

EVERY GENERATION MINISTRIES AND AFFILIATE

COMBINED AUDITED FINANCIAL STATEMENTS

JUNE 30, 2021

(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020)

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INDEPENDENT AUDITOR'S REPORT

Board of Directors of
Every Generation Ministries and Affiliate
Temecula, California

We have audited the accompanying combined statements of Every Generation Ministries and Affiliate, which comprise the combined statement of financial position as of June 30, 2021 and the related combined 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 Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of Every Generation Ministries and Affiliate as of June 30, 2021, and the change in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplemental combining information is presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

Report on Summarized Comparative Information

We previously audited Every Generation Ministries and Affiliate' June 30, 2020 financial statements, and expressed an unmodified audit opinion on those audited financial statements in our report dated October 24, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Ozurovich & Associates

Rancho Santa Margarita, California
November 10, 2021

**EVERY GENERATION MINISTRIES AND AFFILIATE
COMBINED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020)**

	2021			2020
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	TOTAL
ASSETS				
<i>Current assets</i>				
Cash and cash equivalents	\$ 325,830	\$ 261,233	\$ 587,063	\$ 607,115
Grants receivable	36,959	0	36,959	0
Other receivables	0	0	0	8,959
Prepaid expenses	9,711	0	9,711	4,247
Total current assets	<u>372,500</u>	<u>261,233</u>	<u>633,733</u>	<u>620,321</u>
Property and equipment - net (Note 3)	6,264	0	6,264	13,572
Deposits	10,442	0	10,442	8,752
TOTAL ASSETS	<u>\$ 389,206</u>	<u>\$ 261,233</u>	<u>\$ 650,439</u>	<u>\$ 642,645</u>
LIABILITIES				
<i>Current liabilities</i>				
Accounts payable	\$ 7,953	\$0	\$ 7,953	\$ 7,538
Accrued expenses (Note 4)	61,085	0	61,085	61,617
Total current liabilities	<u>69,038</u>	<u>0</u>	<u>69,038</u>	<u>69,155</u>
<i>Long-Term liabilities</i>				
PPP loan payable (Note 12)	176,022	0	176,022	182,057
TOTAL LIABILITIES	<u>245,060</u>	<u>0</u>	<u>245,060</u>	<u>251,212</u>
NET ASSETS				
Net assets without donor restrictions	144,146	0	144,146	124,663
Net assets with donor restrictions (Note 8)	0	261,233	261,233	266,770
TOTAL NET ASSETS	<u>144,146</u>	<u>261,233</u>	<u>405,379</u>	<u>391,433</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 389,206</u>	<u>\$ 261,233</u>	<u>\$ 650,439</u>	<u>\$ 642,645</u>

See independent auditor's report and accompanying notes.

**EVERY GENERATION MINISTRIES AND AFFILIATE
COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020)**

	2021			2020
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	TOTAL
REVENUE AND SUPPORT				
Contributions	\$ 427,438	\$ 792,247	\$ 1,219,685	\$ 1,117,796
Fundraising events (Note 7)	195,788	0	195,788	244,901
Investment return	168	0	168	784
Grants	166,959	1,000	167,959	320,214
Debt forgiveness (Note 12)	182,057	0	182,057	0
Other	4,667	0	4,667	495
<i>Total Revenue and Support</i>	<u>977,077</u>	<u>793,247</u>	<u>1,770,324</u>	<u>1,684,190</u>
NET ASSETS RELEASED FROM RESTRICTIONS (NOTE 9)				
Satisfaction of program restrictions	798,784	(798,784)	0	0
<i>Total Revenue, Support, and Reclassifications</i>	<u>1,775,861</u>	<u>(5,537)</u>	<u>1,770,324</u>	<u>1,684,190</u>
EXPENSES				
Program services - Ministry	1,364,038	0	1,364,038	1,414,844
Management and general	198,902	0	198,902	182,603
Fundraising	219,109	0	219,109	212,777
<i>Total Expenses</i>	<u>1,782,049</u>	<u>0</u>	<u>1,782,049</u>	<u>1,810,224</u>
CHANGE IN NET ASSETS	(6,188)	(5,537)	(11,725)	(126,034)
NET ASSETS, Beginning of year	124,663	266,770	391,433	517,467
ACQUISITION OF AFFILIATE	25,671	0	25,671	0
NET ASSETS, End of year	<u>\$ 144,146</u>	<u>\$ 261,233</u>	<u>\$ 405,379</u>	<u>\$ 391,433</u>

See independent auditor's report and accompanying notes.

