



SIM USA, INC.

Combined Financial Statements
With Independent Auditors' Report

September 30, 2021 and 2020

SIM USA, INC.

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Combined Financial Statements	
Combined Statements of Financial Position	3
Combined Statement of Activities–2021	4
Combined Statement of Activities–2020	5
Combined Statements of Cash Flows	6
Combined Statement of Functional Expenses–2021	7
Combined Statement of Functional Expenses–2020	8
Notes to Combined Financial Statements	9
Supplemental Information	
Independent Auditors' Report on Supplemental Information	30
Sudan Interior Mission, Inc.–Segregated Gift Annuity Fund:	
Statements of Financial Position	31
Statements of Activities	32

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, 2021 and 2020, 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 did not audit the consolidated financial statements of Lucent Insurance, Ltd., an investee of which SIM USA, Inc. has a significant influence. Those consolidated statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the investment in Lucent Insurance, Ltd., is based solely on the report of the other auditors. The investee entity reports on the insurance basis of accounting as required by the Bermudan Insurance Regulators which is a financial reporting framework other than generally accepted accounting principles in the United States. We have applied audit procedures on the conversion adjustments to the financial statements of Lucent Insurance, Ltd., which conform those financial statements to accounting principles generally accepted in the United States of America. Our opinion, insofar as it relates to the amounts included for Lucent Insurance, Ltd., prior to these conversion adjustments, is based solely on the report of the other auditors and Lucent Insurance, Ltd. management. The investment in Lucent Insurance, Ltd. made up 2.1% and 1.8% of SIM USA, Inc.'s total assets as of September 30, 2021 and 2020. The investment in Lucent Insurance, Ltd. made up 5.5% and 20.6% of SIM USA, Inc.'s change in net assets for the years ended September 30, 2021 and 2020. 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.

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

Auditors' Responsibility, continued

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of SIM USA, Inc. as of September 30, 2021 and 2020, 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

Lawrenceville, Georgia
February 4, 2022

SIM USA, INC.

Combined Statements of Financial Position

	September 30,	
	2021	2020
ASSETS:		
Cash and cash equivalents	\$ 360,015	\$ 584,009
Deposits with related organization	503,337	-
Investments	51,283,991	45,919,938
Other assets	1,285,226	1,734,668
Property and equipment—net	5,370,971	5,973,521
Total Assets	\$ 58,803,540	\$ 54,212,136
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 790,299	\$ 1,373,351
Other liabilities	1,183,377	1,161,491
Deferred compensation payable	1,455,756	1,282,554
Annuity and trust liabilities	15,334,979	14,610,024
Total liabilities	18,764,411	18,427,420
Net assets:		
Without donor restriction	13,918,648	12,161,107
With donor restriction	26,120,481	23,623,609
Total net assets	40,039,129	35,784,716
Total Liabilities and Net Assets	\$ 58,803,540	\$ 54,212,136

See notes to combined financial statements

SIM USA, INC.

Combined Statement of Activities

Year Ended September 30, 2021

	Without Donor Restriction	With Donor Restriction	Total
INCOME:			
Support and revenue:			
Contributions	\$ 3,494,973	\$ 47,027,555	\$ 50,522,528
Rental, sales, and other	993,183	-	993,183
	4,488,156	47,027,555	51,515,711
Investment income and change in value of annuities and trusts:			
Net investment gains	3,293,021	352,422	3,645,443
Interest and dividend income	458,043	53,396	511,439
Change in value of annuities and trusts	463,568	160,692	624,260
	4,214,632	566,510	4,781,142
Total Income	8,702,788	47,594,065	56,296,853
RECLASSIFICATIONS:			
Net assets released from time and use restrictions	45,097,193	(45,097,193)	-
	45,097,193	(45,097,193)	-
EXPENSES:			
Program services:			
Field and project service	22,946,333	-	22,946,333
Evangelism and discipleship	8,808,777	-	8,808,777
Recruit, train, send care	4,470,982	-	4,470,982
Education	3,209,572	-	3,209,572
Healthcare ministry	2,616,619	-	2,616,619
Retirement care	1,400,133	-	1,400,133
Community development	837,274	-	837,274
	44,289,690	-	44,289,690
Supporting activities:			
Management and general	5,995,784	-	5,995,784
Fund-raising	1,756,966	-	1,756,966
	7,752,750	-	7,752,750
Total Expenses	52,042,440	-	52,042,440
Change in Net Assets	1,757,541	2,496,872	4,254,413
Net Assets, Beginning of Year	12,161,107	23,623,609	35,784,716
Net Assets, End of Year	\$ 13,918,648	\$ 26,120,481	\$ 40,039,129

