

EVERY GENERATION MINISTRIES AND AFFILIATE

COMBINED AUDITED FINANCIAL STATEMENTS

JUNE 30, 2022

(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying combined financial statements of Every Generation Ministries and Affiliate, which comprise the statement of financial position as of June 30, 2022, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of Every Generation Ministries and Affiliate as of June 30, 2022, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Every Generation Ministries and Affiliate and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Every Generation Ministries and Affiliate's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 GAAS 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 combined financial statements.

In performing an audit in accordance with GAAS, 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 Every Generation Ministries and Affiliate's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Every Generation Ministries and Affiliate's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited Every Generation Ministries and Affiliate's June 30, 2021 combined financial statements, and we expressed an unmodified audit opinion on those combined audited financial statements in our report dated November 10, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the combined audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The supplementary 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.

Ozurovich & Associates

Rancho Santa Margarita, California
October 25, 2022

**EVERY GENERATION MINISTRIES AND AFFILIATE
COMBINED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)**

	2022			2021
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	TOTAL
ASSETS				
<i>Current assets</i>				
Cash and cash equivalents	\$ 446,646	\$ 353,822	\$ 800,468	\$ 587,063
Grants receivable	0	0	0	36,959
Other receivables	116	0	116	266
Prepaid expenses	28,681	0	28,681	9,711
Total current assets	475,443	353,822	829,265	633,999
Property and equipment - net (Note 3)	1,840	0	1,840	6,264
Deposits	6,754	0	6,754	10,442
TOTAL ASSETS	\$ 484,037	\$ 353,822	\$ 837,859	\$ 650,705
LIABILITIES				
<i>Current liabilities</i>				
Accounts payable	\$ 8,271	\$0	\$ 8,271	\$ 8,219
Accrued expenses (Note 4)	18,960	0	18,960	61,085
Total current liabilities	27,231	0	27,231	69,304
<i>Long-Term liabilities</i>				
PPP loan payable (Note 12)	0	0	0	176,022
TOTAL LIABILITIES	27,231	0	27,231	245,326
NET ASSETS				
Net assets without donor restrictions	456,806	0	456,806	144,146
Net assets with donor restrictions (Note 8)	0	353,822	353,822	261,233
TOTAL NET ASSETS	456,806	353,822	810,628	405,379
TOTAL LIABILITIES AND NET ASSETS	\$ 484,037	\$ 353,822	\$ 837,859	\$ 650,705

See independent auditor's report and accompanying notes.

**EVERY GENERATION MINISTRIES AND AFFILIATE
COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)**

	2022			2021
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	TOTAL
REVENUE AND SUPPORT				
Contributions	\$ 515,057	\$ 827,006	\$ 1,342,063	\$ 1,219,685
Fundraising events (Note 7)	221,917	0	221,917	195,788
Investment return	209	0	209	168
Private grants	130,000	0	130,000	131,000
Employer retention credit grant	187,675	0	187,675	36,959
Debt forgiveness (Note 12)	176,022	0	176,022	182,057
Other	2,391	0	2,391	4,667
<i>Total Revenue and Support</i>	<u>1,233,271</u>	<u>827,006</u>	<u>2,060,277</u>	<u>1,770,324</u>
NET ASSETS RELEASED FROM RESTRICTIONS (NOTE 9)				
Satisfaction of program restrictions	734,417	(734,417)	0	0
<i>Total Revenue, Support, and Reclassifications</i>	<u>1,967,688</u>	<u>92,589</u>	<u>2,060,277</u>	<u>1,770,324</u>
EXPENSES				
Program services - Ministry	1,272,478	0	1,272,478	1,364,038
Management and general	165,615	0	165,615	198,902
Fundraising	216,935	0	216,935	219,109
<i>Total Expenses</i>	<u>1,655,028</u>	<u>0</u>	<u>1,655,028</u>	<u>1,782,049</u>
CHANGE IN NET ASSETS	312,660	92,589	405,249	(11,725)
NET ASSETS, Beginning of year	144,146	261,233	405,379	391,433
ACQUISITION OF AFFILIATE	0	0	0	25,671
NET ASSETS, End of year	<u>\$ 456,806</u>	<u>\$ 353,822</u>	<u>\$ 810,628</u>	<u>\$ 405,379</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, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)**

