Global Outreach International, Inc. and Subsidiaries

Consolidated Financial Statements

December 31, 2021 and 2020

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

Board of Directors
Global Outreach International, Inc. and Subsidiaries

Opinion

We have audited the accompanying consolidated financial statements of Global Outreach International, Inc. ("GOI") and Subsidiaries (the "Organization") which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, 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.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Global Outreach International, Inc. and Subsidiaries as of December 31, 2021 and 2020, and the consolidated 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.

Basis for Opinion

We conducted our audits in accordance with the auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Global Outreach International, Inc. and Subsidiaries 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 opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Global Outreach International, Inc. and Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Global Outreach International, Inc. and Subsidiaries' internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Global Outreach International, Inc. and Subsidiaries' 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.

PKF O'Connor Davies, LLP

July 11, 2022

Global Outreach International, Inc. and Subsidiaries

Consolidated Statements of Financial Position

	December 31	
	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents	$ 3,015,164	$ 2,491,205
Consulting contracts receivable	-	67,811
Missionary loan receivable	16,044	-
Investments	7,422,530	7,141,481
Prepaid expenses	60,572	31,201
Total Current Assets	10,514,310	9,731,698
Missionary loan receivable	64,174	-
Investments (Endowment fund)	5,531,204	4,832,635
Property and equipment, net	975,195	1,023,910
	$ 17,084,883	$ 15,588,243
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	$ 50,362	$ 13,600
Accrued liabilities	148,238	50,209
Total Liabilities	198,600	63,809
Net Assets		
Without Donor Restrictions		
Undesignated	3,013,397	2,574,367
Board designated	5,531,204	4,832,635
Total Without Donor Restrictions	8,544,601	7,407,002
With donor restrictions	8,341,682	8,117,432
Total Net Assets	16,886,283	15,524,434
	$ 17,084,883	$ 15,588,243

See notes to consolidated financial statements

Global Outreach International, Inc. and Subsidiaries

Consolidated Statements of Activities

	Year Ended					
	December 31, 2021			December 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Donations	$ 1,248,974	$ 15,395,933	$ 16,644,907	$ 987,932	$ 15,101,656	$ 16,089,588
Paycheck Protection Program loan forgiveness	-	-	-	458,700	-	458,700
Training and consulting contract revenues	31,187	-	31,187	400,361	-	400,361
Merchandise sales and other income	485	5,422	5,907	50	1,424	1,474
Investment return	1,288,188	-	1,288,188	1,274,043	-	1,274,043
Net assets released from restrictions	15,177,105	(15,177,105)	-	13,252,412	(13,252,412)	-
Total Support and Revenue	17,745,939	224,250	17,970,189	16,373,498	1,850,668	18,224,166
EXPENSES						
Program services	14,582,784	-	14,582,784	12,978,839	-	12,978,839
Management and general	1,696,834	-	1,696,834	1,536,657	-	1,536,657
Fundraising	216,334	-	216,334	223,873	-	223,873
Total Expenses	16,495,952	-	16,495,952	14,739,369	-	14,739,369
Change in Net Assets from Operations	1,249,987	224,250	1,474,237	1,634,129	1,850,668	3,484,797
Non-operating transfer of net assets to an unaffilated not-for-profit entity	(112,388)	-	(112,388)	-	-	-
Change in Net Assets	1,137,599	224,250	1,361,849	1,634,129	1,850,668	3,484,797
NET ASSETS						
Beginning of year	7,407,002	8,117,432	15,524,434	5,772,873	6,266,764	12,039,637
End of year	$ 8,544,601	$ 8,341,682	$ 16,886,283	$ 7,407,002	$ 8,117,432	$ 15,524,434

