

2021 Financial Statements

“Now on the fourth day was the silver and the gold and the vessels weighed in the house of our God . . .
By number and by weight of every one: and all the weight was written at that time.” *Ezra 8:33a, 34*

Financial accountability

To be stewards of what belongs to God is a privilege and a great responsibility. As we think about the money and other items you donated in 2021, we are humbled to be entrusted with these gifts. We commit ourselves to openness and accountability as we use sound Biblical standards to administer your gifts.

Following are a few of the steps taken to ensure accountability:

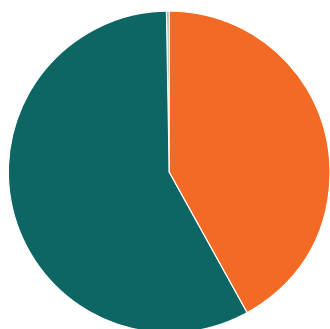
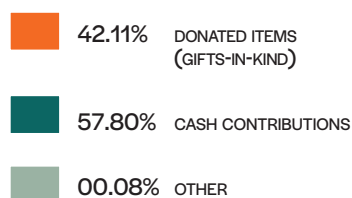
Open books

Our financial statements are prepared in accordance with Generally Accepted Accounting Principles and we willingly share them with anyone interested. The financial statements are included in this Annual Report which is mailed to our active mailing list. It is also available upon request or can be downloaded from our website. The public is welcome to call with any questions they may have about the financial statements and/or how our finances are handled.

Audited financial statements

An independent auditor is hired by our Board of Directors. Our independent audit was done by the accounting firm Payne, White & Schmutz, CPA, PA. The audit is done according to Auditing Standards generally accepted in the United States of America.

Income and Support



Graphs on this page do not include TGS International

2021 financial statements

CAM's audited financial statements are on the following pages. All contributions to CAM are used 100 percent as specified. In 2021, general administration and fundraising expenses were 2.69 percent of the total income (total income includes cash contributions and wholesale value of donated items). Following is an explanation of how CAM allocates expenses:

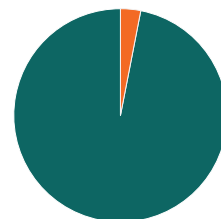
Allocation of expenses

- Costs allocated to programs include all related costs, such as product, preparation, shipping, distribution, and program administration costs.*
- General administration (non-aid) and fundraising expenses come from undesignated funds or those designated for “Where Needed Most.”
- When the expenses of a program exceed the contributions specified for that program, the balance comes from “Where Needed Most.”

*Program administration costs include field staff and related USA staff expenses.

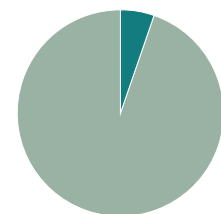
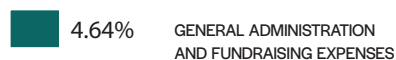
Administrative Expenses as a percent of income

(Total contribution income including gifts-in-kind)



Administrative Expenses as a percent of income

(income with cash contributions only)



Independent Auditor's Report

The Board of Directors
Christian Aid Ministries
Berlin, Ohio

Opinion

We have audited the consolidated financial statements of Christian Aid Ministries, which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Christian Aid Ministries as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Christian Aid Ministries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Christian Aid Ministries' ability to continue as a going concern for one year after the date that the consolidated financial statements are issued or when applicable, one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they

would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Christian Aid Ministries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Christian Aid Ministries' ability to continue as a going concern for a reasonable period of time.

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

Comparative Information Restated

As discussed in Note 16 to the consolidated financial statements, the 2020 consolidated financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited Christian Aid Ministries' December 31, 2020, consolidated financial statements and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated March 25, 2021. In our opinion, the summarized restated comparative information presented herein as of and for the year ended December 31, 2020, is consistent in all material respects other than the restatement discussed in Note 16 in the notes to consolidated financial statements, with the audited consolidated financial statements from which it has been derived. See Note 16 in the notes to consolidated financial statements for additional information.

Payne, White & Schmutz, CPA, PA

Payne, White & Schmutz, CPA, PA
Seneca, South Carolina
March 30, 2022

CHRISTIAN AID MINISTRIES, CONSOLIDATED STATEMENT OF FINANCIAL POSITION • December 31, 2021, with Comparative Information as of December 31, 2020

	2021	2020		2021	2020
Assets:			Liabilities:		
Cash and cash equivalents	\$20,389,740	\$17,376,092	Accounts payable	\$1,513,420	\$1,503,198
Promises to give	10,344,500	2,725,856	Accrued expenses	334,636	160,562
Inventory:			Planned giving program obligations	385,337	318,914
GIK items	17,022,532	14,632,841	Notes payable	66,000	66,000
Purchased items	4,423,315	4,442,524	Total liabilities	2,299,393	2,048,674
Investments in certificates of deposit	34,607,805	24,448,178	Net assets:		
Investments related to planned giving program	518,444	433,095	Without donor restrictions:		
Notes receivable	338,831	466,410	Available for operations	78,819,543	58,091,122
Other assets	522,225	518,261	Designated for annuity reserves	230,852	184,661
Future interest in real estate	243,000	243,000	Total net assets without donor restrictions	79,050,395	58,275,783
Capital assets net of accumulated depreciation of \$13,015,870 and \$13,381,424	16,315,206	17,361,747	Net assets with donor restrictions	23,375,810	22,323,547
Total assets	\$104,725,598	\$82,648,004	Total net assets	102,426,205	80,599,330
			Total liabilities and net assets	\$104,725,598	\$82,648,004

