



MISSIONARY VENTURES INTERNATIONAL, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JULY 31, 2022 AND 2021





REPORT OF INDEPENDENT AUDITOR

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

Opinion

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, 2022 and 2021, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

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, 2022 and 2021, the changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization’s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Batts Morrison Wales & Lee, P.A.

BATTS MORRISON WALES & LEE, P.A.

Orlando, Florida

December 5, 2022

MISSIONARY VENTURES INTERNATIONAL, INC.
STATEMENTS OF FINANCIAL POSITION

ASSETS

	July 31,	
	2022	2021
ASSETS		
Cash and cash equivalents	\$ 2,893,371	\$ 2,507,923
Property and equipment, net	1,020,670	1,058,002
Other assets	126,475	122,745
Total assets	\$ 4,040,516	\$ 3,688,670

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable and accrued expenses	\$ 61,973	\$ 70,842
Field coordinator personal amounts held	275,790	300,366
Total liabilities	337,763	371,208
NET ASSETS		
Without donor restrictions	1,945,713	1,688,767
With donor restrictions	1,757,040	1,628,695
Total net assets	3,702,753	3,317,462
Total liabilities and net assets	\$ 4,040,516	\$ 3,688,670

The Accompanying Notes are an Integral
Part of These Financial Statements

MISSIONARY VENTURES INTERNATIONAL, INC.
STATEMENTS OF ACTIVITIES

	For The Year Ended July 31, 2022			For The Year Ended July 31, 2021
	Without Donor Restrictions	With Donor Restrictions	Total	
PUBLIC SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS				
Contributions with donor restrictions	\$ —	\$ 5,702,323	\$ 5,702,323	\$ 5,183,714
Contributions without donor restrictions	1,245,424	—	1,245,424	959,726
Grant revenue	48,581	—	48,581	127,717
Other revenue	3,280	—	3,280	—
Net assets released from restrictions	<u>5,573,978</u>	<u>(5,573,978)</u>	<u>—</u>	<u>—</u>
Total public support and revenue and net assets released from restrictions	<u>6,871,263</u>	<u>128,345</u>	<u>6,999,608</u>	<u>6,271,157</u>
EXPENSES				
Program activities				
Field coordinators	2,798,583	—	2,798,583	2,620,303
Transportation	1,001,036	—	1,001,036	896,680
Health and community	806,005	—	806,005	883,570
Christian education	615,218	—	615,218	588,574
Team trips	433,707	—	433,707	224,341
Church planting	<u>396,664</u>	<u>—</u>	<u>396,664</u>	<u>286,009</u>
Total program activities	<u>6,051,213</u>	<u>—</u>	<u>6,051,213</u>	<u>5,499,477</u>
Supporting activities				
Management and general	286,307	—	286,307	301,232
Fundraising	<u>276,797</u>	<u>—</u>	<u>276,797</u>	<u>251,284</u>
Total supporting activities	<u>563,104</u>	<u>—</u>	<u>563,104</u>	<u>552,516</u>
Total expenses	<u>6,614,317</u>	<u>—</u>	<u>6,614,317</u>	<u>6,051,993</u>
Change in net assets without donor restrictions	256,946	—	256,946	113,197
Change in net assets with donor restrictions	<u>—</u>	<u>128,345</u>	<u>128,345</u>	<u>105,967</u>
CHANGE IN NET ASSETS	256,946	128,345	385,291	219,164
NET ASSETS - Beginning of year	<u>1,688,767</u>	<u>1,628,695</u>	<u>3,317,462</u>	<u>3,098,298</u>
NET ASSETS - End of year	<u>\$ 1,945,713</u>	<u>\$ 1,757,040</u>	<u>\$ 3,702,753</u>	<u>\$ 3,317,462</u>

