



GLOBAL HEALTH MINISTRIES
FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

GLOBAL HEALTH MINISTRIES

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BOYER & COMPANY

A Professional Association

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Global Health Ministries
Minneapolis, MN

We have audited the accompanying financial statements of Global Health Ministries (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows 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.

Auditors' 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 audit 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 entity'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 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 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 Global Health Ministries as of December 31, 2020 and 2019 and the results of its activities, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Boyer + Company

Burnsville, MN

April 9, 2021

GLOBAL HEALTH MINISTRIES
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 501,460	\$ 692,585
Unconditional Promises to Give:		
Without Donor Restrictions	9,284	2,508
With Donor Restrictions	98,419	98,522
Accounts Receivable	2,398	9,647
Prepaid Expenses	22,591	38,552
Investments	<u>2,506,820</u>	<u>1,031,063</u>
Total Current Assets	<u>3,140,972</u>	<u>1,872,877</u>
 Endowment Investments		
Marketable Securities	<u>1,655,227</u>	<u>1,643,242</u>
Total Endowment Investments	<u>1,655,227</u>	<u>1,643,242</u>
 Property and Equipment - Net	 775,848	 814,478
 Long-Term Investments	 309,822	 408,204
Long-Term Unconditional Promises to Give:		
With Donor Restrictions	-	97,066
Cash Surrender Value of Life Insurance	<u>21,466</u>	<u>20,254</u>
 TOTAL ASSETS	 <u>\$ 5,903,335</u>	 <u>\$ 4,856,121</u>

See notes to financial statements.

GLOBAL HEALTH MINISTRIES

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 29,254	\$ 62,799
Accrued Wages	<u>27,221</u>	<u>24,854</u>
Total Current Liabilities	<u>56,475</u>	<u>87,653</u>
Net Assets		
Without Donor Restrictions:		
Undesignated	1,497,944	1,456,263
Board Designated Endowment	<u>1,586,661</u>	<u>1,555,757</u>
Total Without Donor Restrictions	<u>3,084,605</u>	<u>3,012,020</u>
With Donor Restrictions:		
Restricted for Specific Projects	2,674,770	1,668,963
Endowment Fund	<u>87,485</u>	<u>87,485</u>
Total With Donor Restrictions	<u>2,762,255</u>	<u>1,756,448</u>
Total Net Assets	<u>5,846,860</u>	<u>4,768,468</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,903,335</u>	<u>\$ 4,856,121</u>

See notes to financial statements.

GLOBAL HEALTH MINISTRIES
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Net Assets Without Donor Restrictions		
Revenues, Gains, and Other Support		
Contributions	\$ 1,059,818	\$ 1,148,534
Contributions - Endowment Fund	46,261	173,627
Investment Income	188,214	258,048
Restrictions Satisfied by Payments	<u>3,404,955</u>	<u>3,490,765</u>
Total Revenues, Gains, and Other Support - Without Donor Restriction	<u>4,699,248</u>	<u>5,070,974</u>
Expenses		
Project - Direct	3,404,962	3,490,765
Project - Support	558,409	609,442
Administration	301,156	281,473
Fund Raising	<u>249,726</u>	<u>236,387</u>
Total Expenses	<u>4,514,253</u>	<u>4,618,067</u>
Increase In Net Assets - Without Donor Restrictions	<u>184,995</u>	<u>452,907</u>
Net Assets With Donor Restrictions		
Contributions	4,272,995	3,382,380
Investment Income	25,357	34,242
Restrictions Satisfied by Payments	<u>(3,404,955)</u>	<u>(3,490,765)</u>
Increase (Decrease) in Net Assets - With Donor Restrictions	<u>893,397</u>	<u>(74,143)</u>
Increase in Net Assets	1,078,392	378,764
Net Assets - Beginning of Year	<u>4,768,468</u>	<u>4,389,704</u>
Net Assets - End of Year	<u>\$ 5,846,860</u>	<u>\$ 4,768,468</u>

See notes to financial statements.