**EVERY GENERATION MINISTRIES AND AFFILIATE
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020)**

	2021				2020
	Program Services	Supporting Services			
	MINISTRY	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL	TOTAL
Salaries	\$ 512,119	\$ 112,411	\$ 112,411	\$ 736,941	\$ 695,194
Payroll taxes	23,739	5,345	5,347	34,431	42,176
Employee benefits	192,837	41,613	42,974	277,424	228,337
Total salaries, payroll taxes, and employee benefits	728,695	159,369	160,732	1,048,796	965,707
Advertising and promotion	25,807	9,854	11,261	46,922	12,605
Bank fees	10,463	4,092	0	14,555	19,302
Conferences, conventions and meetings	7,979	760	760	9,499	13,686
Depreciation	5,116	1,096	1,096	7,308	7,595
Dues and subscriptions	0	1,822	1,215	3,037	1,235
Event expenses	0	0	13,798	13,798	21,227
Grants to organizations, individuals	506,014	0	0	506,014	459,675
Insurance	5,870	1,591	1,589	9,050	8,327
Licenses and permits	0	1,098	0	1,098	1,228
Miscellaneous	0	0	0	0	191
Occupancy	48,385	10,368	10,368	69,121	66,205
Office expenses	2,390	860	862	4,112	6,050
Printing	4,957	1,062	1,062	7,081	19,144
Postage & delivery	413	157	180	750	0
Professional fees	9,003	6,001	15,005	30,009	37,154
Telephone	1,802	386	386	2,574	4,028
Travel	5,340	0	408	5,748	163,711
Utilities	1,804	386	387	2,577	3,154
TOTAL EXPENSES	\$ 1,364,038	\$ 198,902	\$ 219,109	\$ 1,782,049	\$ 1,810,224

See independent auditor's report and accompanying notes.

**EVERY GENERATION MINISTRIES AND AFFILIATE
COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020)**

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (11,725)	\$ (126,034)
Adjustments to reconcile change in net assets to net cash (used) by operating activities		
Donated stock	(8,764)	(3,557)
Realized (gain)/(loss) on sale of donated stock	130	(48)
Depreciation	7,308	7,595
PPP loan forgiveness	(182,057)	0
(Increase) decrease in assets		
Grants receivable	(36,959)	42,000
Other receivables	8,959	(8,000)
Prepaid expenses	(4,174)	(661)
Deposits	(1,190)	107
Increase (decrease) in liabilities		
Accounts payable	(69)	(9,477)
Accrued expenses	(18,758)	27,500
Net cash (used) by operating activities	<u>(247,299)</u>	<u>(70,575)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from acquisition of affiliate	42,591	0
Proceeds from sale of donated stock	8,634	3,605
Net cash provided by investing activities	<u>51,225</u>	<u>3,605</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from PPP loan payable	176,022	182,057
Net cash provided by financing activities	<u>176,022</u>	<u>182,057</u>
NET (DECREASE)/INCREASE IN CASH	<u>(20,052)</u>	<u>115,087</u>
CASH AND CASH EQUIVALENTS, beginning of year	<u>607,115</u>	<u>492,028</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 587,063</u>	<u>\$ 607,115</u>

See independent auditor's report and accompanying notes.

**EVERY GENERATION MINISTRIES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2020**

NOTE 1 – ORGANIZATION

Every Generation Ministries and Affiliate (the “Organization”) is a Colorado nonprofit organization, established on October 6, 1993, in order to assist churches in Europe, Latin America, Africa, and the Middle East in developing effective ministries for children, youth and their families. The Organization seeks to establish ministry centers in metropolitan areas to provide innovative leadership development and quality ministry resources.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Organization is presented to assist in understanding the Organization’s combined financial statements. The combined financial statements and notes are representations of the management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the combined financial statements.

