13,218,302	-	-	-	-	-	13,218,302	-	-	-	13,218,302
Purchased materials and cash-related costs	2,580,422	1,535,220	-	-	-	-	-	4,115,642	5,165	-	5,165	4,120,807
Retained services	3,515,124	448,216	800,966	86,315	155,397	254,183	15	5,260,216	2,622,416	728,734	3,351,150	8,611,366
Travel and meetings	3,270,930	603,755	1,086,878	231,071	54,071	69,901	4,070	5,320,676	1,296,679	154,686	1,451,365	6,772,041
Occupancy costs, HQ and overseas	1,986,129	341,719	432,087	101,115	-	28,779	247	2,890,076	964,236	78,720	1,042,956	3,933,032
Cost of equipment, supplies and maintenance	1,924,756	159,632	217,097	39,002	5,313	19,886	-	2,365,686	673,662	98,615	772,277	3,137,963
Trainings and conferences	1,448,535	1,693	-	-	-	-	-	1,450,228	131,763	-	131,763	1,581,991
Communications and postage	498,053	77,782	215,464	30,278	80	68,225	16	889,898	117,534	300,714	418,248	1,308,146
Printing, publications and film	233,941	8,685	84,627	5,894	-	63,849	-	396,996	34,367	490,768	525,135	922,131
Grants expenses	747,894	1,354,257	2,842,934	597,386	-	-	126,750	5,669,221	-	-	-	5,669,221
Bank and merchant fees	321,543	877	1,087	154	8,093	26	-	331,780	136,716	245,106	381,822	713,602
Program materials and other supplies	493,906	88,085	157,439	78,301	-	1,280	7	819,018	123,678	1,414	125,092	944,110
Insurance	140,005	20,323	36,724	7,485	-	-	-	204,537	206,568	-	206,568	411,105
Membership fees	219,291	59,555	27,181	6,848	-	-	-	312,875	137,153	23,356	160,509	473,384
Depreciation	11	64,533	51,913	11,045	-	6,824	-	134,326	24,473	19,523	43,996	178,322
Miscellaneous	4,766,219	13,615	9,749	774	-	19,647	-	4,810,004	608,275	63,508	671,783	5,481,787
Total expenses	$ 69,006,895	$ 22,115,028	$ 14,121,815	$ 3,193,353	$ 1,406,476	$ 1,140,794	$ 133,373	$ 111,117,734	$ 16,841,940	$ 3,626,019	$ 20,467,959	$ 131,585,693

See accompanying notes to consolidated financial statements.

Corus International, Inc. and Affiliates

Consolidated Statements of Cash Flows

Years ended September 30,	2020	2019
Cash flows from operating activities:		
Change in net assets	$ 1,737,629	$ (7,210,327)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Support in-kind	(12,567,697)	(12,900,581)
Material aid in-kind shipped	11,140,711	13,218,302
Recovery in allowance for doubtful accounts and discounts on grants and contributions receivable	(22,718)	(3,441)
Contributions restricted for long-term investment	(1,026,000)	(53,886)
Amortization of bond premium and deferred loan costs	18,474	2,046
Depreciation	141,165	178,322
(Gain) loss on disposition of property and equipment	(70)	41,000
Loss in equity investment in Lutheran Center Corporation	158,931	38,936
Realized gains on sale of investments	(1,234,905)	(249,505)
Unrealized losses (gains) on investments	1,736,546	(121,972)
Changes in assets and liabilities:		
(Increase) decrease in:		
Advances to subrecipients	(1,254,873)	5,593,057
Grants and contributions receivable	(1,552,444)	(8,298,746)
Other receivables and prepaid expenses, cash surrender value of life insurance contracts and charitable trusts	83,890	9,764,260
Purchased inventory	331,191	471,407
Other assets	(144,709)	(369,083)
Increase (decrease) in:		
Accounts payable and accrued expenses	568,610	1,976,518
Refundable advances for program purposes	(4,656,613)	294,842
Amounts due to subrecipients	1,141,927	-
Deferred rent and lease incentive	(17,009)	(93,182)
Net cash (used in) provided by operating activities	(5,417,964)	2,277,967
Cash flows from investing activities:		
Purchase of property and equipment	(424,934)	(70,406)
Purchase of investments	(20,616,151)	(89,582,041)
Proceeds from maturities and sales of investments	20,019,015	95,174,368
Net cash (used in) provided by investing activities	(1,022,070)	5,521,921
Cash flows from financing activities:		
Proceeds from Paycheck Protection Program	3,534,500	-
Proceeds from contributions restricted for long-term investment	1,026,000	53,886
Net payment on line-of-credit - Charlie Goldsmith	(821,332)	-
Principal payments on long-term debt	(132,500)	(125,000)
Proceeds from line of credit	1,000,000	-
Net cash provided by (used in) financing activities	4,606,668	(71,114)
Net (decrease) increase in cash and cash equivalents	(1,833,366)	7,728,774
Cash and cash equivalents, beginning of year	19,352,801	11,624,027
Cash and cash equivalents, end of year	$ 17,519,435	$ 19,352,801
Supplemental disclosure of cash flow information:		
Cash payments for interest	$ 3,478	$ 44,559

See accompanying notes to consolidated financial statements.

1. Corus International, Inc.

Organization

On October 1, 2019, Corus International, Inc. (Corus) was formed as the parent company of Lutheran World Relief (LWR) and IMA World Health (IMA) and their subsidiaries. Corus is a Maryland Corporation. At Corus, we believe poverty and health are intrinsically linked. An impoverished family can scarcely afford health care. A sick breadwinner may be unable to earn income. A country unable to invest in medical professionals, facilities, and resources will have weak health systems.

Corus is an ensemble of faith-based organizations working in concert to deliver the holistic, lasting solutions needed to overcome these interrelated challenges. Together with our local partners, we reduce poverty at the same time as improving communities' health.

On October 15, 2018, LWR signed a master agreement with Interchurch Medical Assistance, Inc. (d/b/a IMA World Health) (IMA), a Washington D.C. based international church membership non-profit organization that provides health services and build healthy communities around the world. IMA was founded in 1960 as a coalition between Protestant Churches and church-based organizations, with the main goal of providing healthcare to vulnerable and marginalized people in the developing world. IMA's main aim was to provide pharmaceutical and medical assistance to healthcare facilities, refugee centers, and disaster relief programs. IMA intentionally operates as an ecumenical organization, with an emphasis on unity and respect for all faiths and traditions. IMA's activities are funded primarily through United States (U.S.) contracts, grants and contributions.