See notes to consolidated financial statements

Global Outreach International, Inc. and Subsidiaries

Consolidated Statements of Functional Expenses

	Year Ended							
	December 31, 2021				December 31, 2020			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries	$ 5,353,689	$ 595,677	$ 81,402	$ 6,030,768	$ 5,465,796	$ 608,052	$ 73,409	$ 6,147,257
Payroll taxes and employee benefits	487,279	41,489	14,938	543,706	480,615	42,204	24,391	547,210
Total Salaries and Related Expenses	5,840,968	637,166	96,340	6,574,474	5,946,411	650,256	97,800	6,694,467
Missionary expense	8,485,852	942,316	-	9,428,168	6,796,487	754,801	-	7,551,288
Direct mail	488	54	77,831	78,373	4,612	512	59,805	64,929
Client expenses	-	-	-	-	3,941	438	-	4,379
Depreciation	55,274	6,218	7,600	69,092	41,857	11,959	12,624	66,440
Insurance	14,290	1,786	1,786	17,862	18,153	5,187	5,475	28,815
Miscellaneous	-	-	-	-	426	47	-	473
Occupancy	46,828	5,853	5,853	58,534	37,325	10,593	11,134	59,052
Office expense	19,334	11,074	8,803	39,211	32,553	9,179	9,147	50,879
Professional services	47,761	59,212	2,507	109,480	65,825	61,244	-	127,069
Professional development and training	28,094	119	-	28,213	12,689	340	-	13,029
Software and computer	29,141	24,285	13,276	66,702	6,118	25,364	25,461	56,943
State registration	-	6,396	-	6,396	-	5,090	-	5,090
Travel	14,754	2,355	2,338	19,447	12,442	1,647	2,427	16,516
	$ 14,582,784	$ 1,696,834	$ 216,334	$ 16,495,952	$ 12,978,839	$ 1,536,657	$ 223,873	$ 14,739,369

See notes to consolidated financial statements

Global Outreach International, Inc. and Subsidiaires

Consolidated Statements of Cash Flows

	Year Ended December 31	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 1,361,849	$ 3,484,797
Adjustments to reconcile change in net assets to net cash from operating activities		
Transfer of net assets to unaffiliated not-for-profit entity	113,255	-
Depreciation	69,092	66,440
Unrealized gain on investments	(592,633)	(935,503)
Realized gain on investments	(459,075)	(154,258)
Donated investments	(38,663)	(168,808)
Changes in Assets and Liabilities		
Consulting contracts receivable	16,133	(54,330)
Prepaid expenses	(29,371)	(3,178)
Accounts payable	36,762	(143,442)
Accrued liabilities	98,029	(8,442)
Net Cash from Operating Activities	575,378	2,083,276
CASH FLOWS FROM INVESTING ACTIVITIES		
Transfer of cash to unaffiliated not-for-profit entity	(61,577)	-
Advance to missionary	(80,218)	-
Proceeds from sale of investments	3,102,877	5,363,357
Purchases of investments	(2,992,124)	(6,457,286)
Purchase of property and equipment	(20,377)	(69,233)
Net Cash from Investing Activities	(51,419)	(1,163,162)
Net Change in Cash and Cash Equivalents	523,959	920,114
CASH AND CASH EQUIVALENTS		
Beginning of year	2,491,205	1,571,091
End of year	$ 3,015,164	$ 2,491,205

NONCASH ACTIVITY

All remaining net assets of GOInnovation LLC were transferred to an unaffiliated not-for-profit entity during 2021.

See notes to consolidated financial statements

1. Organization and Tax Status

Global Outreach International, Inc. ("GOI") was incorporated on April 28, 2000 in Mississippi. GOI is a nonprofit corporation formed to provide opportunities to and support for Christian missionaries providing evangelism, discipleship, development and compassion ministries to people in approximately fifty countries around the world. GOI is supported primarily through donor contributions.

Spindigo Group, LLC ("Spindigo") was organized in 2017, and is a wholly-owned subsidiary of GOI. Spindigo was created to provide management and direction to various small organizations and individuals that support the vision and mission of GOI.

GOinnovation, LLC was organized in 2017, and is a wholly-owned subsidiary of Spindigo. GOinnovation, LLC was created to accomplish the mission of GOI by providing human development and leadership training to churches, nonprofits, ad businesses throughout the world.

As discussed further in Note 11, Spindigo transferred the membership interest in and all remaining net assets of GOinnovation, LLC to an unaffiliated not-for-profit entity in February 2021. The results of operations from January 1, 2021 through the date of the transfer are included in the accompanying consolidated statement of activities for the year ended December 31, 2021.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of GOI, Spindigo Group, LLC and GOinnovation, LLC (collectively the "Organization"). All material intercompany accounts and transactions are eliminated in consolidation.