CHRISTIAN AID MINISTRIES, CONSOLIDATED STATEMENT OF ACTIVITIES • For the Year Ended December 31, 2021, with Comparative Information for the Year Ended December 31, 2020

	2021		2020	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and support:				
Contributions	\$19,147,144	\$74,292,787	\$93,439,931	\$74,941,436
Donated items (gifts-in-kind)	67,530,254	-	67,530,254	55,414,063
Contributed services	547,408	-	547,408	475,932
TGS sales, net of discounts and cost of goods sold	1,250,021	-	1,250,021	1,091,296
Investment income	(15,513)	-	(15,513)	446,889
Other income	92,407	-	92,407	95,647
Change in value of annuities and trusts	37,956	1,453	39,409	43,942
Gain on sale of capital assets	18,062	-	18,062	24,124
Foreign exchange gain/(loss)	(1,415)	-	(1,415)	(6,206)
Total revenue and support	88,606,324	74,294,240	162,900,564	132,527,123
Reclassifications:				
Satisfaction of program restrictions	73,241,977	(73,241,977)	-	-
Total reclassifications	73,241,977	(73,241,977)	-	-
Expenses for aid programs: (amounts include cash and GIK values):				
International programs:				
Gifts-That-Grow/Medicines-for-Multitudes	44,465,525	-	44,465,525	62,251,961
Bibles-for-the-World	14,769,838	-	14,769,838	6,814,099
Clothing Bundle Project (includes footwear, comforters and sewing centers)	12,145,764	-	12,145,764	13,358,381
Coronavirus Crisis Care	11,952,315	-	11,952,315	11,606,206
International Crisis projects:				
Yemen Crisis	3,582,256	-	3,582,256	2,178,123
Other International Crisis projects	3,026,265	-	3,026,265	1,909,521
Middle East Crisis	2,533,618	-	2,533,618	1,765,757
Afghanistan Crisis	1,436,893	-	1,436,893	-
Venezuela Crisis	830,409	-	830,409	444,823
SALT Microfinance Solutions	2,752,531	-	2,752,531	2,625,759
Sponsor-an-Orphan	2,734,143	-	2,734,143	3,039,462
Other aid	2,568,195	-	2,568,195	1,748,213
Christian Family Magazines (Seed of Truth, Antorcha)	2,382,793	-	2,382,793	2,445,699
Kits (school, hygiene, layette, comforter, etc.)	2,251,725	-	2,251,725	1,758,978
Family Food Parcels (Romania, Moldova, Ukraine, Israel)	2,112,258	-	2,112,258	2,787,411
Blankets for the Poor	1,266,797	-	1,266,797	-
Warm-A-Family	1,148,765	-	1,148,765	796,606
Support-A-Widow	1,145,906	-	1,145,906	1,255,026
Family-Self-Support	1,116,125	-	1,116,125	967,679
Help-for-the-Elderly	934,328	-	934,328	1,114,087
Save-A-Life	626,742	-	626,742	721,376
Water-for-the-World	586,164	-	586,164	328,770
Widows Care Fund	550,000	-	550,000	-
Project Good Samaritan	504,397	-	504,397	451,953
Biblical Discipleship Centers	487,344	-	487,344	480,678
Hope-for-the-Handicapped	418,669	-	418,669	235,110
Refugee Discipleship Center (Greece)	341,156	-	341,156	292,949
International-Feed-A-Family	293,344	-	293,344	771,344
Seed Project	273,819	-	273,819	410,990
All-Nations Bible Translation	200,000	-	200,000	145,100
Middle East Ministries (Israel)	187,030	-	187,030	118,283
Support-an-Orphan (Romania, El Salvador)	179,907	-	179,907	92,133
Project Baby Moses	176,360	-	176,360	132,192
Church Planting	165,564	-	165,564	113,284
International-Sponsor-A-Student	119,760	-	119,760	54,698
Christian-Martyrs-Fund	103,126	-	103,126	113,691

	2021		2020	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Romania:				
Jericho Road Program	188,536	-	188,536	148,744
Milk-for-Many-Mouths	124,141	-	124,141	132,509
Haiti:				
Sponsor-A-Child School Program	1,319,118	-	1,319,118	1,644,402
Nicaragua:				
Family Food Parcel	601,955	-	601,955	656,251
USA programs:				
Billboard Evangelism	6,385,074	-	6,385,074	5,118,614
Disaster Response Services/Rapid Response/Search & Rescue	3,815,086	-	3,815,086	3,351,819
Other programs	224,802	-	224,802	134,052
Conservative Anabaptist Service Program (CASP)	49,062	-	49,062	49,116
Reaching Out to America	17,679	-	17,679	33,919
Total expenses for aid programs	133,095,284	-	133,095,284	134,599,768
Excess (deficit) of revenue and support over expenses for aid programs	28,753,017	1,052,263	29,805,280	(2,072,645)
Supporting and other activities (non-aid):				
General and administrative expenses	2,657,629	-	2,657,629	2,486,865
Fund raising expenses	1,680,132	-	1,680,132	1,672,275
TGS operating expenses	1,175,452	-	1,175,452	1,066,835
Transfer of assets to other organization	2,465,192	-	2,465,192	-
Total supporting expenses	7,978,405	-	7,978,405	5,225,975
Change in net assets	20,774,612	1,052,263	21,826,875	(7,298,620)
Net assets, beginning of year	58,275,783	22,323,547	80,599,330	87,897,950
Net assets, end of year	\$79,050,395	\$23,375,810	\$102,426,205	\$80,599,330

