

The Orthodox Christian Mission Center, Inc.

FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION

Years Ended June 30, 2021 and 2020

The Orthodox Christian Mission Center, Inc.

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Orthodox Christian Mission Center, Inc.  
St. Augustine, Florida

We have audited the accompanying financial statements of The Orthodox Christian Mission Center, Inc., (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year 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 audit. 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 The Orthodox Christian Mission Center, Inc. as of June 30, 2021, the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

We have previously audited The Orthodox Christian Mission Center, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 25, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of revenues, support and expenses for the year ended June 30, 2021 is presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in blue ink that reads "The Forde Firm, LLC". The signature is written in a cursive, flowing style.

The Forde Firm, LLC  
Jacksonville, Florida  
October 25, 2021

**The Orthodox Christian Mission Center, Inc.**  
**STATEMENT OF FINANCIAL POSITION**  
June 30, 2021  
With Summarized Comparative Financial Information for June 30, 2020

	<b>June 30, 2021</b>			For Comparative Purposes Only 2020
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 1,314,065	\$ -	\$ 1,314,065	\$ 656,292
Short-term investments	4,689	-	4,689	3,901
Accounts receivable	5,800	-	5,800	1,555
Pledges receivable, current, net of allowance	1,662	3,189	4,851	10,761
Prepaid Expenses	<u>48,913</u>	<u>-</u>	<u>48,913</u>	<u>50,587</u>
Total Current Assets	<u>1,375,129</u>	<u>3,189</u>	<u>1,378,318</u>	<u>723,096</u>
<b>NONCURRENT ASSETS</b>				
Investments	3,089,881	6,054,730	9,144,611	7,894,411
Property and Equipment	<u>3,618,390</u>	<u>-</u>	<u>3,618,390</u>	<u>3,700,835</u>
Total Noncurrent Assets	<u>6,708,271</u>	<u>6,054,730</u>	<u>12,763,001</u>	<u>11,595,246</u>
Total Assets	<u><u>8,083,400</u></u>	<u><u>6,057,919</u></u>	<u><u>14,141,319</u></u>	<u><u>12,318,342</u></u>

See Accompanying Notes to Financial Statements.

**The Orthodox Christian Mission Center, Inc.**  
**STATEMENT OF FINANCIAL POSITION**  
June 30, 2021  
With Summarized Comparative Financial Information for June 30, 2020

	<u>June 30, 2021</u>			For Comparative Purposes Only 2020
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ 4,953
Paycheck Protection Program	253,283	-	253,283	-
Accrued Expenses	510,537	-	510,537	522,547
Deferred revenue	<u>207,275</u>	<u>-</u>	<u>207,275</u>	<u>93,350</u>
Total Current Liabilities	<u>971,095</u>	<u>-</u>	<u>971,095</u>	<u>620,850</u>
 <b>NET ASSETS</b>	 <u>7,112,305</u>	 <u>6,057,919</u>	 <u>13,170,224</u>	 <u>11,697,492</u>
Total Liabilities and Net Assets	<u>8,083,400</u>	<u>6,057,919</u>	<u>14,141,319</u>	<u>12,318,342</u>

See Accompanying Notes to Financial Statements.

**The Orthodox Christian Mission Center, Inc.**  
Statement of Activities  
For the Year Ended June 30, 2021  
With Summarized Comparative Financial Information for June 30, 2020

	<b>2021</b>			For Comparative Purposes Only 2020
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	
REVENUES:				
Contributions	\$ 1,638,823	\$ 2,804,820	\$ 4,443,643	\$ 4,388,848
Bequests	60,015	-	60,015	1,187,964
Investments, Net	181,221	718,009	899,230	64,883
Other revenues and support	<u>14,073</u>	<u>-</u>	<u>14,073</u>	<u>21,825</u>
Total Revenues and Support subtotal	<u>1,894,132</u>	<u>3,522,829</u>	<u>5,416,961</u>	<u>5,663,520</u>
Satisfaction of program restrictions	<u>1,355,381</u>	<u>(1,355,381)</u>	<u>-</u>	<u>-</u>
Total Revenues and Support	<u>3,249,513</u>	<u>2,167,448</u>	<u>5,416,961</u>	<u>5,663,520</u>
EXPENSES:				
Mission Programs	2,748,318	-	2,748,318	2,617,676
Management and general	462,011	-	462,011	512,014
Development	<u>733,900</u>	<u>-</u>	<u>733,900</u>	<u>678,080</u>
	<u>3,944,229</u>	<u>-</u>	<u>3,944,229</u>	<u>3,807,770</u>
Increase (Decrease) in Net Assets	(694,716)	2,167,448	1,472,732	1,855,750
Net Assets, Beginning of Year	<u>7,807,021</u>	<u>3,890,471</u>	<u>11,697,492</u>	<u>9,841,742</u>
Net Assets, End of Year	<u><u>\$ 7,112,305</u></u>	<u><u>\$ 6,057,919</u></u>	<u><u>\$ 13,170,224</u></u>	<u><u>\$ 11,697,492</u></u>