Income Taxes

GOI is a non-for-profit corporation exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. GOI is subject to the unrelated business income tax on leadership training income from certain clients. As single member limited liability companies, Spindigo Group, LLC and GOinnovation, LLC are disregarded entities included within the tax filings of GOI.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

2. Summary of Significant Accounting Policies *(continued)*

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and cash held in investment accounts.

Allowance for Consulting Contracts Receivable

An allowance for doubtful accounts is established for amounts where there exists doubt as to whether an amount will be fully collectible. The determination of this allowance is an estimate based on the Organization's historical experience, review of balances and expectations relative to collections.

Investments

Investments are stated at fair value based on quoted prices in active markets. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend basis. Realized and unrealized gains and losses are included in the determination of the change in net assets.

Fair Value Measurements

The Organization follows U.S. GAAP guidance on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist. All of the Organization's investments at fair value are categorized as Level 1 investments as of December 31, 2021 and 2020.

2. Summary of Significant Accounting Policies *(continued)*

Property and Equipment

Property and equipment is recorded at cost, if purchased, or fair value, if donated and is depreciated using the straight-line method over the estimated useful lives of the assets which range from three to thirty-nine years. The Organization capitalizes property and equipment with a cost, or value if donated, of $1,000 or more.

The Organization evaluates its long-lived assets for impairment whenever events or changes in circumstances would indicate that the carrying value of assets may not be recoverable. Long-lived assets would be deemed to be impaired if projected undiscounted future net cash flows are less than the carrying value of the assets. There was no impairment loss recognized in 2021 and 2020.

Presentation of Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Organization’s net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions represent resources that are not subject to donor-imposed restrictions as to time or purpose.

Net assets with donor restrictions represent net assets subject to donor-imposed restrictions that expire by the passage of time, or actions of the Organization. When a donor’s time-restriction expires or a purpose-restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the accompanying consolidated statements of activities as net assets released from restrictions.

Support and Revenue

GOI receives donations from individuals, churches, and groups across the United States to support its missionaries and to fund its administrative costs and are recognized when unconditional promises to give are made or upon receipt of cash or other assets. All donations are available for general use unless specifically restricted by the donor. Donations restricted by the donor are reported as increases in net assets with donor restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

2. Summary of Significant Accounting Policies *(continued)*

Consulting Fees

GOinnovation, LLC enters into contracts with customers to provide leadership training and other consulting services. The transaction price is determined based on an estimate of the time and materials involved to complete the service requested. GOinnovation, LLC's performance obligations are considered satisfied as the service is rendered based on hours of consulting or training within the same year. Payment terms vary according to the nature of the client's contract. For short-term project related contracts, GOinnovation, LLC typically invoices clients for half of the contract amount before performing services with the remaining amount to be invoiced after completion. For longer-term contracts, GOinnovation, LLC typically invoices the clients quarterly over the performance of the contract. Invoices are payable within thirty days. Revenue is recognized as performance obligations are satisfied.

Consulting contracts receivable as of January 1, 2020 totaled $13,481.

Investment Return

Investment return, including realized and unrealized gains and losses, interest and dividend income is reported as an increase or decrease in net assets without donor restrictions unless a donor places restrictions on the income's use. No restricted investment income was recorded for the years ended December 31, 2021 and 2020.

Donated Property and Services

Contributions of assets other than cash are recorded at their estimated fair value on the date of donation. Contributions of services are recognized only if they (1) create or enhance nonfinancial assets or (2) require specialized skills or are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. These services are recorded at their fair values in the period received. No such services were received by the Organization during the years ended December 31, 2021 and 2020. However, many individuals volunteer their time and assist the Organization with administrative tasks and mission work. These contributed services do not meet the above criteria and are not reflected in the accompanying consolidated financial statements.

Functional Expense Allocations

The consolidated financial statements of the Organization report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits and missionary expense, which are allocated on the basis of time and effort estimates, and office, occupancy, travel, and other expenses, which are allocated on the basis of estimated cost per function.

2. Summary of Significant Accounting Policies *(continued)*

Advertising Costs

The Organization follows the policy of charging costs of advertising to expense as incurred. Advertising expense was $16,413 and $7,515 for the years ended December 31, 2021 and 2020.

