



MISSIONARY VENTURES INTERNATIONAL, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JULY 31, 2020 AND 2019





REPORT OF INDEPENDENT AUDITOR

The Board of Directors
Missionary Ventures International, Inc.
Orlando, Florida

We have audited the accompanying financial statements of Missionary Ventures International, Inc. ("the Organization"), which consist of the statements of financial position as of July 31, 2020 and 2019, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Missionary Ventures International, Inc. as of July 31, 2020 and 2019, the changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Battis Morrison Wales & Lee, P.A.

BATTIS MORRISON WALES & LEE, P.A.

Orlando, Florida
November 24, 2020

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MISSIONARY VENTURES INTERNATIONAL, INC.
STATEMENTS OF FINANCIAL POSITION

ASSETS

	July 31,	
	2020	2019
ASSETS		
Cash and cash equivalents	\$ 2,471,483	\$ 1,034,237
Property and equipment, net	916,800	1,995,732
Other assets	44,669	125,004
Total assets	\$ 3,432,952	\$ 3,154,973

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable and accrued expenses	\$ 103,614	\$ 157,125
Field coordinator personal amounts held	231,040	218,559
Total liabilities	334,654	375,684
NET ASSETS		
Without donor restrictions	1,575,570	1,191,694
With donor restrictions	1,522,728	1,587,595
Total net assets	3,098,298	2,779,289
Total liabilities and net assets	\$ 3,432,952	\$ 3,154,973

The Accompanying Notes are an Integral
Part of These Financial Statements

MISSIONARY VENTURES INTERNATIONAL, INC.
STATEMENTS OF ACTIVITIES

	For The Year Ended July 31, 2020			For The Year Ended July 31, 2019
	Without Donor Restrictions	With Donor Restrictions	Total	
PUBLIC SUPPORT AND REVENUE AND NET ASSETS				
RELEASED FROM RESTRICTIONS				
Contributions with donor restrictions	\$ —	\$ 5,014,071	\$ 5,014,071	\$ 5,213,805
Contributions without donor restrictions	777,424	—	777,424	762,300
Grant revenue	114,800	—	114,800	—
Other revenue	185	—	185	34,923
Net assets released from restrictions	<u>5,078,938</u>	<u>(5,078,938)</u>	<u>—</u>	<u>—</u>
Total public support and revenue and net assets released from restrictions	<u>5,971,347</u>	<u>(64,867)</u>	<u>5,906,480</u>	<u>6,011,028</u>
EXPENSES				
Program activities				
Field coordinators	2,484,734	—	2,484,734	2,195,065
Transportation	884,140	—	884,140	743,728
Health and community	632,388	—	632,388	150,909
Christian education	597,874	—	597,874	1,082,012
Team trips	444,779	—	444,779	891,955
Church planting	398,120	—	398,120	488,377
Total program activities	<u>5,442,035</u>	<u>—</u>	<u>5,442,035</u>	<u>5,552,046</u>
Supporting activities				
Management and general	485,894	—	485,894	402,533
Fundraising	145,045	—	145,045	113,415
Total supporting activities	<u>630,939</u>	<u>—</u>	<u>630,939</u>	<u>515,948</u>
Total expenses	<u>6,072,974</u>	<u>—</u>	<u>6,072,974</u>	<u>6,067,994</u>
CHANGE IN NET ASSETS BEFORE GAIN ON SALE OF PROPERTY	<u>(101,627)</u>	<u>—</u>	<u>(101,627)</u>	<u>(56,966)</u>
Gain on sale of property	485,503	—	485,503	—
Change in net assets without donor restrictions	<u>383,876</u>	<u>—</u>	<u>383,876</u>	<u>(224,876)</u>
Change in net assets with donor restrictions	<u>—</u>	<u>(64,867)</u>	<u>(64,867)</u>	<u>167,910</u>
CHANGE IN NET ASSETS	<u>383,876</u>	<u>(64,867)</u>	<u>319,009</u>	<u>(56,966)</u>
NET ASSETS - Beginning of year	<u>1,191,694</u>	<u>1,587,595</u>	<u>2,779,289</u>	<u>2,836,255</u>
NET ASSETS - End of year	<u>\$ 1,575,570</u>	<u>\$ 1,522,728</u>	<u>\$ 3,098,298</u>	<u>\$ 2,779,289</u>