	<u>2022</u>				<u>2021</u>
	<u>Program Services</u>	<u>Supporting Services</u>			
	<u>MINISTRY</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>	<u>TOTAL</u>
Salaries	\$ 339,580	\$ 73,796	\$ 73,794	\$ 487,170	\$ 736,941
Payroll taxes	23,142	3,475	6,655	33,272	34,431
Employee benefits	211,841	59,581	59,580	331,002	277,424
Total salaries, payroll taxes, and employee benefits	574,563	136,852	140,029	851,444	1,048,796
Advertising and promotion	4,294	1,640	1,874	7,808	46,922
Bank fees	16,180	5,393	0	21,573	14,555
Conferences, conventions and meetings	15,917	1,516	1,516	18,949	9,499
Depreciation	3,097	442	885	4,424	7,308
Dues and subscriptions	0	767	512	1,279	3,037
Event expenses	0	0	31,994	31,994	13,798
Grants to organizations, individuals	544,246	0	0	544,246	506,014
Insurance	8,560	1,481	2,511	12,552	9,050
Licenses and permits	0	1,285	0	1,285	1,098
Miscellaneous	(845)	(110)	(238)	(1,193)	0
Occupancy	46,222	6,604	13,206	66,032	69,121
Office expenses	3,515	860	859	5,234	4,112
Printing	4,592	656	1,312	6,560	7,081
Postage & delivery	819	273	273	1,365	750
Professional fees	10,955	7,383	18,282	36,620	30,009
Telephone	2,013	288	575	2,876	2,574
Travel	36,355	0	2,775	39,130	5,748
Utilities	1,995	285	570	2,850	2,577
TOTAL EXPENSES	\$ 1,272,478	\$ 165,615	\$ 216,935	\$ 1,655,028	\$ 1,782,049

See independent auditor's report and accompanying notes.

**EVERY GENERATION MINISTRIES AND AFFILIATE
COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2021)**

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 405,249	\$ (11,725)
Adjustments to reconcile change in net assets to net cash provided/(used) by operating activities		
Donated stock	(3,051)	(8,764)
Realized (gain)/(loss) on sale of donated stock	(46)	130
Depreciation	4,424	7,308
PPP loan forgiveness	(176,022)	(182,057)
(Increase) decrease in assets		
Grants receivable	36,959	(36,959)
Other receivables	150	8,959
Prepaid expenses	(18,970)	(4,174)
Deposits	3,688	(1,190)
Increase (decrease) in liabilities		
Accounts payable	52	(69)
Accrued expenses	(42,125)	(18,758)
Net cash provided/(used) by operating activities	<u>210,308</u>	<u>(247,299)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from acquisition of affiliate	0	42,591
Proceeds from sale of donated stock	3,097	8,634
Net cash provided by investing activities	<u>3,097</u>	<u>51,225</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from PPP loan payable	0	176,022
Net cash provided by financing activities	<u>0</u>	<u>176,022</u>
NET INCREASE/(DECREASE) IN CASH	213,405	(20,052)
CASH AND CASH EQUIVALENTS, beginning of year	<u>587,063</u>	<u>607,115</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 800,468</u>	<u>\$ 587,063</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, 2022
WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2021**

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, 2022
WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2021**

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, 2019 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, 2018 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, 2022 and 2021 the uninsured amounts were \$227,754 and \$32,805, respectively.

(Note 2 continued on the following page)

**EVERY GENERATION MINISTRIES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2021**

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, 2022 and 2021, respectively.

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, 2022 and 2021 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, 2022
WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2021**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2022 and 2021, advertising costs totaled \$7,808 and \$46,922, respectively.

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 combined financial statement for the year ended June 30, 2021, from which the summarized information was derived.

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.

(Note 2 continued on the following page)

**EVERY GENERATION MINISTRIES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2021**

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)	2022	2021
Furniture and fixtures	Straight-line	7	\$ 43,247	\$ 43,247
Computers & software	Straight-line	5	27,393	27,393
Vehicles	Straight-line	5	25,989	25,989
			<u>96,629</u>	<u>96,629</u>
Less: accumulated depreciation			<u>(94,789)</u>	<u>(90,365)</u>
			<u>\$ 1,840</u>	<u>\$ 6,264</u>

Depreciation expense for the years ended June 30, 2022 and 2021 was \$4,424 and \$7,308, respectively.

**EVERY GENERATION MINISTRIES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2021**

NOTE 4 – ACCRUED EXPENSES

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

	<u>2022</u>	<u>2021</u>
Payroll	\$ 4,962	\$ 10,682
Vacation	3,612	36,756
Deferred rent	7,441	10,823
Other	2,945	2,824
	<u>\$ 18,960</u>	<u>\$ 61,085</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, 2022 and 2021 were \$15,039 and \$16,016, 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 \$5,524 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, 2022 are as follows:

Years ending June 30:	
2023	\$ 70,776
2024	23,442
	<u>\$ 94,218</u>

Rent expense for the years ended June 30, 2022 and 2021 was \$66,032 and \$69,121, respectively.