Accounting for Uncertainty in Income Taxes

The Organization recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition or disclosure. The Organization is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to December 31, 2018.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through the date that the consolidated financial statements were available to be issued, which date is July 11, 2022.

3. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist principally of cash and cash equivalents and investments. At times cash and cash equivalents balances held at financial institutions were in excess of federally insured limits. The Organization has not experienced any losses on its cash deposits.

Investments are diversified by type of industry concentrations so that no individual investment or group of investments represents a significant concentration of market risk.

4. Missionary Loan Receivable

In September 2021, the Organization authorized a note of up to $165,000 to a missionary. The outstanding principal bears interest at a rate of 0.86% computed annually. Principal together with accrued and unpaid interest on the principal balance is due and payable in five annual and equal installments, beginning on September 1, 2022, with a final payment of all principal and accrued interest on September 1, 2026.

The amount advanced to one missionary as of December 31, 2021 was $80,218 and is reflected as a note receivable in the accompanying consolidated statement of financial position.

5. Investments

Investments are summarized as follows at December 31:

	2021		2020	
	Cost	Fair value	Cost	Fair value
Equity securities	$ 1,509,693	$ 2,117,005	$ 1,715,948	$ 2,059,541
Mutual funds	5,100,875	5,305,525	4,826,574	5,081,940
	$ 6,610,568	$ 7,422,530	$ 6,542,522	$ 7,141,481
Endowment fund				
Fixed income securities	$ 1,703,963	$ 1,713,262	$ 1,323,189	$ 1,374,712
Equity securities	1,397,657	3,554,153	1,620,126	3,354,768
	3,101,620	5,267,415	2,943,315	4,729,480
Cash and cash equivalents, at cost	263,789	263,789	103,155	103,155
	$ 3,365,409	$ 5,531,204	$ 3,046,470	$ 4,832,635

6. Property and Equipment

Property and equipment consist of the following as of December 31:

	2021	2020
Land	$ 148,575	$ 148,575
Building and improvements	1,093,092	1,087,482
Duplexes	209,166	209,166
Furniture and fixtures - duplexes	26,989	26,989
Office furniture and equipment	180,798	168,884
Equipment	13,853	11,000
	1,672,473	1,652,096
Less: Accumulated depreciation	697,278	628,186
	$ 975,195	$ 1,023,910

6. Property and Equipment *(continued)*

On August 1, 2018, GOI entered into a lease agreement with an unrelated nonprofit corporation (the Tenant) for the lease of 6.71 acres of land for $1 per year. The Tenant has constructed a building on the land, which it occupies. The initial lease term is 50 years, and the Tenant shall be the owner of the improvements throughout this term. Upon expiration of the initial term or sooner termination of the lease, ownership of all improvements upon the land shall become the property of GOI. The lease may be renewed for another 50 years.

7. Paycheck Protection Program Loan Forgiveness

In April 2020, GOI and GOInnovation, LLC received loan proceeds of $432,200 and $26,500, respectively, from the Small Business Administration ("SBA") under the Paycheck Protection Program (the "PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"), provides for loans to qualifying entities for amounts up to 2.5 times the 2019 average monthly payroll expenses of the qualifying entity. The loans have an interest rate of 1.00% per annum. If certain conditions are met, the loans may be forgiven.

The Organization has elected to report the proceeds from the PPP loans as conditional grants under requirements contained in ASU 2018-08, "Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made." Accordingly, the Organization recognized the full amount of the proceeds from the PPP loans as PPP loan forgiveness in the 2020 statement of activities. In November 2020 and January 2021, the defined conditions were met for GOI and GOInnovation, LLC, respectively, and as a result, the SBA notified GOI and GOInnovation, LLC that their PPP loans were forgiven.

8. Board Designation

Net assets without donor restrictions include a perpetual endowment fund designated by the Board of Directors for long-term investment. The endowment fund consists of cash and cash equivalents and investments, and is managed by investment account advisors under the direction of a board of managers. The Organization's primary investment objectives are income and liquidity, with growth of capital being a secondary goal. Four percent of the fair value of the endowment fund's net assets as of the beginning of each calendar year is to be used for the operating, administrative, and capital expenses of the Organization for that year.