CHRISTIAN AID MINISTRIES, CONSOLIDATED Statement of Functional Expenses · For the Year Ended December 31, 2021, with Comparative Information for the Year Ended December 31, 2020

	2021					2020	
	Ministry Expenses	General and Administrative	Fund Raising	TGS Operating Expenses	Total	Total	
Grants and assistance	\$106,711,631	\$-	\$-	\$6,000	\$106,717,631	\$108,106,442	
Direct project costs	10,058,802	-	-	-	10,058,802	7,928,843	
Wages	6,874,411	1,420,867	593,569	664,586	9,553,433	9,804,403	
Travel	1,799,506	77,070	33,535	4,898	1,915,009	1,720,286	
Supplies	1,369,885	41,344	470,920	27,531	1,909,680	3,516,865	
Depreciation	1,120,475	221,043	-	41,112	1,382,630	1,422,257	
Shipping	1,345,077	-	-	340	1,345,417	1,434,215	
Payroll taxes	793,071	101,515	44,912	52,479	991,977	927,108	
Occupancy	695,654	41,051	12,901	22,096	771,702	707,264	
Postage and freight	192,664	40,431	369,136	75,956	678,187	711,132	
Other services	413,689	19,865	79,720	91,639	604,913	789,867	
Contributed services	507,043	17,733	3,506	-	528,282	425,534	
Professional fees	94,037	279,827	17,102	12,079	403,045	439,367	
Information technology	159,740	213,855	20,210	1,108	394,913	417,527	
Customs fees	245,631	-	-	-	245,631	272,173	
Miscellaneous	96,315	113,381	4,218	-	213,914	257,402	
Communications	168,047	23,490	7,627	657	199,821	191,225	
Other taxes	116,751	5,941	781	17,506	140,979	155,717	
Equipment maintenance	116,048	12,593	3,909	-	132,550	133,292	
Other fees	20,123	-	6,733	94,439	121,295	91,185	
Meeting expenses	100,758	13,006	29	-	113,793	51,318	
Bank and merchant fees	27,063	9,162	-	30,010	66,235	63,113	
Employee benefits	57,120	4,885	1,377	-	63,382	165,368	
Advertising	220	-	9,601	32,969	42,790	67,385	
Equipment rental	11,523	570	346	47	12,486	15,902	
Insurance	-	-	-	-	-	10,553	
Subtotal of expenses	133,095,284	2,657,629	1,680,132	1,175,452	138,608,497	139,825,743	
Transfer of assets to other organization	-	-	-	-	2,465,192	-	
Total expenses	\$133,095,284	\$2,657,629	\$1,680,132	\$1,175,452	\$141,073,689	\$139,825,743	

CHRISTIAN AID MINISTRIES, CONSOLIDATED Statement of Cash Flows · For the Year Ended December 31, 2021, with Comparative Information for the Year Ended December 31, 2020

	2021		2020			2021		2020	
Cash flows from operating activities:					Change in value of life estate	49,312	(70,263)		
Change in net assets	\$21,826,875	\$(7,298,620)			Adjustment of planned giving obligations	16,083	5,658		
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:					(Increase)/decrease in promises to give	(7,618,644)	(2,167,860)		
Depreciation	1,382,630	1,422,257			(Increase)/decrease in inventory	(1,344,320)	24,578,386		
Donated property and services capitalized	(30,686)	(71,396)			(Increase)/decrease in other assets	(3,964)	(161,080)		
(Gain)/loss on sale of capital assets	(18,062)	(24,124)			Increase/(decrease) in accounts payable	10,222	437,086		
Realized (gain)/loss on investments	(9,632)	(15,884)			Increase/(decrease) in accrued expenses	174,074	(205,239)		
Unrealized (gain)/loss on investments	177,628	(93,637)			Net cash provided (used) by operating activities	14,611,516	16,335,284		

	2021	2020
Cash flows from investing activities:		
Purchase of property and equipment	(1,811,527)	(1,852,385)
Proceeds from sale of capital assets	498,023	41,862
Note receivable proceeds disbursed	-	(374,386)
Payments received on notes receivable	127,579	30,126
(Increase)/decrease in planned giving programs assets	(33,814)	9,333
Net (purchases)/maturities of certificates of deposit	(10,379,157)	(5,360,069)
Net cash provided (used) by investing activities	(11,598,896)	(7,505,519)

	2021	2020
Cash flows from financing activities:		
Payments on notes payable	-	(35,000)
Proceeds from planned giving program contracts	41,765	42,610
Payments of planned giving program obligations	(40,737)	(37,290)
Net cash provided (used) by financing activities	1,028	(29,680)
Net change in cash and cash equivalents	3,013,648	8,800,085
Cash and cash equivalents, beginning of year	17,376,092	8,576,007
Cash and cash equivalents, end of year	\$20,389,740	\$17,376,092

CHRISTIAN AID MINISTRIES, Notes to Consolidated Financial Statements · For the Year Ended December 31, 2021, with Comparative Information for the Year Ended December 31, 2020

Note 1 - Summary of Significant Accounting Policies:

General

Christian Aid Ministries (CAM) is incorporated as a nonprofit organization under the laws of Ohio. Its purpose is to provide a reliable and efficient channel through which the church can minister to physical and spiritual needs around the world.