GLOBAL HEALTH MINISTRIES

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020			
	Program Services	Supporting Services		Total Expenses
		Management	Fund Raising	
Direct Program Expense				
Cameroon	\$ 254,857	\$ -	\$ -	\$ 254,857
Central African Republic	44,729	-	-	44,729
Colombia	1,166	-	-	1,166
El Salvador	30,000	-	-	30,000
Ethiopia	12,333	-	-	12,333
Guatemala	889	-	-	889
India	7,046	-	-	7,046
Liberia	778,519	-	-	778,519
Madagascar	550,193	-	-	550,193
Malawi	12,377	-	-	12,377
Namibia	8,180	-	-	8,180
Nicaragua	9,643	-	-	9,643
Nigeria	77,238	-	-	77,238
PNG	12,609	-	-	12,609
South Sudan	190,413	-	-	190,413
Tanzania	780,234	-	-	780,234
Zimbabwe	217,646	-	-	217,646
Global Health Adm. Partners	416,890	-	-	416,890
Total Direct Program Expense	<u>\$ 3,404,962</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,404,962</u>
Functional Expenses				
Director's Compensation	\$ 61,353	\$ 49,082	\$ 12,270	\$ 122,705
Other Salaries & Wages	273,590	148,265	120,421	542,276
Staff Pension Plan	24,026	13,380	10,223	47,629
Other Employee Benefits	59,570	33,253	25,564	118,387
Payroll Taxes	25,983	11,595	8,589	46,167
Fees for Services:				
Accounting Fees	-	7,391	-	7,391
Professional Fundraising	-	-	9,000	9,000
Other	20	42	400	462
Advertising & Promotion	108	-	6,975	7,083
Office Expenses	31,752	9,942	37,355	79,049
Information Technology	10,260	10,949	12,951	34,160
Occupancy	32,266	6,181	-	38,447
Travel	6,262	-	273	6,535
Conferences & Meetings	102	234	3,689	4,025
Depreciation	31,922	7,138	1,402	40,462
Insurance	-	1,505	-	1,505
Staff Development	10	2,106	355	2,471
Memberships	1,186	93	-	1,279
Other Expenses	-	-	259	259
Total Functional Expenses	<u>\$ 3,963,372</u>	<u>\$ 301,156</u>	<u>\$ 249,726</u>	<u>\$ 4,514,254</u>

See notes to financial statements.

GLOBAL HEALTH MINISTRIES

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019			
	Program Services	Supporting Services		Total Expenses
		Management	Fund Raising	
Direct Program Expenses				
Cameroon	\$ 445,422	\$ -	\$ -	\$ 445,422
Central African Republic	26,141	-	-	26,141
El Salvador	33,949	-	-	33,949
Ethiopia	4,360	-	-	4,360
Guatemala	12,000	-	-	12,000
India	22,675	-	-	22,675
Kenya	13,500	-	-	13,500
Liberia	648,399	-	-	648,399
Madagascar	692,077	-	-	692,077
Nicaragua	3,893	-	-	3,893
Nigeria	96,693	-	-	96,693
South Sudan	33,584	-	-	33,584
Tanzania	738,653	-	-	738,653
Zimbabwe	187,027	-	-	187,027
Global Health Adm. Partners	532,392	-	-	532,392
Total Direct Program Expenses	<u>\$ 3,490,765</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,490,765</u>
Functional Expenses				
Director's Compensation	\$ 63,933	\$ 51,151	\$ 12,788	\$ 127,872
Other Salaries & Wages	224,986	122,700	87,033	434,719
Staff Pension Plan	19,462	10,520	7,063	37,045
Other Employee Benefits	57,008	30,395	18,473	105,876
Payroll Taxes	19,277	8,481	6,400	34,158
Fees for Services:				
Accounting Fees	-	7,086	-	7,086
Professional Fundraising	-	-	30,069	30,069
Other	18,002	83	1,425	19,510
Advertising & Promotion	-	-	13,798	13,798
Office Expenses	31,383	9,473	25,786	66,642
Information Technology	59,765	14,694	13,331	87,790
Occupancy	57,120	10,225	-	67,345
Travel	22,227	14	8,418	30,659
Conferences & Meetings	3,236	79	11,803	15,118
Depreciation	31,983	11,807	-	43,790
Insurance	-	2,266	-	2,266
Staff Development	22	2,034	-	2,056
Memberships	1,038	165	-	1,203
Other Expenses	-	300	-	300
Total Functional Expenses	<u>\$ 4,100,207</u>	<u>\$ 281,473</u>	<u>\$ 236,387</u>	<u>\$ 4,618,067</u>