By the end of World War II in 1945, it is estimated that one-fifth of the world's Lutherans were left homeless. Here in the United States, Lutheran churches in at least 20 states mobilized to collect and send aid to Europe through a new agency called Lutheran World Relief, Incorporated (LWR). Over the next decade, LWR would send aid to areas affected by conflict in parts of Asia, and by the 1960's and 1970's, had expanded their operations to include assisting with farming and agriculture initiatives to improve food security in developing countries. Today, LWR operates in East and West Africa, Latin America, Asia, and the Middle East, helping some of the world's poorest communities build the resilience they need to thrive. LWR is a nonprofit organization incorporated in 1945 in the State of New York. LWR's headquarters is in Baltimore, Maryland.

The joining of LWR and IMA was a natural fit of both organizations missions and values to work in partnership to reach more of the world's most vulnerable.

Organization operating structure

Corus International's operational structure includes the following program and supporting services, which are included in the accompanying consolidated statement of activities:

Program services

Health programs build integrated, holistic and sustainable health systems that increase access to quality health care, with an emphasis on vulnerable people. These programs are built around designing and implementing innovative and effective technical approaches that demonstrate long-term, measurable improvements and impact on individual and community health.

Emergencies and material resources help communities experiencing poverty and marginalization cope with, and recover from, emergencies in ways that promote lasting improvements in people's living conditions. Corus' humanitarian work responds to both natural disaster and complex emergencies involving conflict. Corus engages in emergency response and material resources projects and our partners conduct distributions of Corus quilts and kits to reach people in need around the world.

Agriculture programs are focused on coffee and cocoa projects that engaged farmers to improve their agricultural production and incomes. By strengthening rural economies through improving agricultural practices and increasing food security, Corus creates lasting impact in poverty reduction, community stability, and resilience.

Climate change programs help communities adapt to changing climates, which is a key element to building resilient communities and strong local economies. Increasing variability in weather patterns lead to an increase in frequency and severity of natural disasters, negatively impacting food production and resilience of economic and environmental systems.

Impact investing is an enterprise-based approach to development. Corus reduces poverty by engaging workers, their households, and communities to sustain and raise incomes, build assets, increase resilience and ultimately access pathways out of poverty. This is done by the establishment, support, and investment in locally based for-profit businesses that seek to deliver needed goods and services in a commercially sustainable manner and create positive social impact and value for impoverished communities.

Livelihood programs help to improve living condition of rural people by achieving substantial and sustained poverty reduction through providing economic empowerment and improving communities' self-reliance, training, and support of entrepreneurship.

Supporting services

Management and General category include the functions necessary to provide core mission support and proper administrative functioning of Corus' governing board and leadership.

Fundraising includes expenditures which provide the structure necessary to encourage and secure financial resources for Corus' worldwide operations and programs.

The consolidated financial statements also include the following subsidiaries and affiliates:

- Ground Up Investing, LLC (GUI), a wholly owned for-profit affiliate of LWR, formed as a Delaware limited liability company in April 2017. The purpose of this entity is to establish, support and invest in for-profit businesses that seek to deliver needed goods and services to the poor in a commercially sustainable manner and create positive social impact and value for impoverished communities.

- IMA Innovations (Innovations), a wholly owned subsidiary of Corus. Innovations is a charitable organization that seeks to develop projects and initiatives to solve public health crises around the world. Innovations works in conjunction with IMA, testing and implementing programs on behalf of IMA, to achieve better health outcomes for people in developing and emergency settings, specifically in Asia and Africa. Innovations is a center where innovative public health and allied programs can be conceived, tested and implemented on behalf of IMA. Innovations pursues creative projects that expand and refine the agency's public health programming while exploring future areas of work. Innovations is recognized by the Internal Revenue Service as an organization exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code (the IRC). Innovations was incorporated in April 2018 in the District of Columbia.

- Charlie Goldsmith Associates Limited (CGA), a wholly owned subsidiary of LWR was acquired in October 2019. CGA is a for-profit organization that was founded in 2011 and is based in the United Kingdom. The main purpose of this entity is to alleviate poverty and promote human development by bringing opportunities through technology to marginalized communities.

2. Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies followed by Corus in the preparation of these consolidated financial statements:

Basis of accounting

The accompanying consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and have been prepared on the accrual basis of accounting, whereby, revenue is recognized when earned and expenses are recognized when incurred.

Consolidation policy

The consolidated financial statements include the accounts of Corus and their respective subsidiaries. All material intercompany transactions and balances have been eliminated in the consolidation.

Use of estimates

The preparation of financial statements 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

For purposes of reporting cash flows, Corus considers all highly liquid investments with a maturity of three months or less to be cash equivalents. Any cash held by investment managers is considered investments, regardless of maturity.

Investments

Investments are reflected at fair market value. Certain other investments are segregated for presentation purposes. Corus' non-segregated investments include some amounts for investment pools which are valued at fair value based on the applicable percentage ownership of the underlying pools' net assets as of the measurement date, as determined by the manager. The manager values securities and other financial instruments on a fair value basis of accounting. The fair value of Corus' investment in such investment pools generally represents the amount Corus would expect to receive if it were to liquidate its investment excluding any redemption charges that may apply. However, the estimated fair values of the assets underlying this investment may include securities for which prices are not readily available and are determined by the fund manager, and, therefore, may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments. Corus may adjust the respective manager's valuation when circumstances support such an adjustment. No such adjustments have been deemed necessary by management at September 30, 2020 and 2019.

Advances to and amounts due to subrecipients

Corus advances grant funds to subrecipients under the terms of its various cost-reimbursable grant agreements and records these amounts as advances to subrecipients. Upon submission of the required financial reports by the subrecipients detailing the amount of funds expended under these grant agreements during each month or quarter and upon approval by Corus, Corus recognizes allowable direct and indirect grant expenses incurred by the subrecipients. Any amounts advanced by Corus more than expenses incurred by the subrecipients are reflected as advances to subrecipients in the accompanying consolidated statements of financial position. Any amounts due to subrecipients for expenditures incurred in excess of advances made are reflected in in the accompanying consolidated statement of financial position.

