

GLOBAL HEALTH MINISTRIES
FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

GLOBAL HEALTH MINISTRIES

INDEX

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	
FINANCIAL STATEMENTS	
Statements of Financial Position	1-2
Statements of Activities	3
Statements of Functional Expenses	4-5
Statements of Cash Flows	6
NOTES TO FINANCIAL STATEMENTS	7-12

BOYER & COMPANY

A Professional Association

Certified Public Accountants

1450 Burnhaven Drive-Suite 135
Burnsville, MN 55306
(952) 435-3437

INDEPENDENT AUDITORS' REPORT

Board of Directors
Global Health Ministries
Minneapolis, MN

Opinion

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, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows 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 Global Health Ministries as of December 31, 2021 and 2020 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.

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 Global Health Ministries 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.

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.

Responsibilities of Management 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.

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 Global Health Ministries 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 as a whole 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 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 risks 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.
- 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 Health Ministries' 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Global Health Ministries' 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.

Bayer + Company

Burnsville, MN

May 31, 2022

GLOBAL HEALTH MINISTRIES
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 700,366	\$ 501,460
Unconditional Promises to Give:		
Without Donor Restrictions	3,770	9,284
With Donor Restrictions	9,582	98,419
Accounts Receivable	6,983	2,398
Prepaid Expenses	39,077	22,591
Investments	<u>2,295,313</u>	<u>2,506,820</u>
Total Current Assets	<u>3,055,091</u>	<u>3,140,972</u>
Endowment Investments		
Marketable Securities	<u>2,243,354</u>	<u>1,655,227</u>
Total Endowment Investments	<u>2,243,354</u>	<u>1,655,227</u>
Property and Equipment - Net	761,477	775,848
Long-Term Investments	310,887	309,822
Cash Surrender Value of Life Insurance	<u>-</u>	<u>21,466</u>
 TOTAL ASSETS	 <u>\$ 6,370,809</u>	 <u>\$ 5,903,335</u>

See notes to financial statements.

GLOBAL HEALTH MINISTRIES

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 29,642	\$ 29,254
Accrued Wages	25,420	27,221
Total Current Liabilities	<u>55,062</u>	<u>56,475</u>
Net Assets		
Without Donor Restrictions:		
Undesignated	1,701,961	1,497,944
Board Designated Endowment	<u>1,652,054</u>	<u>1,586,661</u>
Total Without Donor Restrictions	<u>3,354,015</u>	<u>3,084,605</u>
With Donor Restrictions:		
Restricted for Specific Projects	2,874,247	2,674,770
Endowment Fund	<u>87,485</u>	<u>87,485</u>
Total With Donor Restrictions	<u>2,961,732</u>	<u>2,762,255</u>
Total Net Assets	<u>6,315,747</u>	<u>5,846,860</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,370,809</u>	<u>\$ 5,903,335</u>

See notes to financial statements.

GLOBAL HEALTH MINISTRIES
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Net Assets Without Donor Restrictions		
Revenues, Gains, and Other Support		
Contributions	\$ 1,263,787	\$ 1,106,079
Investment Income	243,883	188,214
Restrictions Satisfied by Payments	<u>4,293,324</u>	<u>3,404,955</u>
Total Revenues, Gains, and Other Support - Without Donor Restriction	<u>5,800,994</u>	<u>4,699,248</u>
Expenses		
Project - Direct	4,293,324	3,404,962
Project - Support	540,902	558,409
Administration	311,695	301,156
Fund Raising	<u>264,326</u>	<u>249,726</u>
Total Expenses	<u>5,410,247</u>	<u>4,514,253</u>
Transfer to Net Assets With Donor Restrictions	(121,337)	(112,410)
Increase In Net Assets - Without Donor Restrictions	<u>269,410</u>	<u>72,585</u>
Net Assets With Donor Restrictions		
Contributions	4,339,725	4,272,995
Investment Income	31,739	25,357
Restrictions Satisfied by Payments	(4,293,324)	(3,404,955)
Transfer from Net Assets Without Donor Restrictions	<u>121,337</u>	<u>112,410</u>
Increase in Net Assets - With Donor Restrictions	<u>199,477</u>	<u>1,005,807</u>
Increase in Net Assets	468,887	1,078,392
Net Assets - Beginning of Year	<u>5,846,860</u>	<u>4,768,468</u>
Net Assets - End of Year	<u>\$ 6,315,747</u>	<u>\$ 5,846,860</u>

See notes to financial statements.

