



SIM USA, INC.

Combined Financial Statements
With Independent Auditors' Report

September 30, 2020 and 2019

SIM USA, INC.

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INDEPENDENT AUDITORS' REPORT

Board of Directors
SIM USA, Inc.
Charlotte, North Carolina

We have audited the accompanying combined financial statements of SIM USA, Inc., which comprise the combined statements of financial position as of September 30, 2020 and 2019, and the related combined statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the combined 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 audit. We conducted our audit 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.

Board of Directors
SIM USA, Inc.
Charlotte, North Carolina

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of SIM USA, Inc. as of September 30, 2020 and 2019, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Capin Crouse LLP

Charlotte, North Carolina
March 11, 2021

SIM USA, INC.

Combined Statements of Financial Position

	September 30,	
	2020	2019
ASSETS:		
Cash and cash equivalents	\$ 584,009	\$ 790,654
Deposits with related organization	-	292,937
Investments	45,919,938	45,443,515
Other assets	1,734,668	1,208,489
Property and equipment—net	5,973,521	5,622,087
Total Assets	\$ 54,212,136	\$ 53,357,682
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 1,373,351	\$ 969,367
Other liabilities	1,161,491	1,149,671
Deferred compensation payable	1,282,554	1,193,605
Annuity and trust liabilities	14,610,024	15,091,526
	<u>18,427,420</u>	<u>18,404,169</u>
Net assets:		
Without donor restriction	12,161,107	13,104,676
With donor restriction	23,623,609	21,848,837
	<u>35,784,716</u>	<u>34,953,513</u>
Total Liabilities and Net Assets	\$ 54,212,136	\$ 53,357,682

See notes to combined financial statements

SIM USA, INC.

Combined Statement of Activities

Year Ended September 30, 2020

	Without Donor Restriction	With Donor Restriction	Total
INCOME:			
Support and revenue:			
Contributions	\$ 2,139,635	\$ 47,795,505	\$ 49,935,140
Rental, sales, and other	854,446	-	854,446
	2,994,081	47,795,505	50,789,586
Investment income and change in value of annuities and trusts:			
Net investment gains	570,624	107,999	678,623
Interest and dividend income	388,419	51,931	440,350
Change in value of annuities and trusts	148,849	(45,500)	103,349
	1,107,892	114,430	1,222,322
Total Income	4,101,973	47,909,935	52,011,908
RECLASSIFICATIONS:			
Net assets released from time and use restrictions	46,135,163	(46,135,163)	-
	46,135,163	(46,135,163)	-
EXPENSES:			
Program services:			
Education	3,143,234	-	3,143,234
Evangelism and discipleship	7,780,668	-	7,780,668
Community development	666,087	-	666,087
Field and project service	21,654,185	-	21,654,185
Healthcare ministry	3,758,940	-	3,758,940
Retirement care	934,058	-	934,058
Recruit, train, send care	3,610,880	-	3,610,880
	41,548,052	-	41,548,052
Supporting activities:			
Management and general	8,135,893	-	8,135,893
Fund-raising	1,496,760	-	1,496,760
	9,632,653	-	9,632,653
Total Expenses	51,180,705	-	51,180,705
Change in Net Assets	(943,569)	1,774,772	831,203
Net Assets, Beginning of Year	13,104,676	21,848,837	34,953,513
Net Assets, End of Year	\$ 12,161,107	\$ 23,623,609	\$ 35,784,716

See notes to combined financial statements

SIM USA, INC.

Combined Statement of Activities

Year Ended September 30, 2019

	Without Donor Restriction	With Donor Restriction	Total
INCOME:			
Support and revenue:			
Contributions	\$ 2,338,632	\$ 47,614,139	\$ 49,952,771
Rental, sales, and other	1,038,738	-	1,038,738
	3,377,370	47,614,139	50,991,509
Investment income and change in value of annuities and trusts:			
Net investment losses	(250,038)	(136,933)	(386,971)
Interest and dividend income	500,358	61,024	561,382
Change in value of annuities and trusts	(48,785)	(462,289)	(511,074)
	201,535	(538,198)	(336,663)
Total Income	3,578,905	47,075,941	50,654,846
RECLASSIFICATIONS:			
Net assets released from time and use restrictions	46,900,176	(46,900,176)	-
	46,900,176	(46,900,176)	-
EXPENSES:			
Program services:			
Education	4,644,685	-	4,644,685
Evangelism and discipleship	8,714,962	-	8,714,962
Community development	1,425,055	-	1,425,055
Field and project service	16,595,781	-	16,595,781
Healthcare ministry	5,191,977	-	5,191,977
Retirement care	857,874	-	857,874
Recruit, train, send care	3,793,960	-	3,793,960
	41,224,294	-	41,224,294
Supporting activities:			
Management and general	7,826,340	-	7,826,340
Fund-raising	2,882,079	-	2,882,079
	10,708,419	-	10,708,419
Total Expenses	51,932,713	-	51,932,713
Change in Net Assets	(1,453,632)	175,765	(1,277,867)
Net Assets, Beginning of Year	14,558,308	21,673,072	36,231,380
Net Assets, End of Year	\$ 13,104,676	\$ 21,848,837	\$ 34,953,513

See notes to combined financial statements

SIM USA, INC.