Basis of Accounting

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

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions – Include contributions, fundraising, fees and other forms of unrestricted revenue and expenditures related to the general operations and fundraising efforts of the Organization.

Net Assets With Donor Restrictions – Include gifts and grants received that are restricted with respect to time or use by the donor or grantor. When the restrictions expire, the net assets of this fund are reclassified to net assets without donor restrictions. Restricted gifts and grants received are reported as unrestricted revenue if the restriction is met in the same reporting period.

Estimates

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

(Note 2 continued on the following page)

**EVERY GENERATION MINISTRIES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Combination

FASB ASC 810-10-50 requires that a company that holds variable interests in an entity combine the entity if the company's interest in the variable interest entity (VIE) is such that the company will absorb a majority of the VIE's expected losses and/or receive a majority of the VIE's expected residual returns if they occur. In such cases, the company is the *primary beneficiary* of the VIE. FASB ASC 810-10-50 also requires additional disclosures by primary beneficiary and other significant variable interest holders.

Effective October 1, 2020, the combined financial statements include the financial statements of Every Generation Ministries and a VIE, Gospel Literature International, of which Every Generation Ministries is the primary beneficiary. All transactions and balances between Every Generation Ministries and Gospel Literature International since October 1, 2020, have been eliminated upon combination.

Tax Status

The Organization is a nonprofit benefit organization organized under the laws of California and, as such, is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code, and corresponding state provisions. However, the Organization is subject to income taxes on any net income that is derived from a trade or business, regularly carried on, and not in furtherance of the purposes for which it was granted exemption.

The Organization's federal income tax and informational returns for tax years ending June 30, 2018 and subsequent remain subject to examination by the Internal Revenue Service. The returns for California, the Organization's most significant jurisdiction, remain subject to examination by the California Franchise Tax Board for tax years ending June 30, 2017 and subsequent.

The Organization has adopted the provisions of Accounting Standards Codification ("ASC") 740-10-05 relating to accounting and reporting for uncertainty in income taxes. For the Organization, these provisions could be applicable to the incurrence of any unrelated business income attributable to the Organization. Because of the Organization's general tax-exempt status, the provisions of ASC 740-10-05 are not anticipated to have a material impact on the Organization's combined financial statements.

Cash and Cash Equivalents

For the purpose of the combined financial statements, the Organization considers all investments purchased with a maturity date of three months or less to be cash equivalents. Commercial banks have FDIC coverage up to \$250,000 per depositor per bank. At June 30, 2021 and 2020 the uninsured amounts were \$32,805 and none, respectively.

(Note 2 continued on the following page)

**EVERY GENERATION MINISTRIES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted and Unrestricted Revenue and Support

Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions even if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reported period in which the revenue is recognized. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statement of activities as net assets released from restrictions.

Contributed Services and Gifts In-Kind

Contributed services are recognized if the services (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.. Only those amounts that meet the criteria above are recorded in the accompanying combined financial statements. The Organization recognized no in-kind donations as income during the years ended June 30, 2021 and 2020.

Grant Revenue

The Organization receives funding through public and private grants. Grant revenue includes conditional contributions under which revenue is recognized when earned and expenses are recognized when incurred. Grant receipts from conditional contributions not earned are reported as deferred income, if any.

Grants Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at their estimated net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flows. Based on management's assessment of the past and current relationships with donors, it has concluded that losses on balances outstanding at year-end will be immaterial. Therefore, the allowance for doubtful accounts at June 30, 2021 and 2020 was none.

Property and Equipment

Property and equipment are recorded at cost if purchased and at fair value at the date of donation if donated. Repairs and maintenance are expensed as incurred and improvements of property and equipment items in excess of \$2,000 are capitalized. Depreciation and amortization are provided by use of the straight-line method over the estimated useful lives of the assets.

(Note 2 continued on the following page)

**EVERY GENERATION MINISTRIES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Comparative Financial Information

The combined financial statements include certain prior-year summarized comparative information in total but not by net assets 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 statement for the year ended June 30, 2020, from which the summarized information was derived.