See Accompanying Notes to Financial Statements.

**The Orthodox Christian Mission Center, Inc.**

Statement of Cash Flows

For the Year Ended June 30, 2021

With Summarized Comparative Financial Information for June 30, 2020

	<b>2021</b>			For Comparative Purposes Only 2020
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Change in net assets	\$ (694,716)	\$ 2,167,448	\$ 1,472,732	\$ 1,855,750
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:				
Depreciation	83,325	-	83,325	82,598
Pledges written off and allowance adjustment	-	-	-	-
Net realized and unrealized investment (gains) losses	(107,323)	(727,114)	(834,437)	106,815
Changes in Operating Assets and Liabilities:				
(Increase) decrease in accounts receivable	(4,245)	-	(4,245)	8,960
(Increase) decrease in pledges receivable	865	5,045	5,910	32,715
(Increase) decrease in prepaid expenses	1,674	-	1,674	17,606
Increase (decrease) in accounts payable	(4,953)	-	(4,953)	(25,957)
Increase (decrease) in accrued expenses	(12,010)	-	(12,010)	42,678
Increase (decrease) in deferred revenue	113,925	-	113,925	27,237
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>(623,458)</u>	<u>1,445,379</u>	<u>821,921</u>	<u>2,148,402</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment sales	1,083,533	(1,355,736)	(272,203)	372,871
Investment purchases	(54,705)	(89,643)	(144,348)	(2,098,685)
Investment in property and equipment	<u>(880)</u>	<u>-</u>	<u>(880)</u>	<u>(5,095)</u>
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<u>1,027,948</u>	<u>(1,445,379)</u>	<u>(417,431)</u>	<u>(1,730,909)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Paycheck protection program loan	<u>253,283</u>	<u>-</u>	<u>253,283</u>	372,871
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<u>253,283</u>	<u>-</u>	<u>253,283</u>	<u>372,871</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	657,773	-	657,773	417,493
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>656,292</u>	<u>-</u>	<u>656,292</u>	<u>238,799</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 1,314,065</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,314,065</u></u>	<u><u>\$ 656,292</u></u>
<b>SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION</b>				
Interest expense paid	<u><u>\$ -</u></u>			<u><u>\$ -</u></u>
Income taxes paid	<u><u>\$ -</u></u>			<u><u>\$ -</u></u>

See Accompanying Notes to Financial Statements.



# The Orthodox Christian Mission Center, Inc.

## Statement of Functional Expenses

For the Year Ended June 30, 2021

With Summarized Comparative Financial Information for June 30, 2020

	<b>2021</b>				For Comparative Purposes Only 2020
	<u>Program Services</u>	<u>Management and General</u>	<u>Development</u>	<u>Total</u>	
Salaries, taxes, and benefits	\$1,275,503	\$ 294,123	\$ 543,048	\$2,112,674	\$2,018,449
Grants and projects	1,020,569	-	35,299	1,055,868	1,100,919
Conferences	-	26	-	26	570
Consulting	-	27,124	823	27,947	32,714
Computer expenses	39,844	18,804	26,674	85,322	88,568
Training and Education	15,487	2,111	2,772	20,370	19,735
Insurance	33,219	8,425	6,562	48,206	43,017
Maintenance	33,201	7,575	4,968	45,744	33,935
Utilities	9,243	974	1,383	11,600	10,941
Office Expense	4,736	2,253	3,576	10,565	9,323
Postage and shipping	4,673	16,999	18,989	40,661	41,546
Printing	5,620	4,109	64,876	74,605	92,829
Telephone	5,438	2,688	4,154	12,280	11,656
Travel	27,319	1,215	6,266	34,800	132,437
Pandemic Emergency Response	188,297	-	-	188,297	-
Depreciation	59,988	14,361	8,976	83,325	82,598
Other	25,181	61,224	5,534	91,939	88,533
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenses	<u>\$2,748,318</u>	<u>\$ 462,011</u>	<u>\$ 733,900</u>	<u>\$3,944,229</u>	<u>\$3,807,770</u>

See Accompanying Notes to Financial Statements.