Combined Statements of Cash Flows

	Year Ended September 30,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 831,203	\$ (1,277,867)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Realized and unrealized gains and losses	(745,309)	306,280
Contribution portion of new annuities	(15,000)	(44,834)
Contribution portion of new trusts	(1,800)	(194,727)
Change in value of annuities	(148,849)	48,785
Change in value of trust assets	45,500	462,289
Depreciation	472,623	430,014
Contributions restricted for capital projects	(55,856)	(155,000)
Changes in operating assets and liabilities:		
Deposits with related organization	292,937	1,063,538
Other assets	(526,179)	(102,075)
Accounts payable and accrued expenses	403,984	15,622
Deferred rental revenue	(56,648)	(56,648)
Nonqualified deferred compensation plan	88,949	(113,575)
Missionary personal accounts	68,468	18,176
Net Cash Provided by Operating Activities	654,023	399,978
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(824,057)	(315,787)
Purchases of investments	(472,602)	(913,342)
Proceeds from sales of investments	707,956	971,689
Net Cash Used by Investing Activities	(588,703)	(257,440)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments of annuity and trust obligations	(344,621)	(549,597)
Face value of new annuities and trusts	16,800	294,727
Contributions restricted for capital projects	55,856	155,000
Net Cash Used by Financing Activities	(271,965)	(99,870)
Net Change in Cash and Cash Equivalents	(206,645)	42,668
Cash and Cash Equivalents, Beginning of Year	790,654	747,986
Cash and Cash Equivalents, End of Year	\$ 584,009	\$ 790,654

See notes to combined financial statements

SIM USA, INC.

Combined Statement of Functional Expenses

Year Ended September 30, 2020

	Program Services							Support Services				
	Education	Evangelism and Discipleship	Community Development	Field and Project Service	Healthcare Ministry	Retirement Care	Recruit, Train, Send Care	Total Program	Management and General	Fundraising	Total Support	Total
Salary, benefits, and taxes	\$ 2,907,640	\$ 7,233,270	\$ 619,186	\$ 8,483,235	\$ 3,265,056	\$ 708,905	\$ 2,726,785	\$ 25,944,077	\$ 4,658,408	\$ 926,762	\$ 5,585,170	\$ 31,529,247
Missionary retirement benefits	-	-	-	-	-	-	-	-	1,512,437	-	1,512,437	1,512,437
Advertising and promotions	7,949	19,727	1,682	474,865	8,011	5,054	102,337	619,625	85,855	383,290	469,145	1,088,770
Computer technology	7,507	21,381	1,589	57,924	6,935	4,773	14,943	115,052	356,832	10,441	367,273	482,325
Grants to other organizations	-	-	-	10,880,973	-	-	-	10,880,973	-	-	-	10,880,973
Depreciation	14,566	36,151	3,082	291,716	12,928	9,261	18,926	386,630	64,495	21,498	85,993	472,623
Repairs, maintenance, and equipment	19,101	47,405	4,042	145,437	185,469	30,980	462,907	895,341	56,375	2,020	58,395	953,736
Staff training	23,063	57,237	4,880	186,760	20,503	14,743	52,787	359,973	28,946	1,022	29,968	389,941
Professional fees	42,382	50,396	4,254	166,286	17,843	12,782	34,013	327,956	483,510	91,029	574,539	902,495
Occupancy	5,104	12,667	1,080	39,056	112,461	3,245	8,437	182,050	134,342	6,739	141,081	323,131
Office supplies	23,808	58,663	5,002	262,885	23,864	15,045	33,868	423,135	367,624	5,476	373,100	796,235
Telephone	14,357	35,632	3,038	110,904	23,829	9,128	24,362	221,250	21,667	5,893	27,560	248,810
Travel	63,707	173,268	15,279	446,113	53,142	36,922	109,684	898,115	97,864	31,247	129,111	1,027,226
Insurance	7,448	18,485	1,576	56,996	15,718	76,107	9,784	186,114	245,253	9,882	255,135	441,249
Other	6,602	16,386	1,397	51,035	13,181	7,113	12,047	107,761	22,285	1,461	23,746	131,507
	<u>\$ 3,143,234</u>	<u>\$ 7,780,668</u>	<u>\$ 666,087</u>	<u>\$ 21,654,185</u>	<u>\$ 3,758,940</u>	<u>\$ 934,058</u>	<u>\$ 3,610,880</u>	<u>\$ 41,548,052</u>	<u>\$ 8,135,893</u>	<u>\$ 1,496,760</u>	<u>\$ 9,632,653</u>	<u>\$ 51,180,705</u>

See notes to combined financial statements

SIM USA, INC.