Grants and contributions receivable

> ***Grants receivables*** are comprised of allowable costs in excess of amounts received on federal and foundation grants. Recoverable costs from federal grants are billable when qualifying expenditures are incurred. As these amounts are mainly due from the U.S. Government and foundations, it is anticipated that all receivables are collectible. There was no provision for uncollectible balances on grants receivable as of September 30, 2020 and 2019.
>
> ***Contributions receivable*** are recognized when the donor makes a pledge to Corus that is, in substance, unconditional. Contributions to be received in a future period are discounted to their net present value, using a then commiserate discount rate, at the time the revenue is recorded. Corus uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific pledges made. There was no provision for uncollectible balances on contributions receivable as of September 30, 2020 and 2019.

Inventory of materials for distribution

The inventory consists of donated materials for distribution. The fair value of all the materials (blankets, quilts and various kits) is reviewed and adjusted as needed. Fair value is determined through an annual market study which consists of surveys of purchased prices of similar items at various outlets. The value of inventory is adjusted annually based on the results of the market study. Donated materials are valued at their estimated fair value at the date of receipt and are removed from inventory at the time of distribution at carrying value as of the date of distribution. Inventory balances consist of undistributed items on hand. There was no provision for inventory obsolescence as of September 30, 2020 and 2019.

Cash surrender value of life insurance contracts

Corus has entered into life insurance contracts on various individuals. Corus makes premium payments to fund the life insurance policies. The policy holders have assigned the cash surrender value and proceeds from death benefits of the policies to Corus to the extent of Corus' cumulative premium payments.

Charitable trusts

Charitable trusts consist of charitable remainder unitrust agreements where Corus is not the trustee. These agreements call for Corus to receive a certain percentage of the trust when the trustee agreement has terminated. Corus records the estimated present value of the beneficial interest using risk-adjusted discount rates. The estimated present value of the beneficial interest of the charitable trusts are recorded in the year the existence and information to compute the beneficial interest first become known.

Other receivables and prepaid expenses

These are receivables at either the field office or headquarters offices and with employees or other customers. There was no provision for uncollectible balances on other receivable as of September 30, 2020 and 2019. The prepaid expenses represent costs that Corus has paid cash up front but has not yet incurred the expenses associated with transaction purchase.

Property and equipment

Property and equipment purchased by Corus are recorded at cost or if donated, at fair market value on the date of donation. Corus follows the practice of capitalizing all expenditures for property and equipment over $5,000. Depreciation is computed on the straight-line method over the estimated useful lives of the assets, which are three to ten years for furniture and equipment and five years for overseas transportation and other equipment. Assets purchased with donor funds are expensed and charged to awards in accordance with approved grant agreements.

Net assets

Corus reports information regarding their financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. As of September 30, 2020 and 2019 and for the years then ended, Corus has recorded activities in the following net assets classes:

> ***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 Corus. Net assets without donor restrictions are composed of the following:
>
> - *General operations*: Represents resources available for support of operations.
> - *Board designated funds*: The Board of Directors designated certain net assets without donor restrictions to establish and maintain funds to support Corus's various programs.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Corus or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resources was restricted has been fulfilled, or both.

Financial instruments and credit risk

Corus maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Corus has not experienced any losses in such accounts. Corus believes it is not exposed to any significant financial risk on cash. Corus manages financial risk by monitoring the financial institutions in which deposits are made.

Corus invests in professionally managed portfolios that contain mutual funds, common stock, fixed income instruments and certain alternative investments. Such investments are exposed to various risks, such as market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near-term could materially affect investment balances and the amounts reported in the consolidated financial statements.

Foreign currency translation

The functional currency of Corus is the U.S. Dollar. The consolidated financial statements and transactions of Corus' foreign operations are generally maintained in the relevant local currency. Where local currencies are used, assets and liabilities are remeasured at the consolidated statement of financial position date using the spot rate as of September 30, 2020 and 2019. For revenue and expense items, translation is performed using the rate of exchange in effect at approximately the date of transaction.

Revenue Recognition

Contributions

Contributions, including unconditional promises to give, are recognized in the period received. Contributions received are available for use unless specifically restricted by the donor. Amounts received that are designated for a future period or are restricted by the donor for specific purposes are reported as contributions with donor restrictions. These contributions also increase net assets with 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 consolidated statement of activities and changes in net assets as net assets released from restrictions. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as contributions without donor restrictions.

Contributions are reported at fair value, which is net of estimated uncollectible amounts. Corus uses the allowance method to determine uncollectible, unconditional pledges receivable. The allowance is based on experience as well as management's analysis of specific pledges made, including such factors as prior collection history, type of contribution, and nature of fundraising activity. Contributions to be received after one year, are recorded at the present value of the estimated future cash flows. Subsequent changes in this discount resulting from the passage of time are accounted for as contributions in subsequent years.

Conditional promises to give, including those received under multi-year grant agreements are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. A promise is considered conditional only if the donor has stipulated one or more barriers that must be overcome before Corus is entitled to the assets transferred or promised, and there also exists a right of return to the donor of any assets transferred or a right of release of the donor's obligation to honor the promise.

Grants and contract revenue

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made,* these arrangements constitute contributions since the donor does not receive commensurate value for the consideration received by Corus; rather, the purpose of an arrangement is for the benefit of the public. Therefore, Corus management concluded that the agreements are conditional due to rights of return/release and barriers to entitlement to funds. Revenue is recognized when the condition is satisfied. Because the nature of conditions is either based on incurring qualifying expenses or satisfying a milestone or other deliverable, the pattern of revenue recognition remained consistent with previous years.

Donated agricultural commodities and other in-kind gifts

Under U.S. Public Law 480, Title II, the United States Department of Agriculture (USDA) has provided agricultural commodities to Corus for the purpose of promoting food security and agricultural market development under the Food for Progress Program. Those commodities are sold, and proceeds are used by Corus to carry out programmatic activities. Uncollected sales proceeds are recorded by Corus as accounts receivable with an offsetting Monetization liability.

Gift-in-kind revenue is recognized as revenue in circumstances in which Corus has enough discretion over the use and disposition of the items to recognize a contribution. Accordingly, the recognition of gifts-in-kind revenue is limited to circumstances in which Corus takes constructive possession of the gifts-in-kind and Corus is the recipient of the gift, rather than an agent or intermediary. Corus receives in-kind contributions from individuals and faith-based non-governmental organizations, of handmade quilts and kits. These in-kind contributions are recorded at the estimated fair value at the date of receipt by Corus, which is the cost an individual would pay for the items in stores in the United States.

Grant expenses

Grant expenses are recognized when the expense is paid by the grantee and Corus receives the request for reimbursement for these expenses.