See notes to financial statements.

GLOBAL HEALTH MINISTRIES

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities:		
Increase in Net Assets	\$ 1,078,392	\$ 378,764
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	40,462	43,790
Unrealized (Gains) Losses on Investments	(137,118)	(158,325)
(Increase) Decrease in Assets:		
Unconditional Promises to Give Without Donor Restrictions	(6,776)	3,571
Unconditional Promises to Give With Donor Restrictions	97,169	(195,588)
Accounts Receivable	7,249	380
Prepaid Expenses	15,961	(5,155)
Increase (Decrease) in Liabilities:		
Accounts Payable	(33,545)	33,054
Accrued Wages and Payroll Taxes	2,367	8,903
Net Cash Provided by Operating Activities	<u>1,064,161</u>	<u>109,394</u>
Cash Flows From Investing Activities:		
Net Purchase of Investments	(1,252,242)	(275,976)
Increase in Cash Surrender Value of Investments	(1,212)	(1,030)
Payments for Property And Equipment	(1,832)	(51,215)
Net Cash Used by Investing Activities	<u>(1,255,286)</u>	<u>(328,221)</u>
Net Decrease In Cash	(191,125)	(218,827)
Cash and Cash Equivalents, Beginning of Year	<u>692,585</u>	<u>911,412</u>
Cash and Cash Equivalents, End of Year	<u>\$ 501,460</u>	<u>\$ 692,585</u>

See notes to financial statements.

GLOBAL HEALTH MINISTRIES

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

- A. Nature of Activities – Global Health Ministries was established in May 1987 to assist Lutheran health care programs and missionaries in developing countries where adequate health care is not readily available. The organization ships medical equipment and supplies, offers leadership consultations, and provides community based sustainable development to enhance and sustain the health and well-being of some of the most vulnerable people on earth.
- B. Contributed Services – During the years ended December 31, 2020 and 2019, the values of contributed services meeting the requirements for recognition in the financial statements have been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

The Organization receives a significant number of donated services from volunteers who assist in the warehouse, fund raising and special projects. The organization received over 13,400 and over 30,300 volunteer hours for the years ended December 31, 2020 and 2019, in general warehouse and office activities, which do not meet the criteria for recognition under ASC 605.

- C. Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- D. Property and Equipment – It is the Organization's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over the following estimated lives:

Building	10-40 years
Warehouse Equipment	5-7 years
Office Furniture and Equipment	3-5 years

Depreciation expense was \$40,462 and \$43,790 for the years ended December 31, 2020 and 2019, respectively.

Maintenance and repairs of property and equipment are expensed as incurred and major improvements are capitalized. Upon retirement, sale or other disposition of property and equipment, the cost and accumulated depreciation are eliminated from the accounts and gain or loss is included in operations.

- E. Concentrations of Risk – Financial instruments that potentially subject the Organization to concentrations of risk consist principally of cash and investments and pledge receivables. The Organization maintains its cash and investments in federally insured banks and institutions insured by the Securities Investors Protection Corporation (SIPC). The balances in some of these accounts are in excess of the federally insured limit. The Organization believes that there is no significant risk with respect to these deposits. Concentrations of risk with respect to pledges receivable are limited due to the large number of contributions.
- F. Cash Equivalents – For purposes of the statements of cash flows, the Organization considers all unrestricted investment instruments purchased with original maturities of three months or less to be cash equivalents.