Advertising

The Organization uses advertising to promote its programs among the communities it serves. The production costs of advertising are expensed as incurred. During the years ended June 30, 2021 and 2020, advertising costs totaled \$46,922 and \$12,605, respectively.

Expense Allocation

The combined financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes and employee benefits which are allocated on the basis of estimates of time and effort for the Organization's personnel. The following expenses are allocated using the same percentages as the personnel costs described above because they are incurred in support of the day-to-day job functions of the Organization's employees: depreciation, miscellaneous, occupancy, office expenses, printing, telephone, and utilities.

Risks and Uncertainties

Conditions created by the COVID-19 environment could contribute to short-term financial challenges that adversely affect the Organization's cash flows. Specifically, there is the potential for reductions in private donations if program activities are forced to be significantly curtailed due to travel restrictions. The Organization's Board of Directors has discussed these risks and uncertainties and has formulated alternative strategic plans to mitigate the effects of these concerns.

Vacation and Sick Leave Benefits

Employees are credited during the current year for future vacation benefits. The expense and corresponding liability are accrued when vacations are earned rather than when vacations are paid.

(Note 2 continued on the following page)

**EVERY GENERATION MINISTRIES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncements (Continued)

Leases – In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Organization is currently evaluating the impact that the adoption of ASU 2016-02 will have on its combined financial statements.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	Method	Estimated Useful Lives (Years)	2021	2020
Furniture and fixtures	Straight-line	7	\$ 43,247	\$ 24,279
Computers & software	Straight-line	5	27,393	-
Vehicles	Straight-line	5	25,989	25,989
			<u>96,629</u>	<u>50,268</u>
Less: accumulated depreciation			<u>(90,365)</u>	<u>(36,696)</u>
			<u>\$ 6,264</u>	<u>\$ 13,572</u>

Depreciation expense for the years ended June 30, 2021 and 2020 was \$7,308 and \$7,595, respectively.

**EVERY GENERATION MINISTRIES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2020**

NOTE 4 – ACCRUED EXPENSES

The Organization’s accrued expense balance consists of the following categories at June 30:

	<u>2021</u>	<u>2020</u>
Payroll	\$ 10,682	\$ 11,165
Vacation	36,756	30,726
Deferred rent	10,823	12,236
Other	2,824	7,490
	<u>\$ 61,085</u>	<u>\$ 61,617</u>

NOTE 5 – RETIREMENT PLAN

The Organization has established a SIMPLE IRA retirement plan (“the Plan”), whereby all eligible employees may contribute to a SIMPLE IRA plan of their choice under a salary reduction agreement. The Organization has provided for matching contributions up to 3% of gross compensation of participating employees. Retirement plan expense for the years ended June 30, 2021 and 2020 were \$16,016 and \$12,467, respectively.

NOTE 6 – LEASE COMMITMENTS

The Organization is committed under a noncancelable operating leases for facilities used in day-to-day operations. The current lease is currently scheduled to expire on October 31, 2023 and upon that date will continue on a month-to-month basis. The monthly lease payments range from \$5,363 to \$5,860.

The Organization is also committed under a noncancelable operating lease for office equipment used in day-to-day operations. The current lease is currently scheduled to expire in November 2022. The monthly lease payments is \$227.

Future minimum lease payments under noncancelable operating leases as of June 30, 2021 are as follows:

Years ending June 30:	
2022	\$ 70,333
2023	70,776
2024	<u>23,442</u>
	<u>\$ 164,551</u>

Rent expense for the years ended June 30, 2021 and 2020 was \$69,121 and \$66,205, respectively.