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MISSIONARY VENTURES INTERNATIONAL, INC.
STATEMENTS OF CASH FLOWS

	For The Years Ended	
	July 31,	
	2020	2019
OPERATING CASH FLOWS		
Cash received from contributors	\$ 5,791,495	\$ 5,976,105
Other revenue received	185	34,923
Cash paid for operating activities and costs	(5,995,675)	(5,976,335)
Net operating cash flows	(203,995)	34,693
INVESTING CASH FLOWS		
Net proceeds from sale of property	2,462,472	—
Purchases of and improvements to property and equipment	(936,031)	(1,277)
Net investing cash flows	1,526,441	(1,277)
FINANCING CASH FLOWS		
Borrowings	114,800	—
Net financing cash flows	114,800	—
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,437,246	33,416
CASH AND CASH EQUIVALENTS - Beginning of year	1,034,237	1,000,821
CASH AND CASH EQUIVALENTS - End of year	\$ 2,471,483	\$ 1,034,237
RECONCILIATION OF CHANGE IN NET ASSETS TO NET OPERATING CASH FLOWS		
Change in net assets	\$ 319,009	\$ (56,966)
Adjustments to reconcile change in net assets to net operating cash flows		
Depreciation	37,994	67,150
Gain on sale of property	(485,503)	—
Conversion of note payable to grant revenue (see Note F)	(114,800)	—
Change in other assets	80,335	(16,149)
Change in accounts payable and accrued expenses	(53,511)	36,179
Change in field coordinator personal amounts held	12,481	4,479
Net operating cash flows	\$ (203,995)	\$ 34,693

SUPPLEMENTAL DISCLOSURE

During the year ended July 31, 2020, \$114,800 of principal reductions of a certain note payable are included in "grant revenue" in the consolidated statement of activities. See Note F.

MISSIONARY VENTURES INTERNATIONAL, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended July 31, 2020

	Program activities						Total program activities
	Field coordinators	Transportation	Health and community	Christian education	Team trips	Church planting	
Field coordinator support payments	\$ 2,357,612	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,357,612
International project payments	350	820,779	605,501	559,077	—	365,390	2,351,097
Salaries and benefits	63,790	46,958	11,939	22,283	91,840	15,871	252,681
Short term missions trips	—	—	—	—	318,390	—	318,390
Other	16,190	145	3,337	2,321	45	3,337	25,375
Utilities and facilities	12,830	6,691	1,810	3,809	18,298	2,903	46,341
Technology and non-capitalized equipment	5,221	5,031	4,341	4,616	6,076	4,439	29,724
Communications	11,957	755	3,195	1,146	1,006	2,746	20,805
Professional services and fees	13,903	232	1,380	1,625	1,416	1,952	20,508
Insurance	2,332	3,123	779	2,779	3,923	1,337	14,273
Office expense	549	426	106	218	3,785	145	5,229
Total expenses	\$ 2,484,734	\$ 884,140	\$ 632,388	\$ 597,874	\$ 444,779	\$ 398,120	\$ 5,442,035

The Accompanying Notes are an Integral
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MISSIONARY VENTURES INTERNATIONAL, INC.

STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)

For The Year Ended July 31, 2020

	Total program activities	Supporting activities		Total supporting activities	Total expenses
		Management and general	Fundraising		
Field coordinator support payments	\$ 2,357,612	\$ —	\$ —	\$ —	\$ 2,357,612
International project payments	2,351,097	—	—	—	2,351,097
Salaries and benefits	252,681	240,580	104,136	344,716	597,397
Short term missions trips	318,390	—	—	—	318,390
Other	25,375	95,764	270	96,034	121,409
Utilities and facilities	46,341	33,999	12,530	46,529	92,870
Technology and non-capitalized equipment	29,724	13,429	5,669	19,098	48,822
Communications	20,805	10,471	16,216	26,687	47,492
Professional services and fees	20,508	25,671	158	25,829	46,337
Insurance	14,273	21,044	5,087	26,131	40,404
MVI international office support	—	38,100	—	38,100	38,100
Office expense	<u>5,229</u>	<u>6,836</u>	<u>979</u>	<u>7,815</u>	<u>13,044</u>
Total expenses	<u>\$ 5,442,035</u>	<u>\$ 485,894</u>	<u>\$ 145,045</u>	<u>\$ 630,939</u>	<u>\$ 6,072,974</u>

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MISSIONARY VENTURES INTERNATIONAL, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended July 31, 2019