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)	-
EXPENSES:			
Program services:			
Field and project service	21,865,725	-	21,865,725
Evangelism and discipleship	8,297,265	-	8,297,265
Healthcare ministry	3,950,967	-	3,950,967
Recruit, train, send care	3,769,640	-	3,769,640
Education	3,388,615	-	3,388,615
Retirement care	1,023,431	-	1,023,431
Community development	696,263	-	696,263
	42,991,906	-	42,991,906
Supporting activities:			
Management and general	6,692,039	-	6,692,039
Fund-raising	1,496,760	-	1,496,760
	8,188,799	-	8,188,799
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 Statements of Cash Flows

	Year Ended September 30,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 4,254,413	\$ 831,203
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Net realized and unrealized gains	(3,645,443)	(678,623)
Gain on disposal of property and equipment	(318,345)	-
Contribution portion of new annuities	(5,650)	(15,000)
Contribution portion of new trusts	-	(1,800)
Change in value of annuities	(463,568)	(148,849)
Change in value of trust assets	(160,692)	45,500
Depreciation	517,949	472,623
Contributions restricted for capital projects	(17,924)	(55,856)
Changes in operating assets and liabilities:		
Deposits with related organization	(503,337)	292,937
Other assets	449,442	(526,179)
Accounts payable and accrued expenses	(583,052)	403,984
Deferred rental revenue	66,088	(56,648)
Nonqualified deferred compensation plan	173,202	88,949
Missionary personal accounts	(44,202)	68,468
Net Cash Provided (Used) by Operating Activities	(281,119)	720,709
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(94,054)	(824,057)
Proceeds from sales of property and equipment	497,000	-
Purchases of investments	(649,908)	(539,288)
Proceeds from sales of investments	528,523	707,956
Net Cash Provided (Used) by Investing Activities	281,561	(655,389)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments of annuity and trust obligations	(257,694)	(344,621)
Face value of new annuities and trusts	15,334	16,800
Contributions restricted for capital projects	17,924	55,856
Net Cash Used by Financing Activities	(224,436)	(271,965)
Net Change in Cash and Cash Equivalents	(223,994)	(206,645)
Cash and Cash Equivalents, Beginning of Year	584,009	790,654
Cash and Cash Equivalents, End of Year	\$ 360,015	\$ 584,009

See notes to combined financial statements

SIM USA, INC.

Combined Statement of Functional Expenses

Year Ended September 30, 2021

	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	\$ 2,819,461	\$ 7,726,654	\$ 736,779	\$ 10,141,974	\$ 2,257,209	\$ 1,304,208	\$ 3,849,017	\$ 28,835,302	\$ 3,724,100	\$ 898,927	\$ 4,623,027	\$ 33,458,329
Grants to other organizations	-	-	-	10,578,707	-	-	-	10,578,707	-	-	-	10,578,707
Travel	148,943	391,394	36,455	484,510	140,321	17,551	106,327	1,325,501	9,908	21,675	31,583	1,357,084
Advertising and promotions	58,614	191,014	15,023	227,004	41,001	4,224	115,814	652,694	37,177	563,859	601,036	1,253,730
Professional fees	32,194	88,461	9,014	271,385	27,779	13,947	147,860	590,640	291,443	34,411	325,854	916,494
Office supplies	17,958	54,420	3,747	100,698	26,822	1,000	9,981	214,626	526,984	174,365	701,349	915,975
Repairs, maintenance, and equipment	45,901	124,874	13,066	25,878	39,392	19,711	59,116	327,938	488,622	5,616	494,238	822,176
Insurance	12,546	35,157	3,396	206,817	10,942	5,530	16,626	291,014	231,370	12,350	243,720	534,734
Depreciation	12,014	33,861	3,218	302,982	10,511	5,322	15,887	383,795	120,138	14,016	134,154	517,949
Staff training	26,411	71,120	7,451	209,347	33,571	11,186	77,334	436,420	6,992	1,675	8,667	445,087
Computer technology	10,117	21,606	2,076	62,113	6,905	3,380	32,015	138,212	244,161	13,880	258,041	396,253
Occupancy	10,627	29,874	2,860	200,609	9,285	4,697	14,078	272,030	99,551	11,518	111,069	383,099
Telephone	13,685	37,343	3,876	121,327	11,764	5,892	21,801	215,688	29,888	3,875	33,763	249,451
Other	1,101	2,999	313	12,982	1,117	3,485	5,126	27,123	185,450	799	186,249	213,372
	<u>\$ 3,209,572</u>	<u>\$ 8,808,777</u>	<u>\$ 837,274</u>	<u>\$ 22,946,333</u>	<u>\$ 2,616,619</u>	<u>\$ 1,400,133</u>	<u>\$ 4,470,982</u>	<u>\$ 44,289,690</u>	<u>\$ 5,995,784</u>	<u>\$ 1,756,966</u>	<u>\$ 7,752,750</u>	<u>\$ 52,042,440</u>

See notes to combined financial statements

SIM USA, INC.