GLOBAL HEALTH MINISTRIES

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- G. Functional Allocation of Expense – The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among programs and supporting services benefited based upon time, effort, and space usage studies.
- H. Unconditional Promise to Give – Pledge receivables are booked at the time of the pledge. If a pledge were to become uncollectible, the pledge receivable would be removed from the statement of financial position.
- The Organization provides a reserve for uncollectibles that is calculated on an ongoing basis and is based using prior year's data. At December 31, 2020 and 2019, a reserve for uncollectible promises to give was not considered necessary.
- I. Receivables – The Organization accounts for uncollectible accounts under the direct write off method for accounts receivable. At December 31, 2020 and 2019, an allowance for doubtful accounts was not considered necessary.
- J. Contributions – Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence or nature of any donor restrictions.
- K. Investments – The Organization has adopted FASB Accounting Standards Codification, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under ASC 958, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Investment income and gains with donor restrictions are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.
- L. Employee Benefit Plan – The Organization has a 403(b)-retirement plan for its employees. It may contribute up to 9% of compensation annually for eligible employees. The retirement plan expenses were \$57,955 and \$47,220 for the years ended December 31, 2020 and 2019, respectively.
- M. Income Tax – The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for the years prior to 2017.
- N. Subsequent Events – Subsequent events have been evaluated through April 9, 2021, the date the financial statements were available to be issued. No significant events were identified that would require adjustment of or disclosure in the financial statements.
- O. Reclassification – Certain reclassifications have been made to the financial statements to correspond to the current year's format. Total net assets and increase in net assets are unchanged due to these reclassifications.
- P. New Accounting Pronouncements – In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU is a comprehensive new revenue recognition model that requires a company to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. In August 2015, the FASB issued ASU 2015-4, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*, which deferred the effective date of ASU 2014-09 to reporting periods beginning after December 15, 2020. Implementation of this pronouncement has been allowed to be deferred for one year and the Organization is deferring the implementation. Organizations may use either a full retrospective or a modified retrospective approach to adopt this ASU. Management is currently evaluating this standard, including which transition approach to use, and does not expect this ASU to materially impact the Organization's activities, financial position or cash flows.

GLOBAL HEALTH MINISTRIES

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 2 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization sets a goal of having financial assets on hand to meet 60 days of normal operating expenses, which are on average, around \$190,000. 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 its cash in excess of its expected needs in short term (90 days or less) certificate of deposits. Should an unforeseen liquidity issue arise, the Organization could draw upon Board Designated Endowment funds with the boards' authorization.

	<u>2020</u>	<u>2019</u>
Financial Assets, At Year End	\$4,773,608	\$3,477,567
Less Those Available for General Expenditures Within One Year Due to:		
Donor Imposed Restrictions Based on Purpose	2,674,770	1,668,963
Board Designated Reserve Fund	<u>1,586,660</u>	<u>1,555,757</u>
Financial Assets Available to Meet Cash Needs For General Expenditures Within One Year	<u>\$ 512,178</u>	<u>\$ 523,659</u>

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents include:

		<u>2020</u>	<u>2019</u>
Cash in Bank Checking	Highland Bank	\$397,619	\$570,756
and Savings	Bremer Bank	8,737	8,793
	Mission Investment Fund	62,189	85,223
Cash Equivalents	Highland Bank Money Market	32,910	27,808
	Thrivent Money Market	<u>5</u>	<u>5</u>
Total Cash and Cash Equivalents		<u>\$501,460</u>	<u>\$692,585</u>

NOTE 4 – INVESTMENTS

Investments include:

		<u>2020</u>	<u>2019</u>
Certificates of Deposit, 13 Weeks, Interest Various		\$2,506,820	\$1,031,063
Thrivent Moderate, Aggressive Allocation Fund		\$1,554,307	\$1,643,242
Thrivent Limited Maturity Board Fund		\$ 100,920	\$ -