**The Orthodox Christian Mission Center, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2021

1. ORGANIZATION:

Nature of Organization

The Orthodox Christian Mission Center, Inc. (the OCMC, or the Center) is a nonprofit corporation organized under the laws of the State of Florida in 1992. The OCMC is the official missions and evangelism agency of The Assembly of Canonical Orthodox Bishops of North and Central America (formerly known as the Episcopal Assembly of North and Central America and the Standing Conference of Canonical Orthodox-Bishops in the Americas). The Assembly of Canonical Orthodox Bishops of North and Central America (Assembly) is the parent organization of the OCMC. The members of the corporation shall be those persons who, from time to time, shall be members of the Board of Directors of the Corporation in accordance with the terms and provisions of Article VIII of the Articles of Incorporation.

Nature of Business

Our mission, as the official missions agency of the Assembly of Canonical Orthodox Bishops of the United States, is to make disciples of all nations by bringing people to Christ and His Church. Our vision is that all people may come to know the saving love of our Lord: Father, Son and Holy Spirit. We value proclaiming and witnessing Christ to all people with priority given to those who have never heard or accepted the Gospel. We value sharing the love of Christ for the care of the total person, spiritual and physical. We value ministry in the language and culture of the people. We value our people – well-trained missionaries, staff, board, supporters, and indigenous leadership and those being served. We value communities, parishes, and individuals that are mission-minded and have active mission involvement. We value being an open and transparent agency that values the gifts of stewardship provided to us by the faithful.

OCMC's mission is accomplished with the following programs:

Long-Term Missionaries

OCMC sends missionaries to proclaim the fullness of the Orthodox faith and to participate in sharing the Holy Gospel, teaching, and helping to establish and develop local churches. Their unique skills, experience, and gifts serve the receiving Church under its hierarchy.

From having no long-term mission workers at OCMC's founding in 1985, today they have 29 vocational missionaries (either individuals or families) in the field.

We have established a legacy and tradition of missionary service. In fact, one of our long-term missionary couples is the son and daughter-in-law of our first long-term missionaries Fr. Martin and Renee Ritsi.

## **The Orthodox Christian Mission Center, Inc.**

### **NOTES TO FINANCIAL STATEMENTS**

June 30, 2021

-Continued-

#### Short-Term Mission Teams

Orthodox Mission Teams are one to three-week opportunities for groups of Orthodox Christians to serve as witnesses to the Gospel by teaching the faith, ministering to youth, providing healthcare, and participating in outreach. On average, 19 short-term teams will take to the mission field each year.

#### Support a Mission Priest (SAMP)

Support a Mission Priest (SAMP) is a development program of the Orthodox Christian Mission Center that offers monthly financial assistance to indigenous priests in extremely poor areas around the world. Through SAMP donations, the priest is able to apply himself more fully to the needs of the parish, and hierarchs are able to ordain more clergy to meet the growing needs of their flock.

Individuals or groups pledge to give \$600 annually to support a priest or deacon. Partial-year donations are gratefully appreciated as well.

Currently, the SAMP program supports 367 mission priests in Benin (5), Cameroon (9), Chad (1), Democratic Republic of the Congo (45), Cote d'Ivoire (3), Ghana (17), India (9), Indonesia (7), Kenya (162), Madagascar (20), Nigeria (6), South Africa (3), Tanzania (14), Uganda (64), and Zimbabwe (2).

#### Theological Education

Training local leadership and clergy are essential as a means to reach people and grow the Church. For example, in the Turkana region of Kenya, there is an amazing openness to the gospel in villages that have no church. Each of the clergy is already responsible for two to four communities.