Income taxes

Corus is generally exempt from federal income taxes under the provisions of Section 501(c)(3) of the IRC. In addition, Corus qualifies for charitable contribution deductions and has been classified as an organization that is not a private foundation. Income, which is not related to exempt purposes, less applicable deductions, is subject to federal and state corporate income taxes. Corus had no net unrelated business income for the years ended September 30, 2020 and 2019.

Corus follows U.S. GAAP which recognize income tax positions taken or expected to be taken in a tax return only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. Corus files tax returns in the U.S. federal jurisdictions. Corus believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on Corus's financial position, results of activities or cash flows. Accordingly, Corus has not recorded any reserves or related accruals for taxes, interest and penalties for uncertain income tax positions on September 30, 2020 and 2019. Corus is open to examination by taxing authorities from 2017 forward.

Functional allocation of expenses

The consolidated statement of functional expense present expenses by function and natural classification. Expenses directly attributable to specific functional area of Corus are reported as expenses of those functional areas. A portion of management and general costs that benefit multiple functional areas (indirect costs) have been allocated across programs and supporting services based on the proportion of the full-time employee equivalents of a program or other supporting service versus the total organizational full-time employee equivalent. Natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as time and effort.

The expenses that are allocated include the following:

Expense	*Method of Allocation*
Occupancy costs, HQ and overseas	Time and effort
Printing, publications and film	Time and effort
Cost of equipment, supplies and maintenance	Time and effort

Reclassifications

Certain amounts in the 2019 financial statements have been reclassified to conform to the 2020 presentation. The reclassifications have no effect on the previously reported change in net assets.

Recently issued accounting standards but not yet adopted

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). This ASU requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments. For leases with a lease term of 12 months or less, a practical expedient is available whereby a lessee may elect, by class of underlying asset, not to recognize a right-of-use asset or lease liability. A lessee making his accounting policy election would recognize lease expense over the term of the lease, generally in a straight-line pattern. This guidance is effective for financial statements issued for fiscal years beginning after December 15, 2021. Early adoption is permitted. In transition, a lessee and a lessor will recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The modified retrospective approach includes a number of optional practical expedients. These practical expedients relate to identifying and classifying leases that commenced before the effective date, initial direct costs for leases that commenced before the effective date, and the ability to use hindsight in evaluating lessee options to extend or terminate a lease or to purchase the underlying asset. ASU 2018-11 was issued in June 2018 that also permits entities to choose to initially apply ASU 2016-02 at the adoption date and recognize a cumulative-effect adjustment to the opening balance of net assets in the period of adoption. Corus is currently evaluating the impact of this ASU on its consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. The ASU modifies certain disclosure requirements in FASB ASC 820, *Fair Value Measurement and Disclosures*. The ASU is effective for the consolidated financial statements for fiscal years beginning after December 15, 2019. Corus is currently evaluating the impact of this ASU on its consolidated financial statements.

3. Investments

Investments consist of the following at:

September 30,	**2020**	2019
Money market funds	**$ 12,041,007**	$ 1,908,732
Mutual funds	**2,467,018**	5,845,404
Corporate and foreign bonds	**2,157,265**	2,141,146
U.S. Treasury and municipal obligations	**1,483,108**	1,289,905
Investment pools	**1,605,419**	2,903,605
Fixed income	**1,322,202**	-
Mortgage-backed securities	**730,426**	-
U.S. Government agency bonds	**333,965**	5,412,508
Asset-backed securities	**93,620**	-
REIT funds	**57,270**	-
Common equity securities	**-**	2,250,635
Cash equivalents	**-**	443,870
	$ 22,291,300	$ 22,195,805

4. Grants and Contributions Receivable

Grant and contributions receivable consist of the following:

September 30,	**2020**	2019
Contributions receivable:		
General	**$ 3,720,679**	$ 5,806,846
Less allowance for doubtful pledges	**-**	(22,718)
	3,720,679	5,784,128
Grants receivables – U.S. Government	**8,067,263**	4,428,652
Total grants and contributions receivable	**$ 11,787,942**	$ 10,212,780

All contributions receivable at September 30, 2020 and 2019 were expected to be collected within twelve-months.

5. Fair Value Measurements

ASC 820 provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity can access at the measurement date. Listed equities and holdings in mutual funds are types of investments included in Level 1.

Level 2: Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly; Level 2 includes the use of models or other valuation methodologies. Investments which are generally included in this category include corporate loans, less liquid, restricted equity securities and certain corporate bonds, and over-the-counter derivatives.

Level 3: Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investments level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Corus' assessment of the significance of an input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

The following table presents Corus' fair value hierarchy for those assets reflected in the consolidated statement of financial position, measured at fair value on a recurring basis:

September 30, 2020	Level 1	Level 2	Level 3	Total
Money market funds	$ 12,041,007	$ -	$ -	$ 12,041,007
Mutual funds:				
Domestic equity	887,732	-	-	887,732
International funds	1,579,286	-	-	1,579,286
	2,467,018	-	-	2,467,018
Corporate and foreign bonds	-	2,157,265	-	2,157,265
U.S. Treasury obligations	-	1,138,582	-	1,138,582
Municipal obligations	-	344,526	-	344,526
	-	1,483,108	-	1,483,108
Fixed income	1,322,202	-	-	1,322,202
Mortgage-backed securities	-	730,426	-	730,426
U.S. Government agency bonds	-	333,965	-	333,965
Asset-backed securities	-	93,620	-	93,620
REIT funds	57,270	-	-	57,270
	$ 15,887,497	$ 4,798,384	$ -	20,685,881
Investment pools:				
Pooled trust fund [(a)]				1,605,419
Total investments				$ 22,291,300
Charitable trusts	$ -	$ -	$ 2,035,040	$ 2,035,040

(a) In accordance with U.S. GAAP, certain investments that were measured at net asset value (NAV) per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the consolidated statement of financial position.