Combined Statement of Functional Expenses

Year Ended September 30, 2019

	Program Services							Support Services				Total
	Education	Evangelism and Discipleship	Community Development	Field and Project Service	Healthcare Ministry	Retirement Care	Recruit, Train, Send Care	Total Program	Management and General	Fundraising	Total Support	
Salary, benefits, and taxes	\$ 3,818,587	\$ 7,164,932	\$ 1,171,596	\$ 5,726,163	\$ 4,268,540	\$ 353,258	\$ 3,123,563	\$ 25,626,639	\$ 4,511,441	\$ 976,393	\$ 5,487,834	\$ 31,114,473
Missionary retirement benefits	-	-	-	-	-	-	-	-	1,406,313	-	1,406,313	1,406,313
Advertising and promotions	-	-	-	-	-	4,227	43,522	47,749	95,681	1,040,470	1,136,151	1,183,900
Computer technology	9,302	17,453	2,854	13,949	10,398	176	49,366	103,498	328,617	3,239	331,856	435,354
Grants to other organizations	-	-	-	9,630,846	-	-	-	9,630,846	-	-	-	9,630,846
Depreciation	-	-	-	-	-	-	178,376	178,376	218,979	32,659	251,638	430,014
Repairs, maintenance, and equipment	84,564	158,669	25,946	126,807	94,528	226,969	113,524	831,007	134,012	1,368	135,380	966,387
Staff training	95,709	96,781	29,365	143,520	106,987	-	1,418	473,780	76,274	26,094	102,368	576,148
Professional fees	58,469	109,708	17,939	87,677	65,359	-	61,945	401,097	111,848	452,130	563,978	965,075
Occupancy	1,695	3,180	520	2,541	1,894	94,692	23,752	128,274	124,846	-	124,846	253,120
Office supplies	75,928	225,266	23,296	113,858	84,874	61,153	57,256	641,631	444,770	18,793	463,563	1,105,194
Telephone	34,815	65,324	10,682	52,206	38,917	13,645	626	216,215	36,812	2,895	39,707	255,922
Travel	423,523	794,669	129,943	635,094	473,427	2,994	3,849	2,463,499	27,634	298,156	325,790	2,789,289
Insurance	4,483	8,411	1,375	6,722	5,011	68,060	97,682	191,744	201,924	-	201,924	393,668
Other	37,610	70,569	11,539	56,398	42,042	32,700	39,081	289,939	107,189	29,882	137,071	427,010
	<u>\$ 4,644,685</u>	<u>\$ 8,714,962</u>	<u>\$ 1,425,055</u>	<u>\$ 16,595,781</u>	<u>\$ 5,191,977</u>	<u>\$ 857,874</u>	<u>\$ 3,793,960</u>	<u>\$ 41,224,294</u>	<u>\$ 7,826,340</u>	<u>\$ 2,882,079</u>	<u>\$ 10,708,419</u>	<u>\$ 51,932,713</u>

See notes to combined financial statements

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2020 and 2019

1. NATURE OF ORGANIZATION:

The U.S. office of SIM is legally known as “SIM USA, Inc.” (SIM USA). SIM USA is a church and religious order associated with churches of the Protestant faith, is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (Code), and is classified as a publicly supported organization, which is not a private foundation, under Section 509(a)(1) of the Code. As such, it is also exempt from state income tax, and contributions by the public are deductible for income tax purposes as allowed by law. Our IRS tax identification number is 22-1936391.

The Purpose and Mission Statement of SIM USA says:

Convinced that no one should live and die without hearing God’s good news, we believe that He has called us to make disciples of the Lord Jesus Christ in communities where He is least known.

Therefore, compelled by God’s great love and empowered by the Holy Spirit...

- We cross barriers to proclaim the crucified and risen Christ, expressing His love and compassion among those who live and die without Him
- We make disciples who will trust and obey Jesus and become part of Christ-centered churches
- We work together with churches to fulfill God’s mission across cultures locally and globally
- We facilitate the participation in cross-cultural ministry of those whom God is calling

SIM USA also operates a retirement village for the benefit of its missionaries located in Sebring, Florida. SIM USA’s primary source of revenue is contributions from the public.

Relationship to the worldwide SIM organization:

SIM, originally the Sudan Interior Mission, has been launching Christian workers into ministry since 1893, bringing good news to people who are living and dying without the gospel. Today SIM has over 4,000 workers from 65 nations serving on six continents in more than 70 countries... and our heart remains the same. We go above in prayer and beyond in care to make disciples of the Lord Jesus Christ in communities where He is least known.

SIM is an evangelical, international, multi-ethnic, and interdenominational Christian missionary organization. The activities of the organization are carried out in the name “SIM.” SIM is composed of entities from around the world that exist separately but choose to serve in gospel ministry, collectively, under the name of SIM, through the signing of the SIM mission agreement. The signatories who compose SIM, embodied as the Global Assembly, voluntarily agree to work under the leadership of the board of governors and the international director. Signatories, including SIM USA, fully endorse and embrace our defining documents: the SIM Mission Agreement, SIM Commitment, SIM Mission Policy, Board Charter and Bylaws.

SIM USA is a voluntary participant in the worldwide organization of SIM, providing funding and missionary personnel to accomplish SIM USA ministry objectives worldwide. Although SIM USA has substantial economic interest in SIM, it does not have control, thus, consolidation is not required under current accounting standards.

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2020 and 2019

1. NATURE OF ORGANIZATION, continued:

SIM International, Inc. (SIM International) provides leadership and services to all SIM entities worldwide, including setting worldwide SIM Finance Principles and Practices, a common chart of accounts, and interoffice banking and investment services, also known as SIM Trust.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The combined financial statements of SIM USA are prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the combined financial statements to the reader. The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the combined financial statements. Actual results could differ from those estimates.

PRINCIPLES OF COMBINATION

These combined financial statements reflect the activities and financial position of SIM USA, including its branch operation, Sebring Retirement Village; Sudan Interior Mission, Inc., a New York Corporation, which operates the annuity fund; International Christian Fellowship, an Illinois Corporation; African Evangelical Fellowship, a New York Corporation, and Andes Evangelical Mission, Inc., a New York Corporation. Christian Fellowship, African Evangelical Fellowship, and Andes Evangelical Mission, Inc. no longer have operations; however, are retained to provide for the transfers of estates to SIM USA. All significant inter-organization transactions and balances have been eliminated.

CLASSES OF NET ASSETS

The combined financial statements report income and net assets by class:

Net assets without donor restriction are currently available for ministry purposes under the direction of the board, designated by the board for specific use, or resources invested in property and equipment.