Annually, OCMC supports theological school and seminaries in mission countries that train future clergy and lay leaders, both men and women. In some countries, however, there are no Orthodox seminaries. In these places, grants may be offered for correspondence programs. Sometimes, studies at seminaries here in the United States are sponsored. One further way that local clergy are strengthened has been to sponsor higher education at local universities.

Through these methods, the local leadership that is needed to reach the people, spread the Gospel, and lead the Church, is strengthened.

#### Mission Projects

Orthodox communities, organizations, and individuals support mission projects that meet physical and spiritual needs and help strengthen local churches around the world. These funds provide grants for specific mission projects, including the establishment and support of philanthropic ministries and the construction of churches, water wells, and housing, to name just a few activities.

**The Orthodox Christian Mission Center, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2021

-Continued-

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Center and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. The board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Comparative Financial Statements

The financial statements include certain prior-year summarized and comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2020, from which the summarized financial information was derived.

Investments

Investments in marketable equity securities with readily determinable fair values are presented in the statement of financial position at their fair market value.

**The Orthodox Christian Mission Center, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2021

-Continued-

Cash

For purposes of reporting total cash in the statement of financial position cash includes operating accounts and interest-bearing accounts, all of which are available for immediate withdrawal.

AmerisBank operating	\$ 1,047,923
AmerisBank travel cash	5,024
Wells Fargo Bank events	7,436
VyStar Credit Union PPP Account	<u>253,682</u>
Cash in banks	1,314,065
Petty cash	<u>-0-</u>
Total Cash	<u>\$ 1,314,065</u>

Revenue and Support With and Without Donor Restrictions

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Donated Services

Donated professional services are recognized if the services received require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. In addition, the Center receives a significant amount of unskilled, donated time, which does not meet the recognition criteria described above. Accordingly, the value of this donated time has not been determined and is not reflected in the accompanying financial statements.

Donated Property

Gifts of land, buildings, and equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as restricted support.

Furniture, Fixtures and Equipment

Furniture, fixtures, and equipment are recorded at cost. Donated furniture, fixtures and equipment are recorded at fair market value.

The Center follows the practice of capitalizing all expenditures for furniture, fixtures and equipment in excess of \$500. Depreciation is computed on the straight-line method over the estimated economic useful lives of five to ten years.

**The Orthodox Christian Mission Center, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2021

-Continued-

Land and Buildings

Land and buildings are recorded at cost. Expenditures for building additions and/or improvements in excess of \$ 2,000 are capitalized.

Depreciation

The Center records depreciation under the straight-line and other accelerated methods. The following lives are generally used:

Buildings and improvements	5 - 39 years
Improvements	5 - 39 years
Computer equipment	3 - 5 years
Furniture and fixtures	5 - 7 years
Other assets	3 - 5 years

Impaired Assets

The Center annually reviews the status of property and equipment held by the Center for any changes or circumstances that might indicate that there has been an impairment of those assets. Any such impairment would result in a permanent reduction in the recorded value of the asset.

Pledges Receivable and Related Allowance for Uncollectible Pledges

Unconditional promises to give are recognized as revenues or gains in the period received. Pledges receivable are stated at unpaid balances, less an allowance for doubtful collections, and further reduced to reflect the loss of purchasing power connected with the extended time until collection. The Center provides for losses on pledges using the allowance method. The allowance is based on experience and other circumstances. It is the Center's policy to charge off uncollectible pledges receivable when management determines the receivable is no longer valid. Details for this calculation are presented in Note 5.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Company to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Interdepartmental Transactions

Interdepartmental revenue and expense have been eliminated from the financial statements. Readers may see this application by reading the supplemental schedule following the notes to the financial statements.

**The Orthodox Christian Mission Center, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2021

-Continued-

Tax Status

The Center is exempt from income taxes under 501(c)(3) of the US Internal Revenue Code; accordingly, no provision for income taxes has been made in the accompanying financial statements. The Center accounts for the effect of any uncertain tax positions based on a more likely than not threshold to the recognition of the tax positions being sustained based on the technical merits of the position under examination by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a cumulative probability assessment that aggregates the estimated tax liability for all uncertain tax positions. Tax positions of the Center include, but are not limited to, the tax-exempt status and determination of whether income is subject to unrelated business income tax; however, the Center has determined that such tax positions do not result in an uncertainty requiring recognition.