The following table presents Corus' fair value hierarchy for those assets reflected in the consolidated statement of financial position, measured at fair value on a recurring basis:

September 30, 2019	Level 1	Level 2	Level 3	Total
Money market funds	$ 1,908,732	$ -	$ -	$ 1,908,732
Mutual funds:				
Domestic equity	2,566,781	-	-	2,566,781
International funds	1,396,156	-	-	1,396,156
Aggressive allocation	1,882,467	-	-	1,882,467
	5,845,404	-	-	5,845,404
Corporate and foreign bonds	-	2,141,146	-	2,141,146
U.S. Treasury obligations	-	1,163,233	-	1,163,233
Municipal obligations	-	126,672	-	126,672
	-	1,289,905	-	1,289,905
U.S. Government agency bonds	-	5,412,508	-	5,412,508
Common equity securities:				
Financial	306,477	-	-	306,477
Information technology	509,604	-	-	509,604
Healthcare	334,912	-	-	334,912
Consumer discretionary	228,033	-	-	228,033
Energy	100,064	-	-	100,064
Telecommunication services	240,287	-	-	240,287
Materials	54,196	-	-	54,196
Industrials	154,411	-	-	154,411
Utilities	77,258	-	-	77,258
Real estate	78,352	-	-	78,352
Consumer staples	167,041	-	-	167,041
	2,250,635	-	-	2,250,635
	$ 10,004,771	$ 8,843,559	$ -	18,848,330
Cash equivalents				443,870
Investment pools:				
Pooled trust fund [(a)]				1,506,010
Commingled investment vehicle [(a)]				1,397,595
				2,903,605
Total investments				$ 22,195,805
Charitable trusts	$ -	$ -	$ 2,113,901	$ 2,113,901

(a) In accordance with U.S. GAAP, certain investments that were measured at Net Asset Value (NAV) per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the consolidated statement of financial position.

Mutual funds and money market funds are classified as Level 1 instruments, as they are actively traded on public exchanges and valued based on quoted market prices.

U.S. Government agency bonds and corporate and foreign bonds are included in Level 2 assets as identical assets are not actively traded. The fair market values are based on quoted prices for similar assets in active markets or quoted prices for identical assets in markets that are not active. The charitable trusts are classified as Level 3 instruments, as there is no market for Corus' interest in the trusts. Further, Corus' asset is the right to receive cash flows from the trusts, not the assets of the trusts themselves. Although the trust assets may be investments for which quoted prices in an active market are available, Corus does not control those investments.

Changes in Level 3 assets were as follows:

Years ended September 30,	**2020**	2019
Balance, beginning of year	**$ 2,113,901**	$ 2,116,448
Net realized and unrealized losses	**(78,861)**	(2,547)
Balance, end of year	**$ 2,035,040**	$ 2,113,901

For fair value measurements categorized within Level 3 of the fair value hierarchy, a presorting entity shall provide quantitative information about the significant unobservable inputs used in the fair value measurement. The following table provides the required information for Corus as of September 30, 2020:

Type	Fair Value September 30, 2020	Valuation Technique	Unobservable Inputs	Range
Charitable trusts	**$ 2,035,040**	**Present Value**	**Discount Rate**	**2.00%-4.25%**

For fair value measurements categorized within Level 3 of the fair value hierarchy, a presorting entity shall provide quantitative information about the significant unobservable inputs used in the fair value measurement. The following table provides the required information for LWR-IMA as of September 30, 2019:

Type	Fair Value September 30, 2019	Valuation Technique	Unobservable Inputs	Range
Charitable trusts	$ 2,113,901	Present Value	Discount Rate	2.00%-4.25%

Corus performs due diligence reviews of the NAV or its equivalent to determine the fair value of certain investments. Corus has assessed factors including, but not limited to, managers compliance with fair value measurements standards, price transparency and valuation procedures in place, the ability to redeem at NAV at the measurement date and the existence of certain redemption restrictions at the measurement date.

The table below details Corus' ability to redeem investment funds valued at NAV or its equivalent as of September 30, 2020:

	Fair Value Estimated Using NAV per Share			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Pooled trust fund	**$ 1,605,419**	**$ -**	Daily	N/A

The table below details Corus' ability to redeem investment funds valued at NAV or its equivalent as of September 30, 2019:

	Fair Value Estimated Using NAV per Share			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Pooled trust fund	$ 1,506,010	$ -	Daily	N/A
Commingled investment vehicle	1,397,595	-	Monthly	N/A
	$ 2,903,605	$ -		

Pooled trust fund: In this class the funds endeavor is to achieve long-term return objectives within prudent risk constraints by investing the assets in a diversified portfolio that places a greater emphasis on equity-based and fixed-income investments. The funds target asset allocation ranges are 40% to 80% in U.S. equity securities, 0% to 25% in non-U.S. equity securities, 5% to 45% in investment grade fixed income securities, 0% to 10% in high-yield fixed income securities, 0% to 10% in global real estate securities and 0% to 10% in U.S. inflation-indexed securities with the balance in cash and cash equivalents.

6. Property and Equipment

Property and equipment, net, consists of the following:

September 30,	**2020**	2019
Office furniture and equipment - headquarters	**$ 2,823,272**	$ 2,495,955
Transportation and other equipment – overseas operations	**719,133**	906,785
Computer equipment and software	**419,171**	422,426
Office furniture and equipment - overseas	**195,440**	-
Office building - overseas	**104,775**	104,775
	4,261,791	3,929,941
Less: accumulated depreciation	**(2,803,557)**	(2,755,546)
Property and equipment, net	**$ 1,458,234**	$ 1,174,395

Depreciation expense was $141,165 and $178,322 for the years ended September 30, 2020 and 2019, respectively.

7. Other Investments

***Lutheran Center Corporation (LCC) by LWR*:** Corus occupies approximately 49.9% of the office space and common space in the Lutheran Center owned by the Lutheran Center Corporation (LCC). The LCC, a nonprofit organization, was organized to construct and operate the office building, which Corus and Lutheran Immigration and Refugee Service (LIRS) occupy. Corus, through its subsidiary LWR, has a 50% interest in LCC and as such, carries its investment in LCC on the equity method. LWR and LIRS are providing monthly payments to LCC under a partial cost sharing agreement, which provides for reimbursement of costs, including interest and depreciation, in operating the building based upon space occupied. The Agreement is for 30 years commencing September 1, 1999, through August 31, 2029, with six renewal options of ten years each. For the years ended September 30, 2020 and 2019, Corus has recorded occupancy expense of $532,741 and $598,739, respectively. The recording of depreciation expense as part of the cost share reduces the investment in LCC since LWR has previously provided equity investments in LCC. At September 30, 2020 and 2019, LWR's equity in LCC was $2,900,414 and $3,394,342, respectively. At September 30, 2020 and 2019, LCC assets consisted principally of the building and LCC liabilities were insignificant. The building is subject to a ground lease, which provides for LCC to pay rent of $1 per year for the 50 years to the Christ Lutheran Church, with four optional ten-year extensions.