Basis of Accounting and Presentation

Financial statement presentation follows accounting principles generally accepted in the United States of America (GAAP) pertaining to Financial Statements of Nonprofit Organizations. Under Financial Statements of Nonprofit Organizations, CAM is required to report information regarding its financial position and activities according to two classes of net assets consisting of net assets without donor restrictions and net assets with donor restrictions.

Principles of Consolidation

The consolidated financial statements include the accounts of CAM and its wholly owned for-profit subsidiary. TGS International, Inc. (TGS) is a United States based company that sells inspirational books and various food items, and provides freight-forwarding services. Intercompany transactions and account balances have been eliminated.

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and savings accounts and include investments in highly liquid debt instruments with an original maturity of three months or less at the time of purchase. It is CAM's policy not to treat cash deposits and money market funds held in its investment accounts as cash and cash equivalents.

Promises to Give

Unconditional promises to give donated goods (gifts-in-kind) that are expected to be received within one year are reported at fair value and according to CAM's valuation policy for medicines. At December 31, 2021 and 2020, CAM recognized promises to give amounting to \$10,344,500 and \$2,725,856.

Inventory

Inventories consist of food, medicines, other supplies, and Christian literature. Inventory is stated at the lower of cost or net realizable value for items purchased and at the lower of fair value as of the date of donation or net realizable value for items donated. Gifts-in-kind inventory totaled \$17,022,532 at the end of 2021 and \$14,632,841 at the end of 2020. CAM's gifts-in-kind inventory was distributed as follows in 2021 and 2020: \$7,056,452 (2021) and \$2,604,941 (2020) were located at U.S. warehouses; \$4,775,342 (2021) and \$5,638,237 (2020) were in-transit to foreign sites; and \$5,190,738 (2021) and \$6,389,663 (2020) were located at CAM's foreign operational sites.

Investments

Investments in equity securities with readily determinable fair values and all debt securities are reported at fair value. All equity investments relate to planned giving programs and gifts of securities from the time of receipt until sold. It is CAM's policy to promptly liquidate donated securities. Investment income or loss (including gains and losses on investments, interest, and dividends) is included in the change in net assets.

Realized gains or losses on investments are determined by comparison of specific cost of acquisition to proceeds at the time of sale. Unrealized gains or losses are calculated by comparing cost to market values at the consolidated statement of financial position date.

Other Assets

Other assets include items such as accounts and interest receivable, prepaid expenses, microfinance program loans, and other miscellaneous assets.

Notes Receivable

Notes receivable are carried at the unpaid principal balance. CAM's notes range from interest free to 3.25% interest and are made to an affiliated organization or to foreign staff or nationals who are connected with CAM's program activities. Management periodically evaluates the collectability of its outstanding notes. When management concludes that a note's repayment is unlikely, the note is charged off. Notes receivable are immaterial to CAM's financial statements.

Property and Equipment

Property and equipment are carried at cost for items purchased and at fair value at the time of donation for donated items. Depreciation is provided over the estimated useful lives of the related assets. Maintenance and repairs are charged to operations when incurred. Renewals and betterments of a nature considered to materially extend the useful lives of the assets are capitalized. When assets are retired or otherwise disposed of, the assets and related allowances for depreciation and amortization are eliminated from the accounts and any resulting gain or loss is reflected in income. Depreciation is based on the following policies:

Description	Useful Life	Method
Buildings and improvements - USA	10-50 years	Straight line
Equipment - USA	5-15 years	Straight line
Vehicles - USA	5-7 years	Straight line
Buildings and improvements - foreign	10-40 years	Straight line
Vehicles and equipment - foreign	3-15 years	Straight line

Equipment is capitalized when its cost or donated value equals or exceeds \$5,000 per unit item. Titled vehicles are capitalized regardless of cost.

Fair Value Measurements

Fair value is defined under GAAP as an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. CAM uses market information or assumptions that participants would use in pricing the asset or liability. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs about which little or no market information exists, therefore requiring an entity to develop its own assumptions.

Planned Giving Program

CAM has established a charitable gift annuity plan whereby donors may contribute assets 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 liability for future payments, determined on an actuarial basis, is recognized as a contribution without donor restriction at the date of the gift unless the gift portion is restricted. Upon the death of the annuitant (or last joint annuitant) income distributions cease.

As trustee, CAM administers irrevocable trusts, such as charitable remainder unitrusts and charitable remainder annuity trusts. These trusts provide for payment of distributions to the grantor or other designated beneficiaries. When the income beneficiaries' interests are terminated (upon their death or at the end of a term of years), the trusts provide for the distribution of assets to designated charitable organizations or remaindermen. The portion of the trusts attributable to the legally vested remainder interest of CAM is recorded in the consolidated statement of activities as contributions with donor restrictions in the year received. Some trusts may contain provisions allowing the donors to designate remaindermen other than CAM as beneficiaries. Trust liabilities include the present value of the income interest payable to the trust income beneficiaries and any remainder interest not legally vested in CAM.