Current tax laws generally permit examination during the three (3) year period following the close of the tax year for income tax returns thus making 2017, 2018, 2019 and the current 2020 year within such a limit.

Functional Allocation of Expenses

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 the programs and supporting services benefited. Cost which can be identified with a particular program will be allocated to directly to that program. Management salaries and other indirect cost are generally allocated based upon time spent on each activity.

3. PROPERTY AND EQUIPMENT

The estimated useful lives and carrying value of land, buildings and equipment are as follows:

<u>Description</u>	<u>Cost</u>
Land and improvements	\$ 1,539,580
Building	3,119,017
Furniture and equipment	130,508
Computer equipment	35,969
Non-depreciable assets	<u>2,000</u>
	4,827,074
Less accumulated depreciation	<u>(1,208,684)</u>
Net Property and Equipment	<u>\$ 3,618,390</u>

Depreciation expense for the year ended June 30, 2021 was \$ 83,325.

**The Orthodox Christian Mission Center, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2021

-Continued-

4. INVESTMENTS

Investments in debt and equity securities have readily determinable market values and are stated at fair value in the statements of financial position. Increases and decreases in fair values are included in the statements of activities. All fair value measures are level 1 inputs (see Note 13 for further explanation) as defined by Financial Accounting Standards Board (FASB) in its Accounting Standards Codification 820. As of June 30, 2021, investments consisted of:

	<u>Market</u>	<u>Cost</u>	<u>Unrealized Gain(loss)</u>
Cash	\$ 5,147,396	\$5,147,396	\$ -
Short-term	4,689	2,923	1,766
Cash Alternatives	377,187	315,121	62,066
Equities	3,143,323	2,592,572	550,751
Other	192,324	158,164	34,160
Fixed Income	<u>284,381</u>	<u>238,439</u>	<u>45,942</u>
	<u>\$ 9,149,300</u>	<u>\$ 8,454,615</u>	<u>\$ 694,685</u>

Short-term investments consist primarily of individual equities that have been donated, without donor restrictions, to the Center. The Center's policy is to sell these equities as soon as practical and transfer the funds to the operating account. Thus, they are considered to be short term investments. The total fair value of investments of \$9,149,300 is presented on the statement of financial position as short-term investments of \$4,689 and noncurrent investments of \$9,144,611.

The money market funds and cash balances with the investment accounts are not intended to be used in the current period since the majority of these funds are restricted in use (see note 14). Thus, they are considered part of long-term investments.

Changes in investment accounts consist of the following:

	<u>Mission</u>
Investments, June 30, 2020	<u>\$ 7,895,672</u>
Contributions deposited	-0-
Transfers in	352,988
Transfers out	-0-
Interest and dividends earned	144,348
Realized and unrealized gains and (losses)	766,975
Investment fees charged	<u>(15,372)</u>
Subtotal, change in investments	<u>1,248,939</u>
Investments, June 30, 2021	<u>\$ 9,144,611</u>



**The Orthodox Christian Mission Center, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2021

-Continued-

5. PLEDGES RECEIVABLE

Pledges receivable represent unconditional promises to give and are due as follows:

Due in less than one year	\$ 10,347
Less allowance for uncollectible pledges	<u>(5,496)</u>
Net pledges receivable	<u>\$ 4,851</u>

6. RETIREMENT PLAN

The Center sponsors a 403(b) plan for employees. Participation is open to all employees. The participants may contribute Section 403(b) elective deferrals up to the federally mandated limits. Annual contributions are limited by the Internal Revenue Code, which may be changed from time to time. The Center does not match or make any other form of discretionary contribution to the 403(b) plan. Presently, three employees are participating.

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions represent accumulated contributions held for donor specified purposes. Net assets with donor restrictions are available for the following at June 30, 2021:

Operations	\$ 3,687,439
Missionary accounts	1,850,587
Mission teams	7,552
Support a Mission Priest program	151,093
Agape grants	119,780
Theological Training program	38,982
Miscellaneous mission projects	<u>202,486</u>
	<u>\$ 6,057,919</u>

**The Orthodox Christian Mission Center, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2021

-Continued-

8. CONCENTRATIONS AND CREDIT RISKS

The Center maintains bank accounts with institutions insured by the Federal Deposit Insurance Corporation (FDIC). This FDIC insurance is limited to \$250,000 per depositor. Such excesses are considered a contingent risk under generally accepted accounting principles. The amount exceeding the FDIC insured level at June 30, 2021 was \$1,417,623.