***Ground Up Investing LLC by LWR*:** On April 4, 2017 Ground Up Investing LLC was formed as a wholly owned subsidiary of LWR. Its mission is to reduce poverty through an enterprise-based approach of engaging workers, their households and communities to sustain and raise incomes, build assets, increase resilience and ultimately access pathways out of poverty. This is done by the establishment, support and investment in for-profit businesses that seek to deliver needed goods and services in a commercially sustainable manner and create positive social impact and value for impoverished communities.

Below are the financial results of Ground Up Investing LLC (GUI) included in the consolidated statement of activities. The expenses of GUI represent costs paid by LWR on behalf of GUI.

For the years ended September 30,		**2020**		2019
Salaries and benefits	**$**	**353,491**	$	340,792
Subsidy to Mountain Harvest		**199,563**		134,526
Professional fees and retained services		**120,958**		155,389
Other program expenses		**158,158**		341,395
Travel		**20,392**		54,093
Bank fees		**6,720**		5,555
Total expenses	**$**	**859,282**	$	1,031,750

Mountain Harvest - SMC Limited (MH) - As of October 2017, LWR's subsidiary Ground Up Investing LLC (GUI) made an investment in MH. MH is a wholly owned coffee production company in Uganda that engages in small scale trade in fair trade, organic, and Rainforest Alliance certified coffee while providing terms to farmers which are more favorable than otherwise available. MH is considered a disregarded entity of LWR.

The consolidated statement of activities for includes the following operating results for Mountain Harvest:

For the years ended September 30,		**2020**		2019
Revenue from export sales of coffee	**$**	**651,180**	$	1,946
Less:				
Cost of goods sold		**(347,562)**		(14,859)
Other operating expenses		**(559,577)**		(131,999)
Interest and taxes		**(37,379)**		(900)
Net loss	**$**	**(293,338)**	$	(145,812)

As of September 30, 2020 and 2019, there is an intercompany payable from MH to GUI of $91,846 and $43,823, respectively.

IMA Innovations of IMA: Innovations was incorporated in April 2018, in the District of Columbia, and is a wholly owned subsidiary of IMA. Innovations is recognized as an exempt organization pursuant to Section 501(c)(3) of the IRC. Innovations is a charitable organization that seeks to develop projects and initiatives to solve public health crises around the world. Innovations works in conjunction with IMA, testing and implementing programs on behalf of IMA to achieve better health outcomes for people in developing and emergency settings, specifically in Asia and Africa. Innovations is a center where innovative public health and allied programs can be conceived, tested and implemented on behalf of IMA.

The consolidated statement of activities includes the following operating results for Innovations.

For the year ended September 30,		**2020**		2019
Revenue	**$**	**573,274**	$	324,784
Total expenses		**258,117**		216,393
Net income	**$**	**315,157**	$	108,391

Charlie Goldsmith Associates of LWR: LWR acquired CGA in October 2019. CGA serves as a technical consulting firm in the Corus portfolio. CGA delivers cost effective, innovative approaches to technology. Using technology to get basic services to the poorest and most vulnerable communities. CGA contributes to the national availability of basic services, particularly education, in several African fragile and conflict-affected states, by supporting effective public administration systems, and in particular by supporting the decentralization of resources, making host government and partner resources flow efficiently and sustainably to local government, schools and clinics, and individuals.

The consolidated statement of activities includes the following operating results for CGA.

For the year ended September 30,		**2020**
Revenue	**$**	**3,751,490**
Total expenses		**3,719,147**
Net income	**$**	**32,343**

8. Payroll Protection Program

September 30,		**2020**		2019
Paycheck Protection Program:				
LWR	**$**	**2,270,500**	$	-
IMA		**1,264,000**		-
	$	**3,534,500**	$	-

In April 2020, both LWR and IMA applied for, and received funds under the Paycheck Protection Program (PPP) of the CARES Act amounting to $2,270,500 and $1,264,000, respectively. The IMA portion of the PPP loan was forgiven in December 2020. The LWR portion of the loan is in the forgiveness process. At this point in time, LWR expects the full amount of the PPP loan will be forgiven.

9. Debt

Debt payable, consist of the following:

September 30,		**2020**		2019
Bond payable	**$**	**1,593,012**	$	1,728,685
Bond issuance costs, net		**(44,440)**		(49,660)
		1,548,572		1,679,025
Other debt				
IMA line of credit		**978,969**		-
CGA term loans		**289,997**		-
		1,268,966		
	$	**2,817,538**	$	1,679,025

Bond payable

On July 26, 2007, LWR and LIRS borrowed $5,805,000 through the issuance of Economic Development Revenue Bonds, Series 2007 (2007 Bonds) through the Maryland Economic Development Corporation. The 2007 Bonds were issued to advance refund the Maryland Economic Development Revenue Bonds, Series 2000 (2000 Bonds) issued by the Maryland Economic Development Corporation. In addition, proceeds of the 2007 Bonds were used to pay a portion of the issuance costs of the 2007 Bonds. LWR and LIRS are jointly and severally liable for the 2007 Bonds and as such, each has recorded 50% of the outstanding debt and related issue costs. If LIRS is unable to pay off their portion of the outstanding debt, LWR will be liable. LCC, as owner of Lutheran Center, has guaranteed the repayment of the debt. LWR and LIRS must maintain a joint leverage ratio (cash and investments to annual debt service) of 5 to 1 or approximately $2,250,000.

The 2007 Bonds were issued as Serial Bonds maturing April 1 in the years 2008 through 2029 and have annual mandatory sinking fund provisions, which began in 2008. The 2007 Bonds bear interest at 5.25% per annum. Deferred loan costs in the amount of $113,106 were incurred in connection with the issuance of the 2007 Bonds and Corus capitalized 50% of these costs, which are being amortized on a straight-line basis over the life of the bonds. Long-term debt on the 2007 Bonds at September 30, 2020 and 2019 amounting to $1,548,572 and 1,679,025, respectively, included in the debt as shown on the consolidated statements of financial position, net of unamortized bond premium of $28,012 and 31,186, respectively, and deferred loan costs of $44,440 and $49,660 as of September 30, 2020 and 2019, respectively.

In conjunction with the issuance of the 2007 Bonds, a Debt Service Reserve Fund was created in the amount of $443,238 and LWR has recorded 50% of these funds. Funds in the Debt Service Reserve Fund may be withdrawn by the Trustee to make the principal or interest payments of the 2007 Bonds if the other funds available for the purpose are inadequate. Included in other assets on the consolidated statements of financial position at September 30, 2020 and 2019 is $232,442, for LWR's 50% interest in the Debt Service Reserve Fund.