Net assets with donor restriction are contributed with donor stipulations for specific operating purposes or programs, with time restrictions, not currently available for use until commitments regarding their use have been fulfilled, or requiring they be held in perpetuity as endowment, with income to be used as stipulated in the endowment agreement.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash, checking, and savings accounts. SIM USA also uses sweep accounts, and funds are transferred automatically as needed. Deposits in excess of federally insured limits were \$-0- and \$201,201 at September 30, 2020 and 2019. SIM USA has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

DEPOSITS WITH RELATED ORGANIZATION

The deposits with a related organization consist of funds transferred to SIM International and carried at cost plus accrued interest. SIM USA may access the funds, as needed. The deposits earn interest at the current rate; which for the years ended September 30, 2020 and 2019, was 1.4% and 1.6%. Due to SIM USA's ability to access the funds without penalty, these assets are treated as an operating asset.

INVESTMENTS

Investments in equity securities with readily determinable fair values and all debt securities are recorded at fair value with gains and losses reported in the combined statements of activities. Donated investments are recorded at fair value on the date of donation and thereafter carried in accordance with the above provisions. Where market values are not available, cost values have been used that approximate fair value. SIM USA follows the investment guidelines and decisions of the grantors of the revocable and charitable trusts.

Alternative investments consist of investments in Lucent Insurance, Ltd. (Lucent). See Note 4 for the valuation of investments in Lucent.

INVESTMENT IN REAL ESTATE

Investment in real estate includes gifts of property and purchases of property for investment. These investments are recorded at cost if purchased or fair market value at the date of the gift if donated. Joint equity arrangements are agreements where SIM USA co-owns a percentage of real property. The cost or fair market value of the SIM USA percentage in the joint equity arrangements is recorded as investments. Upon sale of these properties, SIM USA will receive their percentage of the total proceeds. Such assets are not income producing, and they are not used in the operations (ministry) of the organization.

PROPERTY AND EQUIPMENT, AND DEPRECIATION

Items capitalized as property and equipment are recorded at cost if purchased or fair value if donated. SIM USA capitalizes all property and equipment with a cost or value exceeding \$10,000. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets, ranging from 5 to 40 years. Depreciation expense is allocated to the various program services and supporting activities.

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

ANNUITY AND TRUST LIABILITIES

SIM USA has established a gift annuity plan whereby donors may contribute assets to the organization in exchange for the right to receive a fixed dollar annual return during their lifetimes. A portion of the transfer is considered to be a charitable contribution for income tax purposes. The difference between the amount provided for the gift annuity and the present value of future payment, determined on an actuarial basis, is recognized as support at the date of the gift. The annuity liability is revalued annually based upon actuarially computed present values. Resulting actuarial gain or loss is recorded as change in value of annuities and trusts. Certain states require reserves to be held in excess of the liability. Such amounts are reported as net assets without donor restriction.

As trustee, SIM USA administers revocable (grantor) trusts that provide for a beneficial interest to SIM USA or other beneficiary at the grantor's death. Because the trusts are revocable at the discretion of the grantor, the principal amounts provided are recorded as liabilities. All trust income, deductions, and credits are reportable by the grantor for tax purposes. At the grantor's death, the remaining trust assets, if designated for SIM USA, will be recorded as contribution income. Any trust designated for other beneficiaries will be distributed in accordance with the trust agreement.

As trustee, SIM USA administers irrevocable trusts, including charitable remainder unitrusts and annuity trusts. These trusts provide the payment of lifetime distributions to the grantor or other designated beneficiaries. The present value of the income interests are reported as trust liabilities using federal discount and mortality tables ranging from 4.6 to 7.6 percent. For trusts with a term of year, thus meeting the definition of a derivative financial instrument as described above, the liability for these trusts are computed using the current market rate instead of the rate at inception. At the death of the lifetime beneficiaries, the trusts provide for the distribution of assets to designated remaindermen. The present value of the remainder interest of SIM USA is reported as with donor restriction contributions in the period received, net assets with donor restriction, and reclassification to net assets without donor restriction when the trust matures. Certain trusts contain provisions to distribute assets to remaindermen other than SIM USA. The portion attributable to others is reflected as a part of trust liabilities on the combined statements of financial position (Note 7).

OTHER LIABILITIES

Other liabilities consist of deferred income, missionary personal accounts and a pledge payable to another organization.

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT, REVENUE, AND EXPENSES

Revenue is recognized when earned and support when contributions are made, which may be when cash is received or ownership of other assets is transferred to SIM USA. Contribution revenue can also be recognized when unconditional promises are made.

SIM USA reports gifts of cash and other assets as support with donor restriction if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the combined statements of activities as net assets released from restrictions.

SIM USA reports gifts of property and equipment as support without donor restriction unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulations about how long those long-lived assets must be maintained, SIM USA reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

SIM USA receives indications of intent to support ministries that are faith promise commitments to provide monthly, quarterly, or annual gifts of a specified amount. These commitments are open ended and subject to unilateral change by the donor. Because the commitments do not express a term or period, the amount of the commitment is not measurable. Considering these factors, the commitments are not considered to be unconditional promises to give and are not recognized prior to receipt of the contribution.

ALLOCATION OF EXPENSES

Expenses are recorded when incurred in accordance with the accrual basis of accounting. The costs of providing various program services and supporting activities of SIM USA have been summarized on a functional basis in the combined statements of activities. Accordingly, certain costs have been allocated among the program services and activities benefited. The expenses that are allocated include the depreciation expense, information services department, overhead department, and services department including the mail room, purchasing/shipping, and maintenance. These expenses were allocated based on the number of staff within program services compared to the total number of non-missionary staff located within the home office as a whole.

RECENTLY ISSUED ACCOUNTING STANDARDS

In 2018, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. SIM USA adopted the provisions of this new standard during the year ended September 30, 2020, as a resource recipient in the current year and will adopt it as a resource provider in fiscal year 2021. Adoption of this standard did not have a material effect on the combined financial statements.