**EVERY GENERATION MINISTRIES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2021**

NOTE 7 – FUNDRAISING EVENTS

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

	<u>2022</u>	<u>2021</u>
Revenues		
Cash	\$ 221,917	\$ 195,788
Donated gifts	0	0
	<u>221,917</u>	<u>195,788</u>
Expenses		
Cash	(31,994)	(13,798)
Donated gifts	0	0
	<u>(31,994)</u>	<u>(13,798)</u>
Net	<u>\$ 189,923</u>	<u>\$ 181,990</u>

**EVERY GENERATION MINISTRIES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2021**

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2022</u>	<u>2021</u>
<i>Subject to expenditure for a specified purpose:</i>		
Missionaries	\$ 44,793	\$ 61,717
Africa		
Region	100	0
Congo	323	271
Uganda	1,266	139
Kenya	15,049	22,809
Asia		
India	67,813	36,740
Europe		
Belarus	208	97
Region	0	22,282
Ukraine	29,856	0
East Europe	77,806	33,604
Latin America		
Chile Publication	0	1,158
Peru	1,000	2,818
US Hispanic	13,855	8,500
Middle East		
Region	19,500	0
Expansion	0	11,678
Egypt	0	12,750
Projects		
Trauma	18,855	0
Logos Project	0	5,135
In-Country Match	0	2,863
EGM Institute	29,552	23,102
Special Needs	20,231	1,955

(Note 8 continued on the following page)

**EVERY GENERATION MINISTRIES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2021**

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

	<u>2022</u>	<u>2021</u>
<i>Subject to expenditure for a specified purpose (continued):</i>		
Short Term Ministry		
Romania	2,828	2,828
Ukraine	10,787	10,787
	<u>\$ 353,822</u>	<u>\$ 261,233</u>

NOTE 9 – NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets released from donor restrictions during the years ended June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
<i>Expenditure for a specified purpose:</i>		
Missionaries	\$ 252,871	\$ 238,743
Africa		
Region	0	20,333
Congo	2,048	2,339
Uganda	4,173	4,011
Kenya	68,835	24,199
Asia		
India	86,330	68,499
Europe		
Region	22,282	23,008
Romania	500	100
Ukraine	14,135	0
Belarus	609	14,783
Eastern Europe	55,798	39,958

(Note 9 continued on the following page)

**EVERY GENERATION MINISTRIES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2021**

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

	2022	2021
<i>Expenditure for a specified purpose (continued):</i>		
Latin America		
Argentina Publication	0	2,400
Chile Publication	1,158	5,192
Mexico	0	1,374
Region	0	30,368
Peru	5,418	3,952
US Hispanic	945	1,500
Middle East		
Egypt	15,750	2,250
Region	48,097	26,368
Lebanon	0	14,442
Expansion	11,678	89,620
Projects		
Office Stationery	0	52
Cornelious Project	0	6,950
Logos Project	5,135	12,506
Crucible	0	1,467
Trauma	3,327	0
In-Country Match	2,863	7,137
Russian Curriculum	0	12,750
EGM Institute	145,340	131,917
Special Needs	(12,875)	11,275
Short Term Ministry		
Romania	0	208
Ukraine	0	30
	734,417	797,731
 <i>Expiration of time restrictions:</i>	 0	 1,053
	\$ 734,417	\$ 798,784

**EVERY GENERATION MINISTRIES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
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NOTE 10 – AVAILABILITY OF FINANCIAL ASSETS

The following reflects The Organization’s financial assets as of June 30, 2022 and 2021, 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, 2022 have not been subtracted as unavailable. There were no such board designated funds as of June 30, 2022 and 2021.

The Organization’s financial assets available within one year of June 30, 2022 and 2021 for general expenditure are as follows:

<i>Financial assets, at year end</i>	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 800,468	\$ 587,063
Grants receivable	-	36,959
Other receivables	116	266
<i>Less those unavailable for general expenditures within one year due to:</i>		
<i>Contractual or donor-imposed restrictions:</i>		
Restricted by donor with purpose restrictions	<u>(353,822)</u>	<u>(261,233)</u>
 Total	 \$ <u>446,762</u>	 \$ <u>363,055</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, 2022
WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2021**