8. Board Designation *(continued)*

Board designated endowment fund transactions for 2021 and 2020 are summarized below.

	Years Ended December 31	
	2021	2020
Endowment fund, beginning of year	$ 4,832,635	$ 4,407,481
Investment Return		
Interest and dividends	85,564	80,491
Net gains on sales of investments	425,548	138,231
Net unrealized gains on investments	379,631	387,821
Investment fees	(22,610)	(18,583)
Investment Return	868,133	587,960
Appropriation for expenditure	(169,564)	(162,806)
Endowment fund, end of year	$ 5,531,204	$ 4,832,635

9. Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2021 and 2020 were comprised of the following:

	2021	2020
Missionary expense	$ 8,339,862	$ 8,115,312
Capital campaign	1,820	2,120
Total	$ 8,341,682	$ 8,117,432

Net assets released from restrictions during 2021 and 2020 for various purposes are as follows:

	2021	2020
Missionary expense	$ 15,176,806	$ 13,189,714
Capital campaign	299	62,698
Total	$ 15,177,105	$ 13,252,412

10. Retirement Plan

GOI has a Section 401(k) plan whereby GOI matches employee contributions up to 5% of compensation. Employer retirement contributions were $135,189 and $120,337 for the years ended December 31, 2021 and 2020.

11. Related Party Transactions

In July 2020, the board of Spindigo, as the sole member of GOInnovation, LLC, made a motion to initiate the separation of GOInnovation, LLC from Spindigo. In February 2021, Spindigo assigned its membership interest and transferred all of the remaining net assets of GOInnovation, LLC amounting to $112,388 to an unaffiliated not-for-profit entity with a similar mission. The transfer is reflected in the accompanying 2021 consolidated statement of activities.

12. Liquidity and Availability of Financial Assets

The Organization sets a goal of having financial assets on hand to meet three months of operating expenses, which are, on average, around $3,500,000 for missionary and mission project expenditures and $500,000 for other expenditures. As part of its liquidity management, the Organization has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due. The Organization invests some of its cash in excess of its daily needs in short-term investments.

The Organization is primarily funded by contributions from donors that are restricted for use by certain missionaries or for certain mission projects. The Organization requires and monitors individual budgets for each missionary and project and limits expenditures if funds are not available. The board of directors can also decide to draw upon the endowment fund if additional funds are needed.

12. Liquidity and Availability of Financial Assets *(continued)*

The Organization's financial assets available to meet cash needs for general expenditures within one year of the date of the statement of financial position were as follows:

	2021	2020
Financial Assets:		
Cash and cash equivalents	$ 3,015,164	$ 2,491,205
Consulting contracts receivable	-	67,811
Missionary loan receivable	80,218	-
Investments	7,422,530	7,141,481
Investments (Endowment fund)	5,531,204	4,832,635
Total Financial Assets	16,049,116	14,533,132
Less:		
Contractual or donor imposed restriction amounts		
Missionary loan receivable (noncurrent)	(64,174)	-
Purpose restricted for capital campaign	(1,820)	(2,120)
Purpose restricted for missionary expense	(8,339,862)	(8,115,312)
Board designated for endowment fund	(5,531,204)	(4,832,635)
	(13,937,060)	(12,950,067)
Add:		
Endowment spending (4% of endowment fund)	221,248	193,305
Spending for missionary expense	8,263,024	7,156,141
	8,484,272	7,349,446
Financial Assets Available to Meet General Operating Expenditures over the Next Twelve Months	$ 10,596,328	$ 8,932,511

13. Contingencies

In January 2022, the Organization received a notice from the Internal Revenue Service ("IRS") seeking to impose an assessment due to potential noncompliance with the employer shared responsibility requirement under the Patient Protection and Affordable Care Act (the "Act") for the 2019 calendar year. Management believed it had a defense for this claim and the Organization submitted a detailed response. In June 2022, the IRS sent a letter of response to the Organization accepting the information provided by management and closed this inquiry with no further action required.

The Coronavirus ("COVID-19") pandemic may continue to have an adverse effect on the results of operations. Given the uncertainty around the extent and timing of the potential future spread or mitigation of COVID-19 and around the imposition or relaxation of protective measures, management cannot reasonably estimate the impact to future results of operations, cash flows, or financial condition.

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