CAM records planned gift assets at their fair value. Liabilities are recorded at the present value of projected payments, using a 6% or other applicable discount rate, mortality tables, and other actuarial assumptions. Annuity and trust liabilities are revalued annually. Changes in value of annuities and trusts are recorded in the consolidated statement of activities.

Net Assets

The consolidated financial statements report amounts separately by class of net assets:

- Net assets without donor restrictions are those available at the discretion of the board for use in CAM's ministries and other functions, and those resources invested in land, buildings and equipment.
- Net assets with donor restrictions are those restricted by donors for specific operating purposes or for use in a future reporting period. Also included in this category are net assets subject to donor-imposed restrictions to be held in perpetuity such as endowments or irrevocable trusts.

Revenue and Support with or without Donor Restrictions

Contributions are recorded with or without donor restrictions depending on the expressed intentions of the donors. Support or revenue is recognized as it is received or as it is earned.

Future Interest in Real Estate

The future interest in real estate is recorded at fair value on the date of contribution. The donor and donor's spouse are responsible for utilities, property taxes, liability insurance, and maintenance costs to keep the property in good condition. CAM is responsible for property insurance.

Donated Items (Gifts-in-Kind)

Support arising from donated items has been recognized in the accompanying consolidated financial statements. The value of the donated items is based on fair value at the time the items are received. Gifts-in-kind medicines are valued at the Red Book wholesale acquisition cost (WAC) if listed, or 70% of the Red Book average wholesale price (AWP) if WAC is not available, or 70% of reliable online retail pricing if neither WAC nor AWP are available.

Contributed Services

A substantial number of volunteers have provided various skilled services that enable CAM to carry out its program activities and support functions. Services are determined based on hours of service donated at the average fair value of comparable services and are reported both as revenue and expense in the period performed. If contributed services are part of a capital project, the value of those services is capitalized. The value of contributed services recorded by CAM totaled \$547,408 in 2021 and \$475,932 in 2020. \$19,126 (2021) and \$50,398 (2020) were attributed to capital projects.

Functional Classification of Expenses

CAM conducts numerous types of program activities that minister to the physical and spiritual needs of people throughout the world. Natural expenses attributable to more than one functional expense category are allocated based upon estimated time and effort of CAM's employees. Administrative expenses are supporting activities that are not directly identifiable with program activities. Fund raising expenses promote the solicitation of support from current and potential donors for its program and administrative activities. Administrative and fund raising expenses are funded from net assets without donor restrictions. When a program's expenses exceed specific donor funding, the deficit is drawn from net assets without donor restrictions.

Income Taxes

CAM is tax-exempt under Section 501(c) (3) of the Internal Revenue Code. TGS is not tax exempt. Current income tax expense for TGS totaled \$17,356 and \$4,357 for 2021 and 2020, respectively.

CAM has adopted accounting principles related to accounting for uncertainty in income taxes. CAM's policy is to record a liability for any tax position taken that is beneficial to CAM, including any related interest and penalties, when it is more likely than not the position taken by management with respect to a transaction or class of transactions will be overturned by a taxing authority upon examination. Penalties and interest related to underpayment of income taxes are not recorded as income taxes but as penalties and interest expense. Management has determined that it does not have any material unrecognized tax benefits or obligations as of December 31, 2021 and 2020. Years ending on or after December 31, 2018, remain subject to examination by federal and state authorities.

Comparative Data

The consolidated financial statements include certain summarized prior year comparative information in total but not by net asset classification. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with CAM's financial statements for the year ended December 31, 2020, from which the summarized information is derived.

Reclassifications

Certain reclassifications have been made to the 2020 amounts to conform to the 2021 financial statement presentation.

Foreign Currency Translation and Transactions

The functional currency of CAM is the U.S. dollar. The financial statements and transactions of CAM's foreign operations are generally maintained in the relevant local currency. Where local currencies are used, assets and liabilities are remeasured at the consolidated statement of financial position date at the exchange rate in effect at year-end. Income transactions that occur in foreign currencies are translated using the exchange rate on the date of the transaction. Expense transactions that occur in foreign currencies are translated using the

exchange rate on the date that USD funds are exchanged to foreign denominations in order to pay expenses. This exchange rate is deemed to approximate the exchange rate on the date of the transactions. Gains and losses from foreign currency translation are included in the current year change in net assets.

Subsequent Events Evaluation

Management has evaluated subsequent events through March 30, 2022, which is the date the financial statements were available to be issued.

Note 2 – Financial Assets and Liquidity Resources:

CAM's operations are primarily funded by contributions with and without donor restrictions. Those restrictions require that resources be used for specific program activities or in a future period. Therefore, CAM must maintain adequate resources to meet those responsibilities to its donors and certain financial assets may not be available for general expenditure within one year. As part of its liquidity management, CAM has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due. CAM tries to maintain cash on hand at a minimum of ten weeks of its annual budget. It endeavors to keep about \$5,000,000 in its main operating checking account. Excess funds are invested in FDIC insured money market accounts and certificates of deposit with varying maturity dates. Also, the governing board would consider authorizing operational loans should it be deemed necessary to do so.