	Program activities						Total program activities
	Field coordinators	Transportation	Health and community	Christian education	Team trips	Church planting	
International project payments	\$ —	\$ 693,721	\$ 143,065	\$ 1,044,227	\$ 46,082	\$ 466,845	\$ 2,393,940
Field coordinator support payments	2,086,194	—	—	—	—	—	2,086,194
Salaries and benefits	37,014	31,965	3,005	13,791	206,763	7,095	299,633
Short term missions trips	—	—	—	—	584,669	—	584,669
Utilities and facilities	19,824	6,830	1,903	4,668	29,833	4,001	67,059
Insurance	9,488	4,399	269	2,999	4,975	1,538	23,668
Communications	1,600	764	968	1,159	1,937	2,559	8,987
Technology and non-capitalized equipment	8,475	2,790	820	1,959	13,066	1,696	28,806
Professional services and fees	9,707	300	703	5,961	2,462	2,441	21,574
MVI international office support	10,200	—	—	—	—	—	10,200
Other	12,289	2,492	127	7,067	334	2,071	24,380
Office expense	274	467	49	181	1,834	131	2,936
Total expenses	\$ 2,195,065	\$ 743,728	\$ 150,909	\$ 1,082,012	\$ 891,955	\$ 488,377	\$ 5,552,046

The Accompanying Notes are an Integral
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MISSIONARY VENTURES INTERNATIONAL, INC.

STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)

For The Year Ended July 31, 2019

	Total program activities	Supporting activities		Total supporting activities	Total expenses
		Management and general	Fundraising		
International project payments	\$ 2,393,940	\$ —	\$ —	\$ —	\$ 2,393,940
Field coordinator support payments	2,086,194	—	—	—	2,086,194
Salaries and benefits	299,633	251,142	62,171	313,313	612,946
Short term missions trips	584,669	—	—	—	584,669
Utilities and facilities	67,059	27,299	8,616	35,915	102,974
Insurance	23,668	30,294	7,237	37,531	61,199
Communications	8,987	9,820	30,115	39,935	48,922
Technology and non-capitalized equipment	28,806	13,011	3,666	16,677	45,483
Professional services and fees	21,574	21,295	—	21,295	42,869
MVI international office support	10,200	27,900	—	27,900	38,100
Other	24,380	12,174	1,279	13,453	37,833
Office expense	2,936	9,598	331	9,929	12,865
Total expenses	\$ 5,552,046	\$ 402,533	\$ 113,415	\$ 515,948	\$ 6,067,994

The Accompanying Notes are an Integral
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MISSIONARY VENTURES INTERNATIONAL, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE A – NATURE OF ACTIVITIES

Missionary Ventures International, Inc. (“the Organization”) is a not-for-profit interdenominational Christian organization. The Organization’s mission is to work with individuals and churches to bring the love and message of Jesus Christ to hurting people. To accomplish its mission, the Organization channels resources for the development of churches, schools, feeding centers, orphanages, clinics, and hospitals in seventy-eight countries located around the world. The Organization is headquartered in Orlando, Florida.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

The Organization recognizes cash contributions as revenue when the contributions are received by the Organization. Contributions are recorded as support with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as “net assets released from restrictions.”

Assessments

The Board of Directors has established a policy to utilize up to 15% of contributions restricted for the support of certain ministries to help offset general operational expenses, including the cost of operating the United States headquarters office. The amounts so utilized are reflected as “contributions without donor restrictions” revenue in the accompanying statements of activities. Contributions for which the donor requests that 100% of such gifts be used to support a specific ministry are not subject to the policy.

Contributions with donor restrictions

All contributions are received as donations to the Organization and not to specific individuals. Contributions which donors request to be used to support the ministry activities of specific missionaries or specific projects are under the full control of the Organization. In order to conservatively account for such contributions, the Organization recognizes them as contributions with donor restrictions until they are expended for appropriate ministry purposes.

Cash and cash equivalents

The Organization considers all investment instruments purchased or donated with original maturities of three months or less to be cash equivalents.

Property and equipment

Property and equipment are stated at cost, if purchased, or estimated fair value on the date of donation, if donated. The Organization uses the straight-line method of depreciating assets over their estimated useful lives.

Field coordinator personal amounts held

Field coordinator personal amounts held represents income earned by field coordinators but not yet distributed to them.

Net assets

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

MISSIONARY VENTURES INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional allocation of expenses

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

Income taxes

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

Use of estimates

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

Economic uncertainties

In January 2020, the World Health Organization (“WHO”) announced a global health emergency related to the outbreak of a virus originating in China. In March 2020, WHO elevated the classification of the outbreak to a pandemic (“the pandemic”). Management is closely monitoring the potential impact of the pandemic on the Organization’s financial condition and has taken actions to mitigate its impact. Such actions include availing the Organization of relief measures available under federal law and reducing the overall scope and cost of operations. Because of the unknown impact on global commerce, management is not able to estimate the effects of the pandemic on its operating results, financial condition, or liquidity for the year ending July 31, 2021.