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

		<u>2020</u>	<u>2019</u>
Land		\$ 93,200	\$ 93,200
Building		1,148,053	1,148,053
Warehouse Equipment		15,457	15,457
Office Furniture and Equipment		<u>167,007</u>	<u>165,175</u>
Total Property and Equipment		1,423,717	1,421,885
Less: Accumulated Depreciation		<u>647,869</u>	<u>607,407</u>
Net Property and Equipment		<u>\$ 775,848</u>	<u>\$ 814,478</u>

GLOBAL HEALTH MINISTRIES

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 6 – LONG TERM INVESTMENTS

	<u>2020</u>	<u>2019</u>
Three Year Adjustable-Rate Term Investment	\$ 309,822	\$ 408,204

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

	<u>2020</u>	<u>2019</u>
Restricted for subsequent years' program expenses:		
Balance January 1	\$ 1,756,448	\$ 1,830,592
Contributions	4,385,405	3,382,380
Investment Income (Loss)	25,357	34,241
Restrictions Satisfied by Payments	<u>(3,404,955)</u>	<u>(3,490,765)</u>
Balance December 31	<u>\$ 2,762,255</u>	<u>\$ 1,756,448</u>

NOTE 8 – NET ASSETS RESTRICTED FOR SPECIFIC PROJECTS

The Organization's specific project assets include the following categories; shipping medical supplies and purchasing equipment for partner organizations in developing countries; providing leadership training for health workers and health care leaders to improve skills and leadership effectiveness; provide improvement in community health by training health workers regarding disease prevention; first aid, clean water, nutrition, and prenatal care and wellness for moms and babies; construction of facilities that are used to provide health care.

	<u>2020</u>	<u>2019</u>
Shipping Medical Supplies and Purchasing Equipment	\$ 173,266	\$ 166,783
Leadership Training	146,011	135,409
Community Based Primary Health Care	2,268,073	1,251,107
Facility Construction	87,420	115,664
Permanent Endowment	<u>87,485</u>	<u>87,485</u>
Total	<u>\$2,762,255</u>	<u>\$1,756,448</u>

NOTE 9 – FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides a 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 FASB ASC 820 are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the community has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets and liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by the observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

GLOBAL HEALTH MINISTRIES
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 9 – FAIR VALUE MEASUREMENTS (CONTINUED)

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020 and 2019.

- Mutual Funds: Valued at the closing price reported on the active market on which the individual securities are traded.
- Certificates of Deposit: Recorded at cost, plus accrued interest, which approximates market value.
- Three- or One-Year Adjustable-Rate Term Investments: Recorded at cost, plus earned interest, which approximates market value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Community believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reports at fair value on a recurring basis at December 31, 2020 are as follows:

<u>December 31, 2020</u>	<u>Fair Value</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>
Certificate of Deposits	\$2,506,820	\$2,506,820
Three Year Adjustable-Rate Term Investment	309,822	309,822
Mutual Funds:		
Thrivent Moderately Aggressive Allocation	1,554,307	1,554,307
Thrivent Limited Maturity Board Fund	<u>\$ 100,920</u>	<u>\$ 100,920</u>
Total	<u>\$4,471,869</u>	<u>\$4,471,869</u>

GLOBAL HEALTH MINISTRIES
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 9 – FAIR VALUE MEASUREMENTS (CONTINUED)

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reports at fair value on a recurring basis at December 31, 2019 are as follows:

<u>December 31, 2019</u>	<u>Fair Value</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>
Certificate of Deposits	\$1,031,063	\$1,031,063
One Year Adjustable-Rate Term Investment	408,204	408,204
Mutual Funds:		
Thrivent Moderately Aggressive Allocation	<u>1,643,242</u>	<u>1,643,242</u>
Total	<u>\$3,082,509</u>	<u>\$3,082,509</u>

The Organization recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were not transfers between levels in the years ended December 31, 2020 and 2019.