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

RECLASSIFICATIONS

Certain amounts from the prior year combined financial statements have been reclassified to conform to the current year presentation. On the combined statement of activity, rental, sales, and other, and field and project services both decreased by \$587,127.

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the financial assets of SIM USA as of the combined statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the combined statement of financial position date. Amounts not available include amounts set aside for reserves designated by the board that could be drawn upon if the governing board approves that action.

	September 30,	
	2020	2019
Financial assets:		
Cash and cash equivalents	\$ 584,009	\$ 790,654
Accounts receivable	318,920	222,489
Deposits with related organization	-	292,937
Investments	45,919,938	45,443,515
Financial assets, at year-end	46,822,867	46,749,595
Less those unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with purpose and time restrictions:		
Projects	(1,259,506)	(1,122,221)
Ministry funds	(13,159,868)	(11,428,971)
Future support	(5,186,372)	(5,275,917)
Endowment earnings	(202,797)	(207,317)
Charitable remainder trusts	(424,133)	(405,968)
Irrevocable trusts	(764,661)	(782,171)
Contractual restrictions:		
Revocable trusts	(12,537,592)	(12,802,779)
State required annuity reserve	(387,397)	(436,195)
Restricted in perpetuity endowment	(2,626,272)	(2,626,272)
Board designations:		
Endowment	(665,813)	(690,052)
	(37,214,411)	(35,777,863)
Financial assets available to meet cash needs for general expenditures within one year	\$ 9,608,456	\$ 10,971,732

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2020 and 2019

3. LIQUIDITY AND FUNDS AVAILABLE, continued:

As of September 30, 2020, SIM USA had \$9,608,456 of financial assets available within one year of the combined statement of financial position date consisting largely of cash and short-term investments. Financial assets are structured to be available as SIM USA's general expenditures, liabilities, and other obligations come due. Any excess cash is invested in short-term investments in accordance with its investment policy statement. None of these assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the combined statement of financial position date. SIM USA had \$665,812 in endowment assets as of September 30, 2020, that are designated by the board, as part of the annual budgeting process, which can be used to meet annual cash needs or as otherwise approved by the board.

4. INVESTMENTS:

Investments consist of:

	September 30,	
	2020	2019
At fair value:		
Exchange traded products	\$ -	\$ 8,389,350
Mutual funds	27,221,772	31,592,236
Fixed income securities	16,582,855	1,507,585
Precious metals	-	114,142
	43,804,627	41,603,313
Not at fair value:		
Cash and cash equivalents	541,706	2,317,846
Privately held captive entity, equity method	988,476	817,217
Real estate, at cost	585,129	705,139
	\$ 45,919,938	\$ 45,443,515
Investments are held for:		
Operating funds	\$ 23,304,407	\$ 22,511,358
Annuities	2,919,667	2,988,054
Nonqualified deferred compensation plan	1,282,554	1,193,604
Trust assets	14,918,428	15,226,858
Endowment assets:		
Board designated	665,813	690,052
Donor restricted	2,829,069	2,833,589
	\$ 45,919,938	\$ 45,443,515

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2020 and 2019

4. INVESTMENTS, continued:

Investment income consists of:

	Year Ended September 30,	
	2020	2019
Net investment gains (losses):		
Realized gains	\$ 1,892,660	\$ 1,415,402
Unrealized losses	(1,147,351)	(1,721,682)
Disbursements and investment fees	(66,686)	(80,691)
	678,623	(386,971)
Interest and dividend income	440,350	561,382
	\$ 1,118,973	\$ 174,411

INVESTMENT IN CAPTIVE INSURANCE COMPANY

SIM USA, along with 9 other nonprofit organizations, are members of an offshore captive insurance holding company, Lucent Insurance, Ltd. (Lucent), to provide coverage workers' compensation, general liability, property and automobile liability, and physical damage. SIM USA owns a non-controlling interest of the common stock of the captive and is accounting for the investment under the equity method, due to its ability to exercise significant influence over the operations of Lucent.

SIM USA's investment in captive insurance was approximately \$988,476 and \$817,217, as of September 30, 2020 and 2019, which represents 6.9% and 6.4% of Lucent's total equity. Financial information is recorded as of August 31, which represents the most recent data available. SIM USA is not aware of any material changes to these balances as of September 30, 2020 and 2019. SIM USA paid approximately \$224,000 and \$190,000 in premiums to Lucent during the years ended September 30, 2020 and 2019. SIM USA received approximately \$17,000 and \$11,500 in reimbursements from Lucent during the years ended September, 30, 2020 and 2019.

Summary financial information of Lucent is as follows, rounded to the nearest thousand:

	September 30,	
	2020	2019
Total assets	\$ 18,498,000	\$ 17,218,000
Total liabilities	\$ 4,239,000	\$ 4,358,000
Comprehensive income (net of dividends)	\$ 2,483,000	\$ 764,000

Amounts represent unaudited balances and activities through and for the years ended August 31, 2020 and 2019.