Combined Statement of Functional Expenses

Year Ended September 30, 2020

	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	\$ 3,153,021	\$ 7,749,867	\$ 649,362	\$ 8,694,775	\$ 3,457,083	\$ 798,278	\$ 2,885,545	\$ 27,387,931	\$ 4,726,991	\$ 926,762	\$ 5,653,753	\$ 33,041,684
Grants to other organizations	-	-	-	10,880,973	-	-	-	10,880,973	-	-	-	10,880,973
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
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
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
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
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
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
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
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
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
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
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
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>\$ 3,388,615</u>	<u>\$ 8,297,265</u>	<u>\$ 696,263</u>	<u>\$ 21,865,725</u>	<u>\$ 3,950,967</u>	<u>\$ 1,023,431</u>	<u>\$ 3,769,640</u>	<u>\$ 42,991,906</u>	<u>\$ 6,692,039</u>	<u>\$ 1,496,760</u>	<u>\$ 8,188,799</u>	<u>\$ 51,180,705</u>

See notes to combined financial statements

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2021 and 2020

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, 2021 and 2020

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. There were no deposits in excess of federally insured limits at September 30, 2021 and 2020. 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, 2021 and 2020

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, 2021 and 2020, was 2.4% and 1.4%. 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, 2021 and 2020

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. 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, 2021 and 2020

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 years ended September 30, 2021 and 2020, as a resource recipient in fiscal year 2020 and the resource provider provisions 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, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

RECLASSIFICATIONS

Certain amounts from the prior year financial statements have been reclassified to conform to the current year presentation. On the statement of activities and functional expenses for the year ended September 30, 2020, expenses for program activities increased by \$1,443,854 and management and general expenses decreased by 1,443,854.

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,	
	2021	2020
Financial assets:		
Cash and cash equivalents	\$ 360,015	\$ 584,009
Accounts receivable	200,539	318,920
Deposits with related organization	503,337	-
Investments	51,283,991	45,919,938
Financial assets, at year-end	52,347,882	46,822,867
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	(499,945)	(1,259,506)
Ministry funds	(15,403,900)	(13,159,868)
Endowment earnings	(395,152)	(202,797)
Charitable remainder trusts	(494,582)	(424,133)
Irrevocable trusts	(854,403)	(764,661)
Contractual restrictions:		
Revocable trusts	(13,345,123)	(12,537,592)
State required annuity reserve	(355,407)	(387,397)
Restricted in perpetuity endowment	(2,578,717)	(2,626,272)
Board designations:		
Endowment	(940,214)	(665,813)
	(34,867,443)	(32,028,039)
Financial assets available to meet cash needs for general expenditures within one year	\$ 17,480,439	\$ 14,794,828

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2021 and 2020

3. LIQUIDITY AND FUNDS AVAILABLE, continued:

As of September 30, 2021 and 2020, SIM USA had \$17,480,439 and \$14,794,828 of financial assets available within one year of the combined statement of financial position date consisting largely of cash and short-term investments, respectively. 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. Respectively, SIM USA had \$940,214 and \$665,813 in endowment assets as of September 30, 2021 and 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,	
	2021	2020
At fair value:		
Mutual funds	\$ 25,651,803	\$ 27,221,772
Fixed income securities	23,389,121	16,582,855
	49,040,924	43,804,627
Not at fair value:		
Cash and cash equivalents	430,937	541,706
Privately held captive entity, equity method	1,222,289	988,476
Real estate, at cost	589,841	585,129
	\$ 51,283,991	\$ 45,919,938
Investments are held for:		
Operating funds	\$ 26,656,801	\$ 23,304,407
Annuities	3,257,342	2,919,667
Nonqualified deferred compensation plan	1,455,756	1,282,554
Trust assets	16,000,009	14,918,428
Endowment assets:		
Board designated	940,214	665,813
Donor restricted	2,973,869	2,829,069
	\$ 51,283,991	\$ 45,919,938

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2021 and 2020

4. INVESTMENTS, continued:

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 \$1,222,289 and \$988,476, as of September 30, 2021 and 2020, which represents 7.5% and 6.9% 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, 2021 and 2020. SIM USA paid approximately \$226,000 and \$224,000 in premiums to Lucent during the years ended September 30, 2021 and 2020. SIM USA received approximately \$10,000 and \$17,000 in reimbursements from Lucent during the years ended September, 30, 2021 and 2020.