CAM has established a cash management program with a local bank. Deposits are transferred to and from a sweep account daily. The sweep account is funded with repurchase agreements. The repurchase agreements are backed by government securities and are held by another financial institution. The bank reserves the right to substitute the collateral prior to the repurchase date upon notice to CAM. Deposits in its sweep accounts totaled \$5,310,000 in 2021 and \$2,890,000 in 2020. Deposits not covered by depository insurance totaled \$744,099 at the end of 2021 and \$748,725 at the end of 2020. Management believes that any credit risk related to these deposits is minimal.

The following schedule reflects CAM's financial assets as of 2021 and 2020, reduced by amounts that are not available for general use due to contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts that are not available also include board designated amounts that could be utilized if the board of directors approved their use.

	2021	2020
Cash and cash equivalents	\$20,389,740	\$17,376,092
Investments in certificates of deposit	34,607,805	24,448,178
Investments related to planned giving program	518,444	433,095
Notes receivable	338,831	466,410
Other financial assets	228,699	270,976
Total financial assets	56,083,519	42,994,751
Less those unavailable for general expenditures within one year due to: Restricted by donors with time or purpose restrictions	(23,209,478)	(22,150,778)
Investments held in planned giving program, net of amounts that will be available for general expenditures within one year	(469,833)	(390,664)
SALT micro-loan receivables	(86,175)	(80,002)
Board designation for annuity reserves	(230,852)	(184,661)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$32,087,181</u>	<u>\$20,188,646</u>

Note 3 – Notes Receivable:

CAM's notes receivable are as follows:

	2021	2020
Notes receivable: Interest free notes to two individuals in Haiti with the notes being due on demand.	\$-	\$27,579
Note receivable: Note bearing 3.25% interest to individual in Greece. Interest payments are due monthly and the note matures in January 2030.	338,831	338,831
Note receivable: Interest free note to a related organization. The note is due on demand.	-	100,000
Total	<u>\$338,831</u>	<u>\$466,410</u>

Note 4 – Investments:

Investments consist of the following:
Available for ministry purposes:

	2021	2020
Certificates of deposit	\$34,607,805	\$24,448,178
Planned giving program:		
Charitable gift annuities:		
Money market funds	19,363	14,230
Bond funds	108,521	72,291
Equity funds	199,712	149,826
Total charitable gift annuities	<u>327,596</u>	<u>236,347</u>
Trusts:		
Money market funds	5,417	10,527
Bond funds	61,786	64,207

Note 4 – Investments: (continued)

	2021	2020
Equity funds	123,645	122,014
Total trusts	190,848	196,748
Total planned giving program	518,444	433,095
Total investments	\$35,126,249	\$24,881,273

Investment income consists of the following:

	2021	2020
Interest and dividends	\$204,018	\$386,013
Realized gains/(losses)	-	(95)
Unrealized gains/(losses)	(219,531)	60,971
Total investment income	\$(15,513)	\$446,889

Note 5 - Planned Giving Program:

The assets and liabilities of the planned giving program are as follows:

	2021	2020
Assets:		
Charitable gift annuities	\$348,673	278,019
Trusts	190,848	196,748
Future interest in real estate	243,000	243,000
Total	\$782,521	\$717,767
Liabilities:		
Charitable gift annuities	\$117,821	\$93,358
Trusts	178,160	185,512
Life estate liability	89,356	40,044
Total	\$385,337	\$318,914

CAM received contribution revenue from charitable gift annuities of \$48,235 in 2021 and \$24,808 in 2020. The change in value of annuities and trusts presented on the consolidated statement of activities consists of:

	2021	2020
Interest and dividends	\$8,377	\$5,488
Realized gains/(losses)	9,632	15,978
Unrealized gains/(losses)	41,902	32,666
Actuarial adjustments	24,654	31,632
Administrative fees	(4,419)	(4,532)
Payments to income beneficiaries	(40,737)	(37,290)
Total	\$39,409	\$43,942

Note 6 – Fair Value Measurements:

The carrying amount of cash and cash equivalents and accounts receivable approximates fair value because of the short-term maturities of those instruments. The fair values of investments are based on market prices obtained from various financial institutions. The carrying amount of accounts payable and accrued expenses approximates fair value because of the short-term maturities of those instruments.

Prices for investments such as stocks which are readily available in the active markets in which those securities are traded, and open-ended mutual funds that produce a daily net asset value that is validated with a sufficient level of observable activity, are categorized as Level 1. The net asset value of open-ended mutual funds represents the exit value of the security at the measurement date. As money market mutual funds are normally priced at the amortized cost of the securities held in the fund, and not at market value, these securities are categorized as Level 2. Certificates of deposit which are publicly traded are categorized as Level 2, as these are valued based on other observable inputs rather than quoted prices on an active market. Level 3 items are based on assumptions developed by management.

There were no changes during 2021 and 2020 to CAM's valuation techniques to measure asset and liability fair values on a recurring basis. The following tables sets forth by level within the fair value hierarchy CAM's assets accounted for at fair value on a recurring basis as of December 31, 2021 and 2020. Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. CAM's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

CAM measured the following at fair value on a recurring basis:

Description	Total at 12/31/2021	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Money market funds	\$24,779	\$-	\$24,779	\$-
Certificates of deposit	26,124,805	-	26,124,805	-
Bond funds	170,308	170,308	-	-
Equity funds	323,357	323,357	-	-
Total	\$26,643,249	\$493,665	\$26,149,584	\$-

Description	Total at 12/31/2020	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Money market funds	\$24,758	\$-	\$24,758	\$-
Certificates of deposit	21,965,179	-	21,965,179	-
Bond funds	136,498	136,498	-	-
Equity funds	271,839	271,839	-	-
Total	\$22,398,274	\$408,337	\$21,989,937	\$-

Cash and cash equivalents, money market deposit accounts, and certificates of deposit carried at cost are not defined within the levels as prescribed in ASC 820, Fair Value Measurements and Disclosures. At December 31, \$28,872,740 (2021) and \$19,859,092 (2020) of cash and cash equivalents, money market account deposits, and certificates of deposit carried at cost are not included in the above tables.