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2020 and 2019

5. FAIR VALUE MEASUREMENTS:

SIM USA uses appropriate valuation techniques to determine fair value based on inputs available. The levels are defined as follows: Level 1 – based on quoted prices for identical assets in active markets; Level 2 – based on observable inputs other than quoted prices in active markets; and Level 3 – based on significant unobservable inputs. When available, SIM USA measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

Fair Value Measurements at September 30, 2020				
	Total	Level 1	Level 2	Level 3
Investments:				
Fixed income securities:				
High yield	\$ 702,229	\$ -	\$ 702,229	\$ -
International	2,286,453	-	2,286,453	-
Short term	2,116,526	-	2,116,526	-
US	11,052,284	-	11,052,284	-
Other	425,363	-	425,363	-
	16,582,855	-	16,582,855	-
Mutual funds:				
Alternative strategy	5,191,686	5,191,686	-	-
Stock market index	3,615,488	3,615,488	-	-
Emerging markets	863,460	863,460	-	-
International equity	9,383,336	9,383,336	-	-
Large cap	5,641,731	5,641,731	-	-
Mid cap	1,818,380	1,818,380	-	-
Small cap	707,691	707,691	-	-
	27,221,772	27,221,772	-	-
	\$ 43,804,627	\$ 27,221,772	\$ 16,582,855	\$ -

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2020 and 2019

5. FAIR VALUE MEASUREMENTS, continued:

Fair Value Measurements at September 30, 2019				
	Total	Level 1	Level 2	Level 3
Investments:				
Exchange traded products	\$ 8,389,350	\$ 8,389,350	\$ -	\$ -
Fixed income securities:				
Corporate bonds	1,507,585	-	1,507,585	-
Mutual funds:				
Absolute return	2,834,923	2,834,923	-	-
Emerging markets	2,294,363	2,294,363	-	-
Fixed income	10,190,606	10,190,606	-	-
Hedge equity	4,337,605	4,337,605	-	-
International equity	6,419,141	6,419,141	-	-
Large cap	4,826,868	4,826,868	-	-
Mid cap	204,674	204,674	-	-
Small cap	484,056	484,056	-	-
	31,592,236	31,592,236	-	-
Precious metals	114,142	114,142	-	-
	\$ 41,603,313	\$ 40,095,728	\$ 1,507,585	\$ -

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2020 and 2019

5. FAIR VALUE MEASUREMENTS, continued:

Methods and assumptions used by SIM USA in estimating fair values are as follows:

Valuation techniques: Fair values for common stocks, mutual funds, precious metals, and exchange traded products are based on quoted market prices in an active market. The fair value of fixed income securities and alternative strategy are based on yields currently available for comparable securities of issuers with similar credit ratings.

Changes in valuation techniques: None.

Gains and losses (realized and unrealized) related to investments are included in the change in net assets and are reported in investment income. Gains and losses (realized and unrealized) related to the annuities and charitable lead trusts are reported in change in value of annuities and trusts.

6. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net, consist of:

	September 30,	
	2020	2019
Charlotte property and equipment:		
Land and land developments	\$ 1,709,323	\$ 1,709,323
Buildings	3,578,892	3,578,892
Furniture and equipment	1,647,910	1,647,910
Airplanes and vehicles	1,952,974	1,637,918
	8,889,099	8,574,043
Less accumulated depreciation	(4,982,816)	(4,494,891)
	3,906,283	4,079,152
Construction in process	822,037	383,081
	4,728,320	4,462,233
Retirement property, Sebring, Florida:		
Land and land developments	159,749	159,749
Buildings	4,370,745	4,370,745
Furniture and equipment	92,700	92,700
	4,623,194	4,623,194
Less accumulated depreciation	(3,587,767)	(3,463,340)
	1,035,427	1,159,854
Construction in process	209,774	-
	1,245,201	1,159,854
	\$ 5,973,521	\$ 5,622,087

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2020 and 2019

7. ANNUITY AND TRUST LIABILITIES:

Annuity liabilities consist of:

	September 30,	
	2020	2019
Computed present value of annuity liabilities	\$ 1,461,535	\$ 1,678,359
Less current portion	(221,783)	(278,811)
Long-term portion	\$ 1,239,752	\$ 1,399,548
	Year Ended September 30,	
	2020	2019
Change in value of annuities includes:		
Realized and unrealized gains	\$ 149,374	\$ (55,579)
Investment income	44,125	67,935
Actuarial change	(44,650)	(61,141)
	\$ 148,849	\$ (48,785)
	September 30,	
	2020	2019
Trust liabilities consist of:		
Revocable trusts	\$ 12,537,592	\$ 12,802,779
Irrevocable trusts—other remaindermen and lifetime interests	610,897	610,388
	\$ 13,148,489	\$ 13,413,167

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2020 and 2019

7. ANNUITY AND TRUST LIABILITIES, continued:

Change in value of trusts includes:

	Year Ended September 30,	
	2020	2019
Interest and dividends	\$ 39,852	\$ 46,002
Realized gains	113,292	137,641
Unrealized losses	(85,455)	(184,508)
Actuarial change	(509)	(102,414)
Payments to beneficiaries	(112,680)	(359,010)
	\$ (45,500)	\$ (462,289)

8. NET ASSETS:

Net assets consist of:

	September 30,	
	2020	2019
Without donor restriction:		
Undesignated	\$ 9,476,815	\$ 10,452,771
Board designated endowment	665,813	690,052
Management designated:		
State required annuity reserves	387,397	436,195
Annuity investment reserve	1,077,497	873,500
Captive insurance reserve	553,585	553,584
Equipment reserve	-	98,574
	2,018,479	1,961,853
Total net assets without donor restriction	\$ 12,161,107	\$ 13,104,676

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2020 and 2019

8. NET ASSETS, continued:

Net assets consist of, continued:

	September 30,	
	2020	2019
With donor restriction:		
Restricted by time or purpose:		
Projects	\$ 1,259,506	\$ 1,122,221
Ministry funds	13,159,868	11,428,971
Future support	5,186,372	5,275,917
Endowments	202,797	207,317
Charitable remainder trusts	424,133	405,968
Irrevocable trusts	764,661	782,171
	<u>20,997,337</u>	<u>19,222,565</u>
Restricted in perpetuity endowment	<u>2,626,272</u>	<u>2,626,272</u>
Total net assets with donor restriction	<u>23,623,609</u>	<u>21,848,837</u>
	<u>\$ 35,784,716</u>	<u>\$ 34,953,513</u>

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2020 and 2019

9. TRANSACTIONS WITH RELATED PARTIES:

SIM INTERNATIONAL AND OTHER SIM ENTITIES

In accordance with international policy, all national divisions of SIM USA make payments to SIM International Administration for salary allowance, missionary area care, administrative costs, and undesignated contributions that exceed \$5,000 for the years ended September 30, 2019, to be used for specific ministries. In addition, missionary support received by one division for another is remitted to the appropriate division.

SIM USA incurred the following expenses, related to SIM International and SIM Entities:

	Year Ended September 30,	
	2020	2019
Salary allowance	\$ 44,925	\$ 61,767
Service fees	751,545	892,202
Specific ministries	7,180,385	6,124,247
Missionary support for other SIM entities	2,904,118	2,552,630
	<u>\$ 10,880,973</u>	<u>\$ 9,630,846</u>

RELATED PARTY PLEDGES PAYABLE

SIM USA has made unconditional pledges to an affiliated entity, SIM Kenya, that totaled \$486,700 as of September 30, 2020 and 2019. This commitment will be paid upon the sale of certain land owned by SIM.

RELATED PARTY CONTRIBUTIONS

Approximately \$130,000 and \$80,000 of contribution revenue was received from members of the board of directors or companies they own during the years ended September 30, 2020 and 2019, respectively.

SIM USA also received \$50,000 and \$580,000 from Summit Foundation during the years ended September 30, 2020 and 2019, respectively. A SIM USA vice president and a board member serve as a board member and officer of Summit Foundation.

10. CONTINGENCIES:

In accordance with the terms of the lease agreement with an unrelated party, if SIM USA elects to terminate the agreement and operate the airplane on its own or lease the airplane to a different entity, SIM USA agrees to pay the unrelated party \$340,000. In the event that SIM USA elects to sell the airplane, SIM USA agrees to pay the unrelated party 24% of the sale price of the airplane. In the event that the unrelated party elects to terminate or not renew the lease, SIM USA has no obligation to the unrelated party, until such time as SIM USA elects to sell the airplane, at which point SIM USA agrees to pay the unrelated party 24% of the sales proceeds. SIM USA does not currently intend to terminate the lease or sell the airplane.

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2020 and 2019

11. MEMBER BENEFIT PLANS:

MEDICAL BENEFITS

SIM USA maintains a self-insured employee benefit plan covering certain employees for dental and vision costs and providing for certain limitations and restrictions on coverage. As of September 30, 2020 and 2019, claims incurred but not reported were not estimated to be material to the combined financial statements. SIM USA is not subject to COBRA continuation coverage because our medical plans are considered to be church plans. SIM USA provides an employer sponsored Health Reimbursement Arrangement (HRA) account for clergy staff in conjunction with their integrated health care plans. Medical expense reimbursements from these HRA accounts are non-taxable as allowed by law.

RETIREMENT BENEFITS

Traditional 403(b) and designated Roth 403(b) Plans: Since the year 2000, SIM USA offers traditional 403(b) retirement accounts via Fidelity to employees and clergy staff. SIM USA also offers designated Roth 403(b) retirement accounts to employees and clergy staff.

SIM USA Retirement Pool: SIM USA offers continued support to those members of the mission reaching the designated retirement age and having completed thirty year of active service through the year 2000, subject to funds available in the retirement allowances pool. Partial benefits may be received by those members having served between twenty and thirty year through the year 2000. Support may include a non-taxable clergy housing allowance or housing provided, certain medical payments, and a supplement to the extent social security benefits are deemed to be inadequate. Support amounts vary from period to period based on the level of retirement funds available. Benefits from the SIM USA Retirement Pool are not guaranteed, but “as the Lord provides.” SIM intends that support received will not exceed costs of benefits, and the plan is being treated as a nonqualified defined contribution arrangement.

Individual Retirement Support Accounts: SIM USA offers individual retirement support accounts to certain retired missionaries that were not eligible for participation in the SIM USA Retirement Pool. Most of these retirees joined SIM as a result of the Africa Evangelical Mission (AEF) merger in 1996. Benefits include a non-taxable clergy housing allowance and or taxable retirement payments. Benefits are not guaranteed, but “as the Lord provides.” SIM intends that support received will not exceed costs of benefits, and the plan is being treated as a nonqualified defined contribution arrangement.

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2020 and 2019

12. ENDOWMENTS:

SIM USA's endowments consist of 3 individual funds established for a variety of purposes as a result of donor contributions and board designations. Net assets associated with endowment funds, including funds designated by the board of trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The board of trustees of SIM USA has interpreted the North Carolina Uniform Prudent Management of Institutional Funds Act (NCUPMIFA) as requiring the preservation of the fair value of the original gift, as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, SIM USA classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as net assets with donor restriction by perpetuity are classified as net assets with donor restriction by time or purpose until those amounts are appropriated for expenditure by SIM USA in a manner consistent with the standard of prudence prescribed by NCUPMIFA. In accordance with NCUPMIFA, SIM USA considers the following factors in making a determination to appropriate or accumulated donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of SIM USA and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of SIM USA
7. The investment policies of SIM USA