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

	September 30,	
	2021	2020
Total assets	\$ 21,030,000	\$ 18,498,000
Total liabilities	\$ 4,629,000	\$ 4,239,000
Comprehensive income (net of dividends)	\$ 3,467,000	\$ 2,483,000

Amounts represent unaudited balances and activities through and for the years ended August 31, 2021 and 2020.

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2021 and 2020

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, 2021				
	Total	Level 1	Level 2	Level 3
Investments:				
Fixed income securities:				
High yield	\$ 478,364	\$ -	\$ 478,364	\$ -
International	2,661,030	-	2,661,030	-
Short term	2,741,237	-	2,741,237	-
US	17,132,025	-	17,132,025	-
Other	376,465	-	376,465	-
	23,389,121	-	23,389,121	-
Mutual funds:				
Stock market index	9,963,049	9,963,049	-	-
Emerging markets	832,870	832,870	-	-
International equity	9,829,214	9,829,214	-	-
Large cap	3,923,239	3,923,239	-	-
Mid cap	434,655	434,655	-	-
Small cap	668,776	668,776	-	-
	25,651,803	25,651,803	-	-
	\$ 49,040,924	\$ 25,651,803	\$ 23,389,121	\$ -

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2021 and 2020

5. FAIR VALUE MEASUREMENTS, continued:

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, 2021 and 2020

5. FAIR VALUE MEASUREMENTS, continued:

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

Valuation techniques : Fair values for mutual funds 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,	
	2021	2020
Charlotte property and equipment:		
Land and land developments	\$ 1,709,323	\$ 1,709,323
Buildings	3,881,698	3,578,892
Furniture and equipment	1,641,029	1,647,910
Airplanes and vehicles	2,190,349	1,952,974
	9,422,399	8,889,099
Less accumulated depreciation	(5,255,471)	(4,982,816)
	4,166,928	3,906,283
Construction in process	-	822,037
	4,166,928	4,728,320
Retirement property, Sebring, Florida:		
Land and land developments	170,529	159,749
Buildings	4,610,749	4,370,745
Furniture and equipment	140,524	92,700
	4,921,802	4,623,194
Less accumulated depreciation	(3,717,759)	(3,587,767)
	1,204,043	1,035,427
Construction in process	-	209,774
	1,204,043	1,245,201
	\$ 5,370,971	\$ 5,973,521

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2021 and 2020

7. ANNUITY AND TRUST LIABILITIES:

Annuity liabilities consist of:

	September 30,	
	2021	2020
Computed present value of annuity liabilities	\$ 1,328,999	\$ 1,461,535
Less current portion	(207,405)	(221,783)
Long-term portion	\$ 1,121,594	\$ 1,239,752
	Year Ended September 30,	
	2021	2020
Change in value of annuities includes:		
Realized and unrealized gains	\$ 473,490	\$ 149,374
Investment income	59,596	44,125
Actuarial change	(69,518)	(44,650)
	\$ 463,568	\$ 148,849
	September 30,	
	2021	2020
Trust liabilities consist of:		
Revocable trusts	\$ 13,345,123	\$ 12,537,592
Irrevocable trusts—other remaindermen and lifetime interests	660,857	610,897
	\$ 14,005,980	\$ 13,148,489

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2021 and 2020

7. ANNUITY AND TRUST LIABILITIES, continued:

Change in value of trusts includes:

	Year Ended September 30,	
	2021	2020
Interest and dividends	\$ 33,988	\$ 39,852
Realized gains	120,504	113,292
Unrealized gains (losses)	102,116	(85,455)
Actuarial change	(48,412)	(509)
Payments to beneficiaries	(47,504)	(112,680)
	\$ 160,692	\$ (45,500)

8. NET ASSETS:

Net assets consist of:

	September 30,	
	2021	2020
Without donor restriction:		
Undesignated	\$ 10,490,737	\$ 9,476,816
Board designated endowment	940,214	665,813
Management designated:		
State required annuity reserves	355,407	387,397
Annuity investment reserve	1,578,705	1,077,497
Captive insurance reserve	553,585	553,584
	2,487,697	2,018,478
Total net assets without donor restriction	\$ 13,918,648	\$ 12,161,107