Note 7 - Property and Equipment:

Property and equipment consist of the following:

Description	2021	2020
United States:		
Land	\$1,040,213	\$1,471,177
Buildings and improvements	7,860,719	7,852,759
Vehicles and equipment	6,564,444	5,821,717
Assets not placed in service	2,632,542	2,277,565
Construction in progress	28,106	44,953
Total United States	18,126,024	17,468,171
Foreign:		
Land	378,306	443,317
Buildings and improvements	6,120,929	6,850,635
Vehicles and equipment	4,407,443	5,110,529
Assets not placed in service	79,394	315,619
Construction in progress	218,980	554,900
Total foreign	11,205,052	13,275,000
Total property and equipment	29,331,076	30,743,171
Less accumulated depreciation	(13,015,870)	(13,381,424)
Property and equipment, net	\$16,315,206	\$17,361,747

Note 8 - Notes Payable:

CAM's notes payable are as follows:

	2021	2020
Notes payable to individual. All notes are due on demand and are interest free. The notes are not collateralized.	\$66,000	\$101,000

Since the above notes are due on demand, CAM is liable for their repayment upon notification by the lender.

Note 9 - Net Assets with Donor Restrictions:

Net assets with donor restrictions are available for the following purposes as of December 31:

Purpose	2021	2020
International Crisis	\$4,110,705	\$3,434,035
Bibles-for-the-World	3,619,679	4,722,786
SALT Microfinance Solutions	2,484,830	1,488,333
Clothing Bundle Project	1,920,250	1,667,541
Disaster Response Services/Rapid Response/Search & Rescue	1,820,401	1,799,394
Coronavirus Crisis Care	1,415,396	4,036,576
Widows Care Fund	1,339,861	-
Water-for-the-World	1,098,693	421,581
Adopt-A-Family	1,040,183	290,468
Blankets for the Poor	775,087	-
Support-A-Widow	584,864	378,174
Seed Project	444,490	448,075
Nicaragua-Adopt-A-Family	266,735	282,541
International-Feed-A-Family	250,348	49,217
Canned Chicken for North Korea	188,928	183,338
Hope-for-the-Handicapped	185,059	104,300
Egypt-Sponsor-A-Child	171,368	152,694
Help-for-the-Elderly	165,087	99,123
International-Sponsor-A-Student	161,069	225,002
Potatoes for the Poor	143,371	-
Wheelchairs	135,001	146,542
Winer Coat Project	132,789	-
Strong Tower Orphanage	124,623	158,171
Family-Self-Support	121,912	-
Gifts & Projects Catalog	121,714	152,202
House-for-a-Poor Family	115,350	84,103
Christian-Martyrs-Fund	80,383	89,699

Purpose	2021	2020
All-Nations Bible Translation	76,025	110,296
Milk-for-Many-Mouths	27,082	7,959
Conservative Anabaptist Service Program (CASP)	23,652	23,288
Sponsor-an-Orphan	17,780	191,879
Kits	15,618	104,864
Other Aid	13,043	470,788
Middle East Ministries	8,408	129,863
USA Food Box	8,092	15,010
Soap for Relief	1,602	15,401
Adult Briefs	-	263,819
Saving Precious Lives	-	258,975
Other Romanian programs	-	52,150
Project Baby Moses	-	37,943
Teaching Ministries Program	-	13,227
Program restrictions	23,209,478	22,109,357
Net assets with time restrictions	166,332	214,190
Total net assets with donor restrictions	\$23,375,810	\$22,323,547

Note 10 - Related Party Transactions:

In November 2005, Christian Aid Ministries entered into a joint ministries agreement with Christian Aid Ministries of Waterloo (CAMW), a Canadian nonprofit organization. The agreement sets forth terms by which both organizations can pool their resources to accomplish specified program objectives. These programs are conducted through the operations of CAM. The Canadian organization also operates a clothing center, with the shipments going to CAM's overseas operations. CAM received contributions of \$4,304,978 in 2021 and \$1,958,625 in 2020 from CAMW.

Christian Aid Ministries and Christian Aid Ministries Foundation (CAMF) are related organizations. Both organizations have the same governing board of directors. CAMF contributed \$2,053,649 in 2021 and \$900,817 in 2020 to CAM. As of the current year-end, CAMF was holding \$3,000,000 of CAM's funds for investment in certificates of deposit. This amount is included in CAM's investment in certificates of deposit, since CAMF has no variance power to utilize the funds for any other purpose.

Note 11 - Employee Benefit Plan:

CAM provides a Section 403(b) Plan. Each employee is eligible to participate on the first date of employment. CAM does not provide matching contributions.