Subsequent events

The Organization has evaluated for possible financial reporting and disclosure subsequent events through November 24, 2020, the date as of which the financial statements were available to be issued.

NOTE C – LIQUIDITY AND AVAILABILITY OF RESOURCES

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

Category	July 31,	
	2020	2019
Cash and cash equivalents	\$ 2,471,483	\$ 1,034,237
Less: Field coordinator personal amounts held	(231,040)	(218,559)
Total financial assets available within one year	\$ 2,240,443	\$ 815,678

The Organization is primarily supported by contributions. As part of the Organization’s liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization has certain donor-restricted net assets that are available for general expenditure, because the restrictions on the net assets are expected to be met by conducting the normal activities of the Organization’s programs in the coming year.

MISSIONARY VENTURES INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE C – LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)

Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year. As further described in Note G, as of July 31, 2019, the Organization had temporarily utilized approximately \$473,000 of cash restricted by donors for certain activities in order to sustain general operations. The Organization restored such funds during the year ended July 31, 2020. Management believes the Organization has sufficient liquid assets for general operations that may be drawn upon in the event of an unanticipated financial distress or an immediate liquidity need.

NOTE D – CONCENTRATION OF CREDIT RISK

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

NOTE E – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

Category	July 31,	
	2020	2019
Land	\$ —	\$ 446,057
Buildings and improvements	892,468	2,215,747
Office furniture and equipment	64,025	172,926
Construction in progress	46,017	—
Software	6,250	6,250
Total property and equipment	1,008,760	2,840,980
Less: Accumulated depreciation	(91,960)	(845,248)
Net property and equipment	\$ 916,800	\$ 1,995,732

Depreciation expense amounted to \$37,994 and \$67,150 for the years ended July 31, 2020 and 2019, respectively. During the year ended July 31, 2020, the Organization sold certain real property for net proceeds of \$2,462,472, resulting in a gain on the sale of \$485,503, which is included in the accompanying statement of activities as “Gain on sale of property”.

NOTE F – PAYCHECK PROTECTION PROGRAM LOAN

During the year ended July 31, 2020, the Organization obtained a Paycheck Protection Program loan (“PPP loan”) in the amount of \$114,800. The PPP loan is unsecured and is payable to a financial institution at a fixed rate of 1.00% per annum with a deferral of interest and principal payments ending on the earlier of the date the Small Business Administration issues a decision on the forgiveness amount of the loan or August 2021. The PPP loan matures in April 2022. Pursuant to federal law, the PPP loan may be forgiven in whole or in part based on the nature of the Organization’s expenditures during an applicable period. During the year ended July 31, 2020, management estimates that the Organization incurred or spent \$114,800 of expenditures eligible for forgiveness. This amount has been recognized as a reduction to “notes payable” in the accompanying statement of financial position as of July 31, 2020 (reducing the balance of the PPP loan to zero) and as “grant revenue” in the accompanying statement of activities for the year ended July 31, 2020. Management expects that the full balance of the PPP loan will be forgiven.

MISSIONARY VENTURES INTERNATIONAL, INC.
 NOTES TO FINANCIAL STATEMENTS

NOTE G – NET ASSETS WITH DONOR RESTRICTIONS

Net assets were subject to donor restrictions for the following purposes:

	July 31,	
	2020	2019
Transportation	\$ 785,290	\$ 904,464
Christian education	433,684	259,425
Missionary support	99,031	104,120
Church planting	75,363	90,600
Other projects	59,172	37,733
Team trips	51,621	96,522
Health and community	18,567	14,481
Time restriction – unconditional promise to give	—	80,250
Total net assets with donor restrictions	\$ 1,522,728	\$ 1,587,595

Net assets released from restrictions during the year ended July 31, 2019 were \$5,045,895.

As of July 31, 2019, the Organization had temporarily utilized approximately \$473,000 of cash restricted by donors for certain activities in order to sustain general operations. The Organization restored such funds during the year ended July 31, 2020.

During the year ended July 31, 2020, management determined that approximately \$130,000 of amounts previously classified as “net assets with donor restrictions” were more appropriately classified as “net assets without donor restrictions” as of July 31, 2019, and reclassified such amounts in the July 31, 2019 financial statements. The reclassification had no material impact on the accompanying financial statements.