Principal payments under the terms of the 2007 Bond indenture are as follows:

Date	LWR Portion	LIRS Portion	Total
April 1, 2021	$ 140,000	$ 140,000	$ 280,000
April 1, 2022	147,500	147,500	295,000
April 1, 2023	157,500	157,500	315,000
April 1, 2024 and thereafter	1,120,000	1,120,000	2,240,000
	1,565,000	1,565,000	3,130,000
Bond premium	28,012	28,012	56,024
	$ 1,593,012	$ 1,593,012	$ 3,186,024

Interest on the 2007 Bonds for the years ended September 30, 2020 and 2019, amounted to $89,119 and $95,681. Payments of principal and interest are partially funded by the other tenant in the Lutheran Center through allocation of building costs based upon space occupied (see Note 7).

LWR was in compliance with all covenants related to the bonds payable with the exception of an administrative default of a requirement to provide final consolidated audited statements no more than 120 days after the close of the fiscal year. Because of this noncompliance, the bonds payable are presented as a current liability. However, LWR has not been notified of any impending request for repayment of the outstanding bonds payable. LWR is still in compliance with the financial covenants contained in the loan agreement with consideration of the bond payable being considered a current liability.

Other debt

Other debt items include a revolving $5 million line of credit that IMA has with the PNC Bank. This line of credit (LOC) is used from time to time to ensure that IMA can provide program funds to the field regularly and there are no delays in program implementations. The nature of some of IMA grants and terms of reimbursement or advancement are unpredictable and do not always coincide with field office cash needs so IMA can draw on the LOC, and then repay amounts owed as soon as the cash is received from grantors. As of September 30, 2020, IMA had drawn approximately $1 million on the LOC which was subsequently paid off in full by October 31, 2020.

CGA's term loans consist of account held by a United Kingdom (UK) financial institution which is personally guaranteed by a member of management at CGA and another from UK Government for COVID-19 funds. The bank loan expires within twelve months. The loan has a floating rate of interest on amounts outstanding. The bank term loan interest rate was 4.09% and the UK Government loan interest rate was 2.5% as of September 30, 2020.

10. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes:

September 30,	**2020**	2019
Subject to the passage of time:		
Contributions receivable and deferred gifts	**$ 2,781,790**	$ 2,796,885
Subject to expenditures for specified purposes:		
World of Good	**1,145,572**	-
Nepal Earthquake Response	**921,587**	768,467
Caribbean Hurricanes	**508,874**	417,723
COVID-19 response funds	**522,947**	-
Millions More (Leverage fund)	**351,722**	-
Evangelical Lutheran Church in America	**234,945**	-
Global Emergency Fund	**-**	522,008
Impact Investing	**-**	299,550
Honduras Youth Project	**-**	247,492
Other restricted funds	**308,120**	1,971,284
	3,993,767	4,226,524
Endowments (perpetual in nature):		
Endowments restricted for perpetuity (see Note 12)	**1,352,625**	326,625
	$ 8,128,182	$ 7,350,034

11. Net Assets Released from Restrictions

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

Years Ended September 30,		2020		2019
World of Good	$	**588,532**	$	-
COVID-19 response funds		**522,947**		-
Millions More (Leverage fund)		**50,186**		-
Caribbean hurricanes		**26,907**		-
ECLA Project funding		**-**		852,606
Haiti Malaria Zero		**-**		723,423
Nepal Earthquake Response		**-**		458,418
Health Program Funds in South Sudan		**-**		450,544
Hurricane Matthew - Haiti		**-**		313,752
Global Emergency Fund		**-**		305,354
2017 Caribbean Hurricanes		**-**		275,904
Congregational Transboundary Resilience Project		**-**		245,333
Middle East Program		**-**		216,143
Bihar Partnership (India)		**-**		202,827
Other international programs, relief and development		**156,873**		1,417,835
	$	**1,345,445**	$	5,462,139

12. Endowment Funds

The Board of Directors of Corus has interpreted the New York-enacted version of 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. Corus has interpreted UPMIFA as requiring the preservation of the fair value of original donor-restricted contributions as of the date of the gift, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Committee classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with UPMIFA, Corus considers the following factors in making a determination to appropriate or accumulate donor-restricted cash contributions:

- The purpose of Corus and donor-restricted endowment fund;
- The duration and preservation of the fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other available financial resources;
- Investment policies.

Corus has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain purchasing power of the endowment assets.

Earnings on the endowment fund are considered restricted and may be subsequently released from restriction at management's discretion up to a spending rate of 7%, as permitted by New York UPMIFA.

Corus' endowment funds at September 30, 2020, consist of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds	**$ -**	**$ 1,352,625**	**$ 1,352,625**

Corus' endowment funds at September 30, 2019, consist of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds	$ -	$ 326,625	$ 326,625

Endowment fund activity for the year ended September 30, 2020, consists of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ **-**	**$ 326,625**	$ 326,625
Investment income	**-**	**5,889**	5,889
Endowment draw	**-**	**(5,889)**	(5,889)
Contributions	**-**	**1,026,000**	1,026,000
	$ **-**	**$ 1,352,625**	$ 1,352,625

Endowment fund activity for the year ended September 30, 2019, consists of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 278,216	$ 278,216
Investment income	-	14,932	14,932
Endowment draw	-	(14,932)	(14,932)
Contributions	-	53,886	53,886
Released from restriction	-	(5,477)	(5,477)
	$ -	$ 326,625	$ 326,625

13. U.S. Government Grants

Corus has entered into grant agreements with the U.S. Government for various programs. The expenditures, which include interest earned used to support program purposes, are as follows:

Year ended September 30,	**2020**	2019
Relief and other programs		
U.S. Agency for International Development	**$ 20,830,032**	$ 24,372,732
Office of U.S. Foreign Disaster Assistance	**17,582,954**	9,369,230
U.S. Department of Agriculture	**5,696,495**	4,950,027
U.S. Center for Disease Control	**-**	6,497
U.S. Department of State	**-**	68,220
	$ 44,109,481	$ 38,766,706

During the years ended September 30, 2020 and 2019, $49,622 and $172,653, respectively, of interest earned on grant funds expended is included in the expenditures above as the program income was used for programmatic purposes.