**EVERY GENERATION MINISTRIES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2020**

NOTE 7 – FUNDRAISING EVENTS

The fundraising events activity consisted of the following for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Revenues		
Cash	\$ 195,788	\$ 244,901
Donated gifts	0	0
	<u>195,788</u>	<u>244,901</u>
Expenses		
Cash	(13,798)	(21,227)
Donated gifts	0	0
	<u>(13,798)</u>	<u>(21,227)</u>
Net	<u>\$ 181,990</u>	<u>\$ 223,674</u>

**EVERY GENERATION MINISTRIES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2020**

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods at June 30:

	<u>2021</u>	<u>2020</u>
<i>Subject to expenditure for a specified purpose:</i>		
Missionaries	\$ 61,717	\$ 84,753
Africa		
Grant	0	1,053
Region	0	14,400
Congo	271	0
Uganda	139	0
Kenya	22,809	0
Asia		
India	36,740	(4,221)
Europe		
Belarus	97	135
Region	22,282	14,660
East Europe	33,604	0
Latin America		
Chile Publication	1,158	6,350
Mexico	0	1,374
Peru	2,818	495
Region	0	23,240
US Hispanic	8,500	0
Middle East		
Region	0	20,410
Lebanon	0	12
Expansion	11,678	5,130
Egypt	12,750	0
Projects		
Office stationery	0	52
Cornelious Project	0	6,950
Logos Project	5,135	17,641
Crucible	0	1,467
In-Country Match	2,863	10,000
Russian Curriculum	0	12,750

(Note 8 continued on the following page)

**EVERY GENERATION MINISTRIES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2020**

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

	<u>2021</u>	<u>2020</u>
<i>Subject to expenditure for a specified purpose (continued):</i>		
EGM Institute	23,102	17,117
Special Needs	1,955	11,230
Short Term Ministry		
Romania	2,828	7,905
Ukraine	10,787	13,867
	<u>\$ 261,233</u>	<u>\$ 266,770</u>

NOTE 9 – NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets released from donor restrictions during the years ended June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
<i>Expenditure for a specified purpose:</i>		
Missionaries	\$ 238,743	\$ 272,207
Africa		
Expansion	0	30,401
Region	20,333	0
Congo	2,339	1,625
Uganda	4,011	4,340
Kenya	24,199	0
Asia		
India	68,499	91,437
Europe		
Region	23,008	0
Romania	100	350
Ukraine	0	35
Belarus	14,783	910
Eastern Europe	39,958	14,100
Expansion	0	13,053

(Note 9 continued on the following page)

**EVERY GENERATION MINISTRIES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2020**

NOTE 9 – NET ASSETS RELEASED FROM DONOR RESTRICTIONS (Continued)

	<u>2021</u>	<u>2020</u>
<i>Expenditure for a specified purpose (continued):</i>		
Latin America		
Argentina Publication	2,400	5,400
Chile Publication	5,192	761
Mexico	1,374	8,898
Region	30,368	0
Peru	3,952	8,148
US Hispanic	1,500	0
Middle East		
Egypt	2,250	0
Region	26,368	0
Lebanon	14,442	2
Expansion	89,620	124,200
Projects		
Office Stationery	52	2,948
President Succession	0	33,250
Cornelious Project	6,950	28,880
Logos Project	12,506	100,681
Crucible	1,467	2,491
Gutenberg	0	598
Titus	0	721
In-Country Match	7,137	0
Russian Curriculum	12,750	2,250
EGM Institute	131,917	57,228
Special Needs	11,275	0
Short Term Ministry		
Egypt Prayer Conference	0	16,253
Egypt Curriculum	0	5,374
Romania	208	329
Ukraine	30	7,388
Uganda/Voyagers	0	11,849

(Note 9 continued on the following page)

**EVERY GENERATION MINISTRIES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2020**

NOTE 9 – NET ASSETS RELEASED FROM DONOR RESTRICTIONS (Continued)

	<u>2021</u>	<u>2020</u>
<i>Expenditure for a specified purpose (continued):</i>		
Short Term Ministry (continued)		
Summer Internship	<u>0</u>	<u>2,304</u>
	<u>797,731</u>	<u>848,411</u>
 <i>Expiration of time restrictions:</i>		
	<u>1,053</u>	<u>40,947</u>
	<u>\$ 798,784</u>	<u>\$ 889,358</u>

NOTE 10 – AVAILABILITY OF FINANCIAL ASSETS

The following reflects The Organization's financial assets as of June 30, 2021 and 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Amounts not available include amounts set aside for long-term investing in board designated funds that could be drawn upon if the governing board approves that action. However, amounts already appropriated from a board designated fund for general expenditure within one year of June 30, 2021 have not been subtracted as unavailable. There were no such board designated funds as of June 30, 2021 and 2020.