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MISSIONARY VENTURES INTERNATIONAL, INC.
STATEMENTS OF CASH FLOWS

	For The Years Ended	
	July 31,	
	<u>2022</u>	<u>2021</u>
OPERATING CASH FLOWS		
Cash received from contributors	\$ 6,947,747	\$ 6,143,440
Grant and other revenue received	129,909	49,641
Cash paid for operating activities and costs	<u>(6,688,823)</u>	<u>(5,980,146)</u>
Net operating cash flows	<u>388,833</u>	<u>212,935</u>
INVESTING CASH FLOWS		
Purchases of and improvements to property and equipment	<u>(3,385)</u>	<u>(176,495)</u>
Net investing cash flows	<u>(3,385)</u>	<u>(176,495)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	385,448	36,440
CASH AND CASH EQUIVALENTS - Beginning of year	<u>2,507,923</u>	<u>2,471,483</u>
CASH AND CASH EQUIVALENTS - End of year	<u>\$ 2,893,371</u>	<u>\$ 2,507,923</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET OPERATING CASH FLOWS		
Change in net assets	\$ 385,291	\$ 219,164
Adjustments to reconcile change in net assets to net operating cash flows		
Depreciation	40,717	35,293
Change in other assets	(3,730)	(78,076)
Change in accounts payable and accrued expenses	(8,869)	(32,772)
Change in field coordinator personal amounts held	<u>(24,576)</u>	<u>69,326</u>
Net operating cash flows	<u>\$ 388,833</u>	<u>\$ 212,935</u>

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MISSIONARY VENTURES INTERNATIONAL, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended July 31, 2022

	Program activities						Total program activities
	Field coordinators	Transportation	Health and community	Christian education	Team trips	Church planting	
Field coordinator support payments	\$ 2,659,844	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,659,844
International project payments	—	909,571	776,367	589,802	1,200	373,068	2,650,008
Salaries and benefits	67,335	60,310	15,077	15,077	90,856	15,077	263,732
Short term missions trips	—	—	—	—	312,693	—	312,693
Professional services and fees	24,970	3,551	4,120	1,671	5,064	1,910	41,286
Communications	7,716	2,638	2,252	1,711	884	1,082	16,283
Utilities and facilities	4,449	3,747	937	937	6,557	937	17,564
Technology and non-capitalized equipment	4,299	3,621	905	905	6,336	905	16,971
Depreciation	4,298	3,619	905	905	6,334	905	16,966
MVI international office support	15,365	5,254	4,485	3,407	1,760	2,155	32,426
Other	9,156	7,755	714	560	326	382	18,893
Insurance	758	639	160	160	1,118	160	2,995
Office expense	<u>393</u>	<u>331</u>	<u>83</u>	<u>83</u>	<u>579</u>	<u>83</u>	<u>1,552</u>
Total expenses	<u>\$ 2,798,583</u>	<u>\$ 1,001,036</u>	<u>\$ 806,005</u>	<u>\$ 615,218</u>	<u>\$ 433,707</u>	<u>\$ 396,664</u>	<u>\$ 6,051,213</u>

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, 2022

	Total program activities	Supporting activities		Total supporting activities	Total expenses
		Management and general	Fundraising		
Field coordinator support payments	\$ 2,659,844	\$ —	\$ —	\$ —	\$ 2,659,844
International project payments	2,650,008	—	—	—	2,650,008
Salaries and benefits	263,732	204,846	198,382	403,228	666,960
Short term missions trips	312,693	—	—	—	312,693
Professional services and fees	41,286	13,621	7,481	21,102	62,388
Communications	16,283	4,112	37,083	41,195	57,478
Utilities and facilities	17,564	14,050	10,537	24,587	42,151
Technology and non-capitalized equipment	16,971	13,577	10,183	23,760	40,731
Depreciation	16,966	13,572	10,179	23,751	40,717
MVI international office support	32,426	7,194	—	7,194	39,620
Other	18,893	7,375	226	7,601	26,494
Insurance	2,995	6,719	1,796	8,515	11,510
Office expense	<u>1,552</u>	<u>1,241</u>	<u>930</u>	<u>2,171</u>	<u>3,723</u>
Total expenses	<u>\$ 6,051,213</u>	<u>\$ 286,307</u>	<u>\$ 276,797</u>	<u>\$ 563,104</u>	<u>\$ 6,614,317</u>

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

STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended July 31, 2021

	Program activities						Total program activities
	Field coordinators	Transportation	Health and community	Christian education	Church planting	Team trips	
International project payments	\$ 95	\$ 816,768	\$ 850,659	\$ 562,250	\$ 263,330	\$ 1,200	\$ 2,494,302
Field coordinator support payments	2,488,168	—	—	—	—	—	2,488,168
Salaries and benefits	59,805	54,804	14,514	14,514	14,514	89,323	247,474
Short term missions trips	—	—	—	—	—	107,555	107,555
Professional services and fees	24,830	3,710	5,415	2,143	1,932	3,799	41,829
Communications	10,991	3,597	3,758	2,484	1,163	437	22,430
Technology and non-capitalized equipment	4,290	3,785	1,009	1,009	1,009	6,813	17,915
Utilities and facilities	3,748	3,307	882	882	882	5,953	15,654
MVI international office support	15,941	5,217	5,450	3,602	1,687	634	32,531
Depreciation	3,333	2,941	784	784	784	5,294	13,920
Other	8,016	1,593	843	650	452	1,609	13,163
Insurance	657	580	155	155	155	1,043	2,745
Office expense	429	378	101	101	101	681	1,791
Total expenses	\$ 2,620,303	\$ 896,680	\$ 883,570	\$ 588,574	\$ 286,009	\$ 224,341	\$ 5,499,477