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	2022	2021
	Ministerio Para Cada Generacion –		
Argentina	Argentina	\$ 18,887	\$ 19,703
DR Congo	Vizazi Congo	28,222	29,632
Uganda	Vizazi Uganda	20,439	17,673
Egypt	Voice of Generations	43,230	33,340
Jordan	Generation for Christ	16,739	23,620
Lebanon	Generation to Generation Ministry	25,712	43,200
	Ministerio Para Cada Generacion –		
Mexico	Mexico	14,238	21,023
Romania	Echipare Pentru Generatia	16,810	16,481
Ukraine	Sluzhenie Pokolenijam Ukraine	29,500	31,521
	Ministerio Para Cada Generacion –		
Chile	Chile	0	150
	Ministerio Para Cada Generacion –		
Peru	Peru	12,552	12,278
Poland	Misja Pokolen	13,000	18,483
Hungary	Rema Alapitvany	7,437	6,325
Belarus	Sluzhenie Pokolenijam Belarus	26,746	20,885
India	Jeevan Disha	35,885	35,700
Kenya	EGM Kenya	16,831	3,335
Africa	Regional	35,340	0
Asia	Regional	21,758	0
Europe	Regional	43,737	0
Latin America	Regional	70,064	0
Middle East	Regional	39,622	0
Builders	Builders	11,752	0
		<u>\$ 548,501</u>	<u>\$ 333,349</u>

**EVERY GENERATION MINISTRIES AND AFFILIATE
NOTES TO COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED COMPARATIVE TOTALS FOR JUNE 30, 2021**

NOTE 12 – PPP LOAN PAYABLE

On March 23, 2021, the Organization received loan proceeds in the amount of \$176,022 under the Paycheck Protection Program (“PPP”). 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. The Organization’s PPP loan was forgiven on January 26, 2022, and related debt forgiveness revenue as stipulated under ASC 470 was recorded in the amount of \$176,022 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, 2022 have been evaluated through October 25, 2022, 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, 2022**

	<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	\$ 761,933	\$ 38,535	\$ 800,468	\$0	\$ 800,468
Other receivables	116	0	116	0	116
Prepaid expenses	28,681	0	28,681	0	28,681
Total current assets	<u>790,730</u>	<u>38,535</u>	<u>829,265</u>	<u>0</u>	<u>829,265</u>
Property and equipment - net (Note 3)	1,840	0	1,840	0	1,840
Deposits	6,754	0	6,754	0	6,754
TOTAL ASSETS	<u>\$ 799,324</u>	<u>\$ 38,535</u>	<u>\$ 837,859</u>	<u>\$0</u>	<u>\$ 837,859</u>
LIABILITIES					
<i>Current liabilities</i>					
Accounts payable	\$ 8,054	\$ 217	\$ 8,271	\$0	\$ 8,271
Accrued expenses (Note 4)	18,775	185	18,960	0	18,960
Total current liabilities	<u>26,829</u>	<u>402</u>	<u>27,231</u>	<u>0</u>	<u>27,231</u>
TOTAL LIABILITIES	<u>26,829</u>	<u>402</u>	<u>27,231</u>	<u>0</u>	<u>27,231</u>
NET ASSETS					
Net assets without donor restrictions	418,673	38,133	456,806	0	456,806
Net assets with donor restrictions (Note 8)	353,822	0	353,822	0	353,822
TOTAL NET ASSETS	<u>772,495</u>	<u>38,133</u>	<u>810,628</u>	<u>0</u>	<u>810,628</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 799,324</u>	<u>\$ 38,535</u>	<u>\$ 837,859</u>	<u>\$0</u>	<u>\$ 837,859</u>

**EVERY GENERATION MINISTRIES AND AFFILIATE
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>EGM</u>	<u>GLINT</u>	<u>Precombined Total</u>	<u>Eliminations</u>	<u>Combined Total</u>
REVENUE AND SUPPORT					
Contributions	\$ 1,334,876	\$ 52,187	\$ 1,387,063	\$ 45,000	\$ 1,342,063
Fundraising events (Note 7)	221,917	0	221,917	0	221,917
Investment return	209	0	209	0	209
Private grants	130,000	0	130,000	0	130,000
Employer retention credit grant	187,675	0	187,675	0	187,675
Debt forgiveness (Note 12)	176,022	0	176,022	0	176,022
Other	2,391	0	2,391	0	2,391
Total Revenue and Support	<u>2,053,090</u>	<u>52,187</u>	<u>2,105,277</u>	<u>45,000</u>	<u>2,060,277</u>
EXPENSES					
Program services - Ministry	1,258,904	58,574	1,317,478	45,000	1,272,478
Management and general	161,036	4,579	165,615	0	165,615
Fundraising	212,581	4,354	216,935	0	216,935
Total Expenses	<u>1,632,521</u>	<u>67,507</u>	<u>1,700,028</u>	<u>45,000</u>	<u>1,655,028</u>
CHANGE IN NET ASSETS	420,569	(15,320)	405,249	0	405,249
NET ASSETS, Beginning of year	<u>351,926</u>	<u>53,453</u>	<u>405,379</u>	<u>0</u>	<u>405,379</u>
NET ASSETS, End of year	<u>\$ 772,495</u>	<u>\$ 38,133</u>	<u>\$ 810,628</u>	<u>\$ 0</u>	<u>\$ 810,628</u>