GLOBAL HEALTH MINISTRIES

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021			
	Program Services	Supporting Services		Total Expenses
		Management	Fund Raising	
Direct Program Expenses				
Cameroon	\$ 493,946	\$ -	\$ -	\$ 493,946
Central African Republic	75,252	-	-	75,252
El Salvador	41,046	-	-	41,046
Ethiopia	24,348	-	-	24,348
Liberia	1,155,383	-	-	1,155,383
Madagascar	485,880	-	-	485,880
Nicaragua	150	-	-	150
Nigeria	52,528	-	-	52,528
South Sudan	82,149	-	-	82,149
Tanzania	1,160,429	-	-	1,160,429
Zimbabwe	438,544	-	-	438,544
Global Health Adm. Partners	283,669	-	-	283,669
Total Direct Program Expenses	<u>\$ 4,293,324</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,293,324</u>
Functional Expenses				
Director's Compensation	\$ 64,669	\$ 48,465	\$ 16,203	\$ 129,337
Other Salaries & Wages	264,566	157,768	126,948	549,282
Staff Pension Plan	24,156	14,346	9,994	48,496
Other Employee Benefits	54,767	31,295	18,901	104,963
Payroll Taxes	23,002	13,253	10,236	46,491
Fees for Services:				
Accounting Fees	-	7,817	-	7,817
Professional Fundraising	-	-	-	-
Other	1,580	258	1,130	2,968
Advertising & Promotion	16	-	13,294	13,310
Office Expenses	34,807	9,349	38,843	82,999
Information Technology	6,361	10,786	14,488	31,635
Occupancy	29,618	5,084	-	34,702
Travel	358	-	1,315	1,673
Conferences & Meetings	572	-	11,085	11,657
Depreciation	33,700	6,319	1,452	41,471
Insurance	-	2,479	-	2,479
Staff Development	1,160	4,165	118	5,443
Memberships	1,530	122	-	1,652
Other Expenses	40	189	319	548
Total Functional Expenses	<u>\$ 4,834,226</u>	<u>\$ 311,695</u>	<u>\$ 264,326</u>	<u>\$ 5,410,247</u>

See notes to financial statements.

GLOBAL HEALTH MINISTRIES

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

	2020			
	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total Expenses</u>
		<u>Management</u>	<u>Fund Raising</u>	
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
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities:		
Increase in Net Assets	\$ 468,887	\$ 1,078,392
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	41,471	40,462
Unrealized (Gains) Losses on Investments	(273,049)	(137,118)
(Increase) Decrease in Assets:		
Unconditional Promises to Give Without Donor Restrictions	5,514	(6,776)
Unconditional Promises to Give With Donor Restrictions	88,837	97,169
Accounts Receivable	(4,585)	7,249
Prepaid Expenses	(16,486)	15,961
Increase (Decrease) in Liabilities:		
Accounts Payable	388	(33,545)
Accrued Wages and Payroll Taxes	(1,801)	2,367
Net Cash Provided by Operating Activities	<u>309,176</u>	<u>1,064,161</u>
Cash Flows From Investing Activities:		
Net Purchase of Investments	(104,636)	(1,252,242)
(Increase) Decrease in Cash Surrender Value of Investments	21,466	(1,212)
Payments for Property And Equipment	(27,100)	(1,832)
Net Cash Used by Investing Activities	<u>(110,270)</u>	<u>(1,255,286)</u>
Net Increase (Decrease) In Cash	198,906	(191,125)
Cash and Cash Equivalents, Beginning of Year	<u>501,460</u>	<u>692,585</u>
Cash and Cash Equivalents, End of Year	<u>\$ 700,366</u>	<u>\$ 501,460</u>

See notes to financial statements.

GLOBAL HEALTH MINISTRIES

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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, 2021 and 2020, 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 19,700 and over 13,400 volunteer hours for the years ended December 31, 2021 and 2020, 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 \$41,471 and \$40,462 for the years ended December 31, 2021 and 2020, 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.