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2021 and 2020

8. NET ASSETS, continued:

Net assets consist of, continued:

	September 30,	
	2021	2020
With donor restriction:		
Restricted by time or purpose:		
Projects	\$ 499,945	\$ 1,259,506
Ministry funds	15,403,900	13,159,868
Future support	5,893,782	5,186,372
Endowments	395,152	202,797
Charitable remainder trusts	494,582	424,133
Irrevocable trusts	854,403	764,661
	<u>23,541,764</u>	<u>20,997,337</u>
Restricted in perpetuity endowment	<u>2,578,717</u>	<u>2,626,272</u>
Total net assets with donor restriction	<u>26,120,481</u>	<u>23,623,609</u>
	<u>\$ 40,039,129</u>	<u>\$ 35,784,716</u>

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2021 and 2020

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, 2021 and 2020, 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,	
	2021	2020
Salary allowance	\$ 60,081	\$ 44,925
Service fees	807,877	751,545
Specific ministries	6,874,111	7,180,385
Missionary support for other SIM entities	2,836,638	2,904,118
	<u>\$ 10,578,707</u>	<u>\$ 10,880,973</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, 2021 and 2020. This commitment will be paid upon the sale of certain land owned by SIM.

RELATED PARTY CONTRIBUTIONS

Approximately \$180,000 and \$130,000 of contribution revenue was received from members of the board of directors or companies they own during the years ended September 30, 2021 and 2020, respectively.

SIM USA also received \$-0- and \$50,000 from Summit Foundation during the years ended September 30, 2021 and 2020, respectively. A former 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, 2021 and 2020

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, 2021 and 2020, 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, 2021 and 2020

12. ENDOWMENTS:

SIM USA's endowments consist of 5 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, 2021 and 2020

12. ENDOWMENTS, continued:

Endowment net asset composition by type of fund as of September 30, 2021:

	Without Donor Restriction	With Donor Restriction	
		Accumulated Earnings	Original Gift
Donor-restricted endowment funds	\$ -	\$ 395,152	\$ 2,578,717
Board designated endowment funds	940,214	-	-
	\$ 940,214	\$ 395,152	\$ 2,578,717

Changes in endowment net assets for the year ended September 30, 2021:

	Without Donor Restriction	With Donor Restriction	
		Accumulated Earnings	Original Gift
Endowment net assets, beginning of year	\$ 665,813	\$ 202,797	\$ 2,626,272
Investment return:			
Interest and dividends	13,927	53,396	-
Net gains (realized and unrealized)	88,845	352,422	-
	102,772	405,818	-
Contributions	156,150	-	-
Transfers	95,469	(47,914)	(47,555)
Amounts appropriated for expenditure	(79,990)	(165,549)	-
Endowment net asset, end of year	\$ 940,214	\$ 395,152	\$ 2,578,717

SIM USA, INC.

Notes to Combined Financial Statements

September 30, 2021 and 2020

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, 2021 and 2020

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, 2021 and 2020.

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, 2021 and 2020

13. RISKS AND UNCERTAINTIES:

In March 2020, the World Health Organization declared the outbreak of 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. 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 February 4, 2022, 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, 2021 and 2020, and our report thereon dated February 4, 2022, 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 activities as of and for the years ended September 30, 2021 and 2020, 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

Lawrenceville, Georgia
February 4, 2022

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

Statements of Financial Position

	September 30	
	2021	2020
ASSETS:		
Cash and cash equivalents	\$ 5,769	\$ 6,762
Investments	3,257,342	2,919,667
Total Assets	\$ 3,263,111	\$ 2,926,429
LIABILITIES AND NET ASSETS:		
Liabilities:		
Current portion of annuities payable	\$ 207,405	\$ 221,783
Annuities payable–net of current portion	1,121,594	1,239,752
Total liabilities	1,328,999	1,461,535
Net assets:		
Other	1,578,705	1,077,497
Required minimum reserve (New York)	355,407	387,397
Total net assets	1,934,112	1,464,894
Total Liabilities and Net Assets	\$ 3,263,111	\$ 2,926,429

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

Statements of Activities

	September 30	
	2021	2020
INCOME:		
Net gains on investments	\$ 473,490	\$ 149,374
Interest and dividend income	59,596	44,125
Actuarial change	141,005	191,140
New annuities	5,650	6,350
Total Income	679,741	390,989
EXPENSES:		
Actuarial change—payments to annuitants	210,523	235,790
Change in Net Assets	469,218	155,199
Net Assets, Beginning of Year	1,464,894	1,309,695
Net Assets, End of Year	\$ 1,934,112	\$ 1,464,894