Note 12 – Donor Concentrations:

CAM received \$29,210,059 of donated items from one donor in 2021 and \$25,645,683 from the same donor in 2020. These donations accounted for 17.93% and 19.35%, respectively, of CAM's total revenue for each year.

Note 13 – Revenue from Contracts with Customers:

Revenue from contracts with customers should be recognized when the entity fulfills its performance obligations to its customers. The sources of revenue from contracts with customers are as follows:

Books and food items – Performance obligations are completed at the point of sale for walk-in customers or at the time of shipment for items ordered. Payment is due at the point of sale or at the time of shipment. There are no formal, written contracts associated with the sale of these items. Contract assets include accounts receivable and there is not a return policy since returns would be infrequent and only for trivial amounts. Contract liabilities include deferred revenue when payments are received prior to the order being completed.

Freight-forwarding services – Management has determined that it only has one performance obligation related to its freight-forwarding services which is deemed completed when containers or items are ready for shipment. Customers are billed for incurred costs plus an administrative markup of up to 20%. Payment is due when containers or items are ready for shipping. Contract assets include accounts receivable and there are no contract liabilities associated with this revenue source.

Employee leasing – A small number of employees are leased to a related entity to work at a specific project. Payrolls are run on a bi-weekly basis and leasing income is earned during the course of each payroll period. There are no formal written contracts for its leased employees. Earned revenue is based on cost plus and administrative markup. Billing for these services occurs monthly and payment is due at billing. Contract assets include accounts receivable and contract liabilities include wages payable related to the leased employees.

Quantitative information related to revenue from contracts with customers is as follows:

Source of Revenue	2021		2020	
	Revenue Recognized from Customers	Point of Sale Over Time	Revenue Recognized from Customers	Point of Sale Over Time
Books and food items, net of discounts	\$2,783,706	\$-	\$2,455,360	\$-
Freight-forwarding services	149,942	-	267,215	-
Employee leasing income	-	51,847	-	46,932
Total	\$2,933,648	\$51,847	\$2,722,575	\$46,932

Quantitative information related to contract assets and liabilities is as follows:

Description	2021		2020		2019	
	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities
Books and food items accounts receivable	\$99,556	\$-	\$115,099	\$-	\$66,514	\$-
Freight-forwarding services accounts receivable	14,141	-	20,395	-	4,443	-
Books and food items deferred revenue	-	6,288	-	10,668	-	13,628
Employee leasing income accounts receivable	5,618	-	6,016	-	3,411	-
Employee leasing income wages payable	-	775	-	738	-	1,793
Total	\$119,315	\$7,063	\$141,510	\$11,406	\$74,368	\$15,421

Note 14 – Billboard Leases:

CAM leases billboard space in its Billboard Evangelism program. Lease terms are generally less than twelve months in length. Monthly lease payments ranged from \$230 to \$62,100 in 2021 and ranged from \$166 to \$73,347 in 2020. These leases entitle CAM to place a gospel message at a single location or at multiple locations. At December 31, CAM had about 180 (2021) and 884 (2020) billboard leases. Lease payments approximated \$5,046,625 in 2021 and \$4,095,036 in 2020.

Note 15 – Transfer of Assets to Organization:

As of the beginning of the current reporting period, CAM ceased management of a portion of its operations located in the Suceava area of Romania. The operations were assumed by American staff and national workers under the responsibility of another charitable organization. All of the assets and liabilities associated with the operation were transferred to the entity located in Romania. The following schedule details the assets and liabilities transferred:

Description	Amount
Cash	\$258,199
Accounts receivable	4,416
Inventory	1,323,994
Book value of capital assets	926,175
Accounts payable and other liabilities	(47,592)
Total assets transferred to other organization	\$2,465,192

Note 16 – Correction of an Accounting Error in the Prior Year:

CAM's management discovered an error in the valuation of its foreign inventory valuation as of December 31, 2020. The error caused an overstatement in the prior year inventory balance. An entry to restate the prior year ending inventory was made to correct for this overstatement and this adjustment necessitated an adjustment to beginning net assets. Since comparative financial information is included in the financial statements, the prior period line items were restated to reflect this correction. The following schedule lists the restated amounts in the prior year comparative financial information:

Financial Statement Line Item	Reported Originally	Amount of Change	Restated Amount
Inventory - GIK items	\$19,358,338	\$ (4,725,497)	\$14,632,841
Inventory - purchased items	\$ 4,615,869	\$ (173,345)	\$ 4,442,524
Net assets without donor restrictions	\$63,174,625	\$ (4,898,842)	\$58,275,783
Gifts-That-Grow/Medicines-for-Multitudes program expenses	\$57,353,119	\$ 4,868,842	\$62,221,961
Change in net assets	\$ (2,399,778)	\$ (4,868,842)	\$ (7,268,620)
Total net assets	\$85,498,172	\$ (4,868,842)	\$80,629,330
(Increase)/decrease in inventory (cash flows statement)	\$19,679,544	\$ 4,868,842	\$24,548,386

Note 17 – Uncertainty of Future Field Operations:

CAM's future operations in Haiti are uncertain due to the kidnapping of CAM staff members that took place in 2021. The continued political upheaval in Haiti makes it difficult to plan, project, and implement program operations. Additionally, the war in Ukraine has brought uncertainty to the future of CAM's presence in Ukraine.

Moreover it is required in stewards, that a man be found faithful.

1 Corinthians 4:2