GLOBAL HEALTH MINISTRIES

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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

- 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.
- 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, 2021 and 2020, 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, 2021 and 2020, 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 \$59,131 and \$57,955 for the years ended December 31, 2021 and 2020, 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 2018.
- N. Subsequent Events – Subsequent events have been evaluated through May 31, 2022, 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 February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842). The guidance in the ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the

GLOBAL HEALTH MINISTRIES

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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

income statement. The new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the finance statements, with certain practical expedients available. Management is currently evaluating the impact of the pending adoption of the new standard on the financial statements.

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>2021</u>	<u>2020</u>
Financial Assets, At Year End	\$5,259,368	\$4,773,608
Less Those Available for General Expenditures Within One Year Due to:		
Donor Imposed Restrictions Based on Purpose	2,874,247	2,674,770
Board Designated Reserve Fund	<u>1,652,054</u>	<u>1,586,660</u>
Financial Assets Available to Meet Cash Needs For General Expenditures Within One Year	<u>\$ 733,067</u>	<u>\$ 512,178</u>

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents include:

		<u>2021</u>	<u>2020</u>
Cash in Bank Checking and Savings	Highland Bank	\$596,181	\$397,619
	Bremer Bank	8,680	8,737
	Mission Investment Fund	62,548	62,189
Cash Equivalents	Highland Bank Money Market	32,952	32,910
	Thrivent Money Market	<u>5</u>	<u>5</u>
Total Cash and Cash Equivalents		<u>\$700,366</u>	<u>\$501,460</u>

NOTE 4 – INVESTMENTS

Investments include:

		<u>2021</u>	<u>2020</u>
Certificates of Deposit, 13 Weeks, Interest Various		\$2,295,313	\$2,506,820
Thrivent Moderate, Aggressive Allocation Fund		\$1,699,780	\$1,554,307
Thrivent Limited Maturity Board Fund		\$ 2,596	\$ 100,920
Thrivent Moderate Allocation Fund		\$ 540,978	\$ -

GLOBAL HEALTH MINISTRIES

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2021</u>	<u>2020</u>
Land	\$ 93,200	\$ 93,200
Building	1,159,453	1,148,053
Warehouse Equipment	31,157	15,457
Office Furniture and Equipment	<u>162,518</u>	<u>167,007</u>
Total Property and Equipment	1,446,328	1,423,717
Less: Accumulated Depreciation	<u>684,861</u>	<u>647,869</u>
Net Property and Equipment	<u>\$ 761,477</u>	<u>\$ 775,848</u>

NOTE 6 – LONG TERM INVESTMENTS

	<u>2021</u>	<u>2020</u>
Three Year Adjustable-Rate Term Investment	\$ 310,887	\$ 309,822

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

	<u>2021</u>	<u>2020</u>
Restricted for subsequent years' program expenses:		
Balance January 1	\$ 2,762,255	\$ 1,756,448
Contributions	4,339,725	4,272,995
Investment Income	31,739	25,357
Restrictions Satisfied by Payments	(4,293,324)	(3,404,955)
Transfer from Without Donor Restrictions	<u>121,337</u>	<u>112,410</u>
Balance December 31	<u>\$ 2,961,732</u>	<u>\$ 2,762,255</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>2021</u>	<u>2020</u>
Shipping Medical Supplies and Purchasing Equipment	\$ 238,070	\$ 173,266
Leadership Training	157,901	146,011
Community Based Primary Health Care	2,311,040	2,268,073
Facility Construction	167,236	87,420
Permanent Endowment	<u>87,485</u>	<u>87,485</u>
Total	<u>\$2,961,732</u>	<u>\$2,762,255</u>

GLOBAL HEALTH MINISTRIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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.

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, 2021 and 2020.

- 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.

GLOBAL HEALTH MINISTRIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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, 2021 are as follows:

<u>December 31, 2021</u>	<u>Fair Value</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>
Certificate of Deposits	\$2,295,313	\$2,295,313
Three Year Adjustable-Rate Term Investment	310,887	310,887
Mutual Funds:		
Thrivent Moderately Aggressive Allocation	1,699,780	1,699,780
Thrivent Limited Maturity Board Fund	2,596	2,596
Thrivent Moderate Allocation Fund	<u>540,978</u>	<u>540,978</u>
Total	<u>\$4,849,554</u>	<u>\$4,849,554</u>

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>

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, 2021 and 2020.