14. Retirement Plan

Employees of Corus based in the United States (US) or whom are Ex-Patriates are enrolled in the defined contribution pension plan (the Pension Plan) made available and administered by Portico Benefit. Contributions to the Pension Plan are based upon earnings for all eligible employees and are accrued and funded on a current basis. Retirement benefits expense was approximately $1,936,238 and $742,419 for the years ended September 30, 2020 and 2019, respectively. Employees who are not based in the United States are provided comparable benefits through various plans and arrangements permitted within the country of employment.

IMA sponsors a retirement plan in accordance with Section 403(b) (the 403(b) Plan) of the IRC. IMA's employees are eligible to participate in the plan if they have been credited with 1,000 or more hours of service during any consecutive 12-month period. Under the 403(b) Plan, eligible employees may make pretax contributions up to the limits established by the IRC. All employer contributions are discretionary. The employer contributions are fully vested. Pension expense was $125,702 and $270,662 for the year ended September 30, 2020 and 2019, respectively.

As of October 1, 2017, LWR established a non-qualified deferred compensation plan, a 457(f) plan (the 457(f) Plan). The purpose of the 457(f) Plan is to provide supplemental retirement benefits for a select group of management employees of LWR. Employer contributions under the 457(f) Plan for the years ended September 30, 2020 and 2019 was $38,245 and $70,000 and the liability, including interest, is $111,427 and $73,182, as of September 30, 2020 and 2019, respectively.

15. Liquidity and Availability of Resources

The following reflects assets as of the consolidated statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the consolidated statement of financial statement date. Amounts not available include amounts set aside for satisfaction of donor restrictions or pledged contributions that will not be received within the next year.

September 30,	**2020**	2019
Cash and cash equivalents	**$ 17,519,435**	$ 19,352,801
Investments	**22,291,300**	22,195,805
Advances to subrecipients	**2,856,517**	1,601,644
Grants and contributions receivable, net	**11,787,942**	10,212,780
Other receivables less prepaid expenses	**2,349,206**	2,366,170
Total financial assets available within one year	**56,804,400**	55,729,200
Less amounts unavailable for general expenditures within one year, due to:		
Net assets with donor restrictions	**(8,128,182)**	(7,350,034)
Board designated funds	**(1,178,502)**	(1,069,097)
	(9,306,684)	(8,419,131)
Total financial assets available to management for general expenditures within one year	**$ 47,497,716**	$ 47,310,069

Corus maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, Corus invests cash in excess of the semi-monthly requirements in short-term investments.

To help manage unanticipated liquidity needs, IMA has a committed line of credit of $5,000,000, which it could draw upon.

16. Commitments and Contingencies

Corus has entered into loan guarantee agreements with certain banks and not-for-profit microfinance institutions (MFIs) overseas in order to facilitate credit for various partner organizations. Under these agreements, LWR would be jointly responsible with the banks and MFIs for non-payment by the borrowers. The terms of these guarantees are generally over the life of the outstanding loans, and Corus expects the guarantee program to continue indefinitely. Amounts of legally restricted collateral funds deposited with financial institutions administering certain loans that are included in cash and cash equivalents at September 30, 2020 and 2019 are $841,731 and $803,476, respectively. Corus' exposure to losses on current and future guarantees is limited to these legally restricted and internally designated funds as Corus will not guarantee funds in excess of these amounts.

In the course of normal business operations, Corus is faced with routine legal matters. In the opinion of management, all matters are adequately covered by insurance or the costs have been accrued.

U.S. government grants and contracts are subject to audit by various governmental agencies. Management believes, any potential disallowed costs would not be material to the consolidated financial statements.

Operating leases

On February 19, 2020, IMA entered into a third amendment of the lease agreement for its office space located at 1730 M. Street NW, Washington, D.C. effective March 1, 2020. The lease is for seven years expiring on November 1, 2026. Rent expense is recognized on a straight-line basis over the term of the lease. Corus recognized rent expense of $229,929 for the year ended September 30, 2020.

On August 12, 2020, IMA entered into sublease agreement to occupy additional office space located in the same building. The sublease agreement commenced on November 15, 2020 and will expire on September 30, 2024.

The future minimum payments under the lease agreements are as follows:

Year ending September 30,	
2021	$ 723,604
2022	746,981
2023	771,109
2024	746,542
2025	409,654
Thereafter	742,690
	$ 4,140,580

17. Risks and Uncertainties

COVID-19

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 classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

To further limit health risks associated with the COVID-19 virus, Corus has required staff at its offices in Baltimore, Maryland, Washington, DC, and St. Paul, Minnesota to work remotely, and has curtailed international programmatic activities, where required by local authorities, to mitigate further spread of the virus. Corus is complying with State of Maryland health officials, WHO recommendations, and local country ministries of health to do its part in reducing the impact to its employees and consultants globally.

While there has been progress in developing and distributing a COVID-19 vaccine, there continues to be uncertainty around the breadth and duration of the business disruption, as well as its impact on the global economy. Nonetheless, Corus will continue to monitor the financial and business implications of the pandemic on its operations and will implement new strategies as appropriate. See Note 15 for information regarding Corus's liquidity and availability of resources.

CARES Act

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security (CARES) Act." The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property. It also appropriated funds for the Small Business Administration (SBA) Paycheck Protection Program loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19.

Corus management has evaluated the relief provisions of the CARES Act. Consequently, both LWR and IMA applied for, and received, funds under PPP in 2020. See Note 8 for information regarding the PPP loans. See Note 18 for subsequent COVID-19 stimulus funding act. Management continues to assess any future aid packages to determine its impact on Corus and its subsidiaries.

18. Subsequent Events

Corus evaluated subsequent events through February 19, 2021, which is the date the consolidated financial statements were available to be issued. Except for the items noted below, there were no transactions or events, that required adjustment to or disclosure in the consolidated financial statements.

On December 27, 2020, President Trump signed the Consolidated Appropriations Act, 2021 (the Act), which includes $900 billion in stimulus relief as a result of the COVID-19 pandemic. Corus is currently evaluating the impact of the Act.

On January 14, 2021, Corus' President and the Board moved forward to establish a new entity and planning to register as a Delaware limited liability under the legal name Farmers Market Brands, LLC (Farmers). Farmers will formed under GUI entity and will be established to improve the quality of engagement between growers and consumers in a way that provides farmers with a greater share of the retail value of their products in support of generating a living income, while at the same time providing the consumers with a high quality, high impact product. In addition, the formation will test and create a new model of development that combines traditional development programming with a business approach to connecting consumers and farmers to maximize impact at the household level.