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2020 and 2019

12. ENDOWMENTS, continued:

Endowment net asset composition by type of fund as of September 30, 2020:

	Without Donor Restriction	With Donor Restriction	
		Accumulated Earnings	Original Gift
Donor-restricted endowment funds	\$ -	\$ 202,797	\$ 2,626,272
Board designated endowment funds	665,813	-	-
	\$ 665,813	\$ 202,797	\$ 2,626,272

Changes in endowment net assets for the year ended September 30, 2020:

	Without Donor Restriction	With Donor Restriction	
		Accumulated Earnings	Original Gift
Endowment net assets, beginning of year	\$ 690,052	\$ 207,317	\$ 2,626,272
Investment return:			
Interest and dividends	12,893	51,931	-
Net gains (realized and unrealized)	11,774	107,999	-
	24,667	159,930	-
Contributions	-	-	-
Amounts appropriated for expenditure	(48,906)	(164,450)	-
Endowment net asset, end of year	\$ 665,813	\$ 202,797	\$ 2,626,272

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2020 and 2019

12. ENDOWMENTS, continued:

Endowment net asset composition by type of fund as of September 30, 2019:

	Without Donor Restriction	With Donor Restriction	
		Accumulated Earnings	Original Gift
Donor-restricted endowment funds	\$ -	\$ 207,317	\$ 2,626,272
Board designated endowment funds	690,052	-	-
	\$ 690,052	\$ 207,317	\$ 2,626,272

Changes in endowment net assets for the year ended September 30, 2019:

	Without Donor Restriction	With Donor Restriction	
		Accumulated Earnings	Original Gift
Endowment net assets, beginning of year	\$ 762,732	\$ 453,324	\$ 2,626,272
Investment return:			
Interest and dividends	12,793	61,024	-
Net losses (realized and unrealized)	(18,647)	(136,933)	-
	(5,854)	(75,909)	-
Contributions	-	-	-
Amounts appropriated for expenditure	(66,826)	(170,098)	-
Endowment net asset, end of year	\$ 690,052	\$ 207,317	\$ 2,626,272

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2020 and 2019

12. ENDOWMENTS, continued:

Return Objectives and Risk Parameters—SIM USA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that SIM USA must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the board of trustees, the endowment assets are invested in a manner that is intended to produce an inflation adjusted income stream to grow the corpus above the inflation rate. SIM USA expects its endowment funds, over time, to provide an average rate of return of approximately 9% annually. Actual returns in any given year may vary from this amount.

Funds with Deficiencies—From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or NCUPMIFA require SIM USA to retain as a fund of perpetual duration. There were no such deficiencies of this nature reported in net assets with donor restrictions as of September 30, 2020 and 2019.

Strategies Employed for Achieving Objectives—To satisfy its long-term rate-of-return objectives, SIM USA relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). SIM USA targets a diversified asset allocation that places a greater emphasis on fixed income investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy—SIM USA has a policy of appropriating for distribution each year 5% of the value of each fund. This calculation is based upon the actual rate of return on the endowment funds for the previous calendar year. In establishing this policy, SIM USA's board considered long-term expected return on its endowment. This is consistent with the board's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment returns.

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2020 and 2019

13. RISKS AND UNCERTAINTIES:

In March 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant declines and volatility in financial markets. COVID-19 pandemic did not depress contributions during fiscal year 2020. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the combined financial position and results of SIM USA for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve.

14. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through March 11, 2021, which represents the date the combined financial statements were available to be issued. Subsequent events after that date have not been evaluated.

SUPPLEMENTAL INFORMATION

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTAL INFORMATION**

Board of Directors
SIM USA, Inc.
Charlotte, North Carolina

We have audited the combined financial statements of SIM USA, Inc. as of and for the years ended September 30, 2020 and 2019, and our report thereon dated March 11, 2021, which expresses an unmodified opinion on those combined financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The Sudan Interior Mission, Inc.–Segregated Gift Annuity Fund statements of financial position and statements of activities as of and for the years ended September 30, 2020 and 2019, are presented for purposes of additional analysis and are 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.

Capin Crouse LLP

Charlotte, North Carolina
March 11, 2021

**SUDAN INTERIOR MISSION, INC. –
SEGREGATED GIFT ANNUITY FUND**

Statements of Financial Position

	September 30	
	2020	2019
ASSETS:		
Cash and cash equivalents	\$ 6,762	\$ 11,561
Investments	2,919,667	2,976,493
Total Assets	\$ 2,926,429	\$ 2,988,054
LIABILITIES AND NET ASSETS:		
Liabilities:		
Current portion of annuities payable	\$ 221,783	\$ 278,811
Annuities payable–net of current portion	1,239,752	1,399,548
	1,461,535	1,678,359
Net assets:		
Other	1,077,497	873,500
Required minimum reserve (New York)	387,397	436,195
	1,464,894	1,309,695
Total Liabilities and Net Assets	\$ 2,926,429	\$ 2,988,054

**SUDAN INTERIOR MISSION, INC. –
SEGREGATED GIFT ANNUITY FUND**

Statements of Activities

	September 30	
	2020	2019
INCOME:		
Net gains (losses) on investments	\$ 149,374	\$ (55,579)
Interest and dividend income	44,125	67,935
Actuarial change	191,140	174,809
New annuities	6,350	44,835
Total Income	390,989	232,000
EXPENSES:		
Actuarial change-payments to annuitants	235,790	235,950
Change in Net Assets	155,199	(3,950)
Net Assets, Beginning of Year	1,309,695	1,313,645
Net Assets, End of Year	\$ 1,464,894	\$ 1,309,695