The Organization's financial assets available within one year of June 30, 2021 and 2020 for general expenditure are as follows:

	<u>2021</u>	<u>2020</u>
Financial assets, at year end		
Cash and cash equivalents	\$ 587,063	\$ 607,115
Grants receivable	36,959	-
Other receivables	-	8,959
Less those unavailable for general expenditures within one year due to:		
<i>Contractual or donor-imposed restrictions:</i>		
Restricted by donor with purpose restrictions	<u>(261,233)</u>	<u>(266,770)</u>
 Total	 <u>\$ 362,789</u>	 <u>\$ 349,304</u>

As part of The Organization's liquidity management practices, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**EVERY GENERATION MINISTRIES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2020**

NOTE 11 – RELATED PARTY TRANSACTIONS

The Organization is affiliated with organizations in other countries to provide ministry services. In addition to the support provided to the preceding affiliated organizations, an employee of the Organization is a member of the board of directors of each affiliated organization. The Organization made donations to each of the organizations listed below during the years ended June 30:

Country/ Region	Affiliate Name	2021	2020
Argentina	Ministerio Para Cada Generacion – Argentina	\$ 19,703	\$ 25,636
DR Congo	Vizazi Congo	29,632	27,309
Uganda	Vizazi Uganda	17,673	19,775
Egypt	Voice of Generations	33,340	38,088
Jordan	Generation for Christ	23,620	22,914
Lebanon	Generation to Generation Ministry	43,200	14,881
Mexico	Ministerio Para Cada Generacion – Mexico	21,023	22,250
Romania	Echipare Pentru Generatia	16,481	8,034
Ukraine	Sluzhenie Pokolenijam Ukraine	31,521	13,229
Chile	Ministerio Para Cada Generacion – Chile	150	0
Peru	Ministerio Para Cada Generacion – Peru	12,278	7,536
Poland	Misja Pokolen	18,483	23,369
Hungary	Rema Alapitvany	6,325	9,287
Belarus	Sluzhenie Pokolenijam Belarus	20,885	18,599
India	Jeevan Disha	35,700	27,234
Kenya	EGM Kenya	3,335	2,488
Russia	EGM Russia	0	9,384
		<u>\$ 333,349</u>	<u>\$ 290,013</u>

**EVERY GENERATION MINISTRIES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021
WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2020**

NOTE 12 – PPP LOAN PAYABLE

On April 16, 2020, the Organization received loan proceeds in the amount of \$182,057 under the Paycheck Protection Program (“PPP”). A second PPP loan in the amount of \$176,022 was applied for and received on March 23, 2021. The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four-week period. The unforgiven portion of the PPP loans is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The Organization intends to use the proceeds for purposes consistent with the PPP. While the Organization currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, it cannot assure that it will not take actions that could cause the Organization to be ineligible for forgiveness of the loan, in whole or in part. As of the date of this report the Organization has submitted its application for forgiveness of its second PPP loan.

Since the Organization has not received full or partial forgiveness of its second PPP Loan and has not yet, as of the date of this report, determined if it met all of the eligibility requirements for forgiveness, the proceeds for the loan are accounted for under the debt model per ASC 470. Therefore, the funds from the second PPP Loans are accounted for as a loan until the eligibility requirements for forgiveness have been determined. The refundable conditions of the loan are expenditure of qualifying business expenses outlined above during the covered period elected by the Organization.

The Organization’s first PPP loan was forgiven on March 31, 2021, and related debt forgiveness revenue as stipulated under ASC 470 was recorded in the amount of \$182,057 on that date.

NOTE 13 – LITIGATION

The Organization may be subject to certain outside claims and litigation arising in the ordinary course of business. In the opinion of the Organization’s management and its counsel, there are no matters which could have a material effect on the accompanying financial statements.