The Center's total investments of \$9,149,300 at June 30, 2021 are held in seventeen (17) separate investment broker accounts. Thirteen (13) of these accounts are invested in the same three (3) mutual funds. The balance in the three mutual funds total \$2,956,322. The first of these funds (First Eagle Global Funds I, (SGIIX)) holds a total of \$959,423 which represents 10.5% of the total investment balance. The second fund (Blackrock Global Allocation Fund, Inc., Institutional, (MALOX)) holds \$1,007,740 or 11.1% of the total investment balance. The remaining fund (FPA Crescent Fund, (FPACX)) holds \$989,159 which represents 10.9%. The Center has a balance in one equity fund (SPDR S&P 500 ETF TR of \$1,040,893 which represents 11.4% of the total investment balance.

The Center believes each of these mutual funds have sufficiently diversified investment portfolios that mitigate the risk normally associated with such concentrations.

Two (2) of the funds are invested in UBS Select Prime Investor Fund, which invests in a diversified portfolio of High-quality, short-term US dollar denominated money market instruments (mutual funds) of government and private issues. The total invested in US Select Prime was \$775,192, or 8.5% of the total investment portfolio. One (1) of the funds is invested in UBS Select Prime Institutional Fund, which is also considered a cash alternative. The total invested in this account is \$3,532,041 or 38.6% of the total investment portfolio.

\$520,529 is invested in UBS bank USA which is a short-term money market fund. One (1) fund is invested in an UBS AG Deposit Account valued at \$345,488 or 3.8% of the total investment portfolio. The balances in the UBS bank accounts are subject to the FDIC insurance limit of \$250,000.

9. CONTRIBUTIONS IN-KIND

Contributions in-kind consist of discounts on postage and on various fund raising and banquet items.

**The Orthodox Christian Mission Center, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2021

-Continued-

10. LEASES

The Center entered into office equipment lease agreements with terms in excess of one year. Lease expense for the year ended June 30, 2021 was \$5,090. Future minimum lease payments are as follows:

2021-2022	\$ 5,090
2022-2023	5,090
2023-2024	723
Thereafter	<u>-0-</u>
	<u>\$ 10,903</u>

11. SUBSEQUENT EVENTS

In preparing these financial statements, the Center evaluated events and transactions for potential recognition or disclosure through October 25, 2021, the date the financial statements were available to be issued.

12. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable consist of amounts due to vendors and missionaries. Accrued expenses consist of the following:

Accrued employee benefits	\$ 133,027
Missionary funds for resettlement	<u>377,873</u>
	<u>\$ 510,900</u>

**The Orthodox Christian Mission Center, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2021

-Continued-

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial Accounting Standards Board ASC 820-10, “*Fair Value Measurements*” defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

ASC 820-10 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs are inputs that reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1 – Valuations are based on quoted prices in active markets for identical assets or liabilities. Valuation adjustments are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.
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Level 2 – Valuations are based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.
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Level 3 – Valuations are based on inputs that are unobservable and significant to the overall fair value measurement and must therefore be determined by discounted cash flows or other recognized valuation processes.
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*Level 1 Fair Value Measurements*

The carrying value of cash, cash equivalents, accounts receivable, prepaid expenses, cash value life insurance, accounts payable and accrued expenses are considered as representing fair market value based upon their short-term nature or surrender value. Investments are also considered as level 1 because all securities held are widely traded.

*Level 2 Fair Value Measurements*

The Center has no assets that would require being valued as level 2 inputs.

*Level 3 Fair Value Measurements*

The Center has no assets that would require being valued as level 3 inputs.

**The Orthodox Christian Mission Center, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2021

-Continued-

14. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Center is at least partly funded by contributions from donors that impose restrictions. Those restrictions may require that the resources be used in a certain manner or in a future period. Therefore, the Center must maintain adequate resources to meet those responsibilities to its donors and certain financial assets may not be available for general expenditures within one year. As part of its liquidity management, the Center has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due.