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, 2021

	Total program activities	Supporting activities		Total supporting activities	Total expenses
		Management and general	Fundraising		
International project payments	\$ 2,494,302	\$ —	\$ —	\$ —	\$ 2,494,302
Field coordinator support payments	2,488,168	—	—	—	2,488,168
Salaries and benefits	247,474	217,977	180,955	398,932	646,406
Short term missions trips	107,555	—	—	—	107,555
Professional services and fees	41,829	12,906	7,118	20,024	61,853
Communications	22,430	4,698	27,592	32,290	54,720
Technology and non-capitalized equipment	17,915	16,149	11,355	27,504	45,419
Utilities and facilities	15,654	14,110	9,921	24,031	39,685
MVI international office support	32,531	6,069	—	6,069	38,600
Depreciation	13,920	12,550	8,823	21,373	35,293
Other	13,163	8,704	2,646	11,350	24,513
Insurance	2,745	6,455	1,739	8,194	10,939
Office expense	1,791	1,614	1,135	2,749	4,540
Total expenses	\$ 5,499,477	\$ 301,232	\$ 251,284	\$ 552,516	\$ 6,051,993

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 Maitland, 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 represent funds held on behalf of field coordinators as of year-end.

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 monitoring 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.

Subsequent events

The Organization has evaluated for possible financial reporting and disclosure subsequent events through December 5, 2022, the date as of which the financial statements were available to be issued.

NOTE C – LIQUIDITY AND AVAILABILITY OF RESOURCES

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

<u>Category</u>	<u>July 31,</u>	
	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 2,893,371	\$ 2,507,923
Employee Retention Tax Credit included in “other assets”	<u>—</u>	<u>78,048</u>
Total financial assets available within one year	2,893,371	2,585,971
Less: Field coordinator personal amounts held	<u>(275,790)</u>	<u>(300,366)</u>
Net financial assets available within one year	<u>\$ 2,617,581</u>	<u>\$ 2,285,605</u>

MISSIONARY VENTURES INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE C – LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)

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 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. Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year. 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,	
	2022	2021
Buildings and improvements	\$ 1,084,837	\$ 1,084,837
Office furniture and equipment	90,608	87,223
Software	11,428	11,428
Total property and equipment	1,186,873	1,183,488
Less: Accumulated depreciation	(166,203)	(125,486)
Net property and equipment	\$ 1,020,670	\$ 1,058,002

Depreciation expense amounted to \$40,717 and \$35,293 for the years ended July 31, 2022 and 2021, respectively.

NOTE F – EMPLOYEE RETENTION TAX CREDIT

During the years ended July 31, 2022 and 2021, the Organization claimed approximately \$49,000 and \$128,000, respectively, of employee retention tax credit with the Internal Revenue Service (such amounts are recognized as "grant revenue" in the accompanying statements of activities for the years ended July 31, 2022 and 2021, respectively). This special employee retention tax credit created recently and temporarily by Congress effectively represents relief/stimulus payments from the federal government, with such payments being provided in the form of a refundable payroll tax credit. The employee retention tax credit is available to employers who meet one of more qualifying criteria established by law. Of the credit amount claimed by the Organization, approximately \$125,000 and \$52,000 was received during the years ended July 31, 2022 and 2021, respectively. The outstanding amount as of July 31, 2021 of approximately \$76,000 is recorded as a receivable (which is included in the accompanying statement of financial position in "other assets").

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,	
	2022	2021
Transportation	\$ 1,105,539	\$ 981,342
Christian education	265,724	239,191
Missionary support	199,476	174,265
Team trips	98,709	53,348
Church planting	33,999	105,060
Other projects	32,263	60,878
Health and community	21,330	14,611
Total net assets with donor restrictions	\$ 1,757,040	\$ 1,628,695

Net assets released from restrictions during the year ended July 31, 2021 were \$5,077,747.