NOTE 14 – SUBSEQUENT EVENTS

Events subsequent to June 30, 2021 have been evaluated through November 10, 2021, the date at which the Organization's audited financial statements were available to be issued. No events requiring disclosures have occurred through this date.

**EVERY GENERATION MINISTRIES AND AFFILIATE
COMBINING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021**

	<u>EGM</u>	<u>GLINT</u>	<u>Precombined Total</u>	<u>Eliminations</u>	<u>Combined Total</u>
ASSETS					
<i>Current assets</i>					
Cash and cash equivalents	\$ 534,986	\$ 52,077	\$ 587,063	\$0	\$ 587,063
Investments	0	0	0	0	0
Grants receivable	36,959	0	36,959	0	36,959
Other receivables	266	0	266	266	0
Prepaid expenses	7,992	1,719	9,711	0	9,711
Total current assets	<u>580,203</u>	<u>53,796</u>	<u>633,999</u>	<u>266</u>	<u>633,733</u>
Property and equipment - net (Note 3)	6,264	0	6,264	0	6,264
Deposits	10,442	0	10,442	0	10,442
TOTAL ASSETS	<u>\$ 596,909</u>	<u>\$ 53,796</u>	<u>\$ 650,705</u>	<u>\$ 266</u>	<u>\$ 650,439</u>
LIABILITIES					
<i>Current liabilities</i>					
Accounts payable	\$ 7,954	\$ 265	\$ 8,219	\$ 266	\$ 7,953
Accrued expenses (Note 4)	61,007	78	61,085	0	61,085
Total current liabilities	<u>68,961</u>	<u>343</u>	<u>69,304</u>	<u>266</u>	<u>69,038</u>
<i>Long-Term liabilities</i>					
PPP loan payable (Note 12)	176,022	0	176,022	0	176,022
TOTAL LIABILITIES	<u>244,983</u>	<u>343</u>	<u>245,326</u>	<u>266</u>	<u>245,060</u>
NET ASSETS					
Net assets without donor restrictions	90,693	53,453	144,146	0	144,146
Net assets with donor restrictions (Note 8)	261,233	0	261,233	0	261,233
TOTAL NET ASSETS	<u>351,926</u>	<u>53,453</u>	<u>405,379</u>	<u>0</u>	<u>405,379</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 596,909</u>	<u>\$ 53,796</u>	<u>\$ 650,705</u>	<u>\$ 266</u>	<u>\$ 650,439</u>

**EVERY GENERATION MINISTRIES AND AFFILIATE
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>EGM</u>	<u>GLINT</u>	<u>Precombined Total</u>	<u>Eliminations</u>	<u>Combined Total</u>
REVENUE AND SUPPORT					
Contributions	\$ 1,182,121	\$ 37,564	\$ 1,219,685	\$0	\$ 1,219,685
Fundraising events (Note 7)	195,788	0	195,788	0	195,788
Investment return	168	0	168	0	168
Grants	167,959	0	167,959	0	167,959
Debt forgiveness (Note 12)	182,057	0	182,057	0	182,057
Other	4,667	0	4,667	0	4,667
Total Revenue and Support	<u>1,732,760</u>	<u>37,564</u>	<u>1,770,324</u>	<u>0</u>	<u>1,770,324</u>
EXPENSES					
Program services - Ministry	1,362,782	1,256	1,364,038	0	1,364,038
Management and general	194,349	4,553	198,902	0	198,902
Fundraising	215,136	3,973	219,109	0	219,109
Total Expenses	<u>1,772,267</u>	<u>9,782</u>	<u>1,782,049</u>	<u>0</u>	<u>1,782,049</u>
CHANGE IN NET ASSETS	(39,507)	27,782	(11,725)	0	(11,725)
NET ASSETS, Beginning of year	<u>391,433</u>	<u>25,671</u>	<u>417,104</u>	<u>0</u>	<u>417,104</u>
NET ASSETS, End of year	<u>\$ 351,926</u>	<u>\$ 53,453</u>	<u>\$ 405,379</u>	<u>\$0</u>	<u>\$ 405,379</u>