The below reflects the Center's financial assets as of the statement of financial position date, reduced by amounts that are not available for general use due to donor-imposed restriction or other reasons within one year of the statement of financial position date:

Financial assets at June 30, 2021	\$ 10,474,016
Less those unavailable for general expenditures within one year due to:	
Donor imposed restrictions for:	
Operations	(3,687,439)
Missionary accounts	(1,850,587)
Mission teams	(7,552)
Support a Mission Priest program	(151,093)
Agape grants	(119,780)
Theological Training program	(38,982)
Miscellaneous mission projects	<u>(202,486)</u>
Total financial assets unavailable within one year	<u>(6,057,919)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,416,097</u>

The Board of Trustees and management have adopted a program such that an amount above six months of operating reserve is to be set aside and invested in a separate investment account to be used in the future only through approval of the Board of Trustees. Future investments or withdrawals are to be made from the surplus operating reserve above six months determined at the close of books at the end of each fiscal year and will be approved during the budget process. As of June 30, 2021, the amount in this investment totaled \$1,172,889 and is included in the \$4,416,097 amount noted above.

**The Orthodox Christian Mission Center, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2021

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15. PAYROLL PROTECTION PROGRAM

Established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), the PPP provides for loans to qualifying businesses in amounts up to 2.5 times the business’s average monthly payroll expenses. PPP loans and accrued interest are forgivable after a “covered period” (eight or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period. The organization used their PPP loan proceeds for purposes consistent with the PPP. The organization was granted a \$377,689 first round loan under the Paycheck Protection Program “PPP” administered by a Small Business Administration (SBA) approved partner. This first round loan has been forgiven in full. Subsequently, the organization applied for and received a second-round loan in the amount of \$253,283. The organization expects this to be fully forgiven as well.

## SUPPLEMENTAL SCHEDULE

**The Orthodox Christian Mission Center, Inc.**  
Supplemental Schedule of Revenues, Support and Expenses  
For the Year Ended June 30, 2021  
With Summarized Comparative Financial Information for June 30, 2020

	June 30, 2021				For Comparative Purposes Only 2020	
	Without Donor Restrictions	With Donor Restrictions	Interfund Elimination	Total		
Revenues and support						
Contributions	\$ 1,863,938	\$ 2,804,820	\$ (225,115)	\$ 4,443,643	\$ 4,388,848	
Bequests	60,015	-	-	60,015	1,187,964	
Net investment income (loss)	181,221	718,009	-	899,230	64,883	
Other revenues and support	62,167	-	(48,094)	14,073	21,825	
Total revenues and support subtotal	2,167,341	3,522,829	(273,209)	5,416,961	5,663,520	
Net assets released from restrictions	1,355,381	(1,355,381)	-	-	-	
Total revenues and support	\$ 3,522,722	\$ 2,167,448	\$ (273,209)	\$ 5,416,961	\$ 5,663,520	
Expenses	Program Services	Management and General	Development	Interfund Elimination	Totals	Totals
Salaries, taxes, and benefits	\$ 1,275,503	\$ 294,123	\$ 543,048	\$	\$ 2,112,674	\$ 2,018,449
Grants and projects	1,293,778	-	35,299	(273,209)	1,055,868	1,100,919
Conferences	-	26	-	-	26	570
Consulting	-	27,124	823	-	27,947	32,714
Computer expenses	39,844	18,804	26,674	-	85,322	88,568
Training and Education	15,487	2,111	2,772	-	20,370	19,735
Insurance	33,200	8,425	6,562	-	48,187	43,017
Maintenance	33,201	7,575	4,968	-	45,744	33,935
Utilities	9,243	974	1,383	-	11,600	10,941
Office Expense	4,736	2,253	3,576	-	10,565	9,323
Postage and shipping	4,673	16,999	18,989	-	40,661	41,546
Printing	5,620	4,109	64,876	-	74,605	92,829
Telephone	5,438	2,688	4,154	-	12,280	11,656
Travel	27,319	1,215	6,266	-	34,800	132,437
Pandemic Emergency Response	188,297	-	-	-	188,297	-
Depreciation	59,988	14,361	8,976	-	83,325	82,598
Other	25,181	61,224	5,534	-	91,939	88,553
Total Expenses	\$ 3,021,508	\$ 462,011	\$ 733,900	\$ (273,209)	\$ 3,944,210	\$ 3,807,790
Excess (deficit) of revenues and support over expenses					\$1,472,751	\$1,855,730