



MISSIO NEXUS

Financial Statements
With Independent Auditors' Report

December 31, 2021 and 2020

MISSIO NEXUS

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Notes to Financial Statements	6
Supplemental Information	
Independent Auditors' Report on Supplemental Information	17
Statement of Financial Position by Operating Segment–2021 and 2020	18
Statement of Activities by Operating Segment–2021 and 2020	20



INDEPENDENT AUDITORS' REPORT

Board of Directors
Missio Nexus
Atlanta, Georgia

Opinion

We have audited the accompanying financial statements of Missio Nexus (a nonprofit corporation), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Missio Nexus as of December 31, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Missio Nexus and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Missio Nexus's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors
Missio Nexus
Atlanta, Georgia

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 generally accepted auditing standards 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Missio Nexus' 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Missio Nexus' 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.

Capin Crouse LLP

Lawrenceville, Georgia
May 10, 2022

MISSIO NEXUS

Statements of Financial Position

	December 31,	
	2021	2020
ASSETS:		
Cash and cash equivalents	\$ 1,418,440	\$ 894,015
Investments	1,990	170,632
Other current assets	11,464	60,355
Property and equipment—net	-	349
Total Assets	<u>\$ 1,431,894</u>	<u>\$ 1,125,351</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 110,481	\$ 16,787
Medical claims payable	543,106	798,626
Deferred revenue	139,283	155,777
Note payable	-	7,717
Total liabilities	<u>792,870</u>	<u>978,907</u>
Net assets:		
Without donor restrictions	562,222	107,944
With donor restrictions	76,802	38,500
Total net assets	<u>639,024</u>	<u>146,444</u>
Total Liabilities and Net Assets	<u>\$ 1,431,894</u>	<u>\$ 1,125,351</u>

See notes to financial statements

MISSIO NEXUS

Statements of Activities

	Year Ended December 31,					
	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Public support:						
Contributions	\$ 1,082	\$ 166,785	\$ 167,867	\$ 28,717	\$ 180,470	\$ 209,187
Revenue:						
Premiums and fees from participants	20,691,096	-	20,691,096	12,568,996	-	12,568,996
Dues and assessments	448,563	-	448,563	419,593	-	419,593
Conference, seminar, and event revenue	523,359	-	523,359	24,929	-	24,929
Investment income	17,256	-	17,256	16,413	-	16,413
Other	109,379	-	109,379	109,449	-	109,449
Total Support and Revenue	<u>21,790,735</u>	<u>166,785</u>	<u>21,957,520</u>	<u>13,168,097</u>	<u>180,470</u>	<u>13,348,567</u>
RECLASSIFICATIONS:						
Net assets released from restriction by satisfaction of:						
Purpose restrictions	<u>128,483</u>	<u>(128,483)</u>	<u>-</u>	<u>218,970</u>	<u>(218,970)</u>	<u>-</u>
EXPENSES:						
Program services	21,161,334	-	21,161,334	13,607,809	-	13,607,809
Supporting activities:						
General and administrative	257,770	-	257,770	228,061	-	228,061
Membership development	45,836	-	45,836	20,515	-	20,515
Total Expenses	<u>21,464,940</u>	<u>-</u>	<u>21,464,940</u>	<u>13,856,385</u>	<u>-</u>	<u>13,856,385</u>
Change in Net Assets	454,278	38,302	492,580	(469,318)	(38,500)	(507,818)
Net Assets, Beginning of Year	<u>107,944</u>	<u>38,500</u>	<u>146,444</u>	<u>577,262</u>	<u>77,000</u>	<u>654,262</u>
Net Assets, End of Year	<u>\$ 562,222</u>	<u>\$ 76,802</u>	<u>\$ 639,024</u>	<u>\$ 107,944</u>	<u>\$ 38,500</u>	<u>\$ 146,444</u>

See notes to financial statements

MISSIO NEXUS

Statements of Cash Flows

	Year Ended December 31,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 492,580	\$ (507,818)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	349	2,269
Net realized and unrealized gains on investments	(17,256)	(8,889)
Noncash contribution	-	(93,458)
Changes in operating assets and liabilities:		
Other current assets	48,891	(11,152)
Accounts payable and accrued expenses	93,694	(208,777)
Medical claims payable	(255,520)	314,337
Deferred revenue	(16,494)	25,155
Net Cash Provided (Used) by Operating Activities	<u>346,244</u>	<u>(488,333)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale of investments	187,836	-
Purchases of investments	(1,938)	(7,524)
Net Cash Provided (Used) by Investing Activities	<u>185,898</u>	<u>(7,524)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on note payable	(7,717)	-
Proceeds from issuance of note payable	-	101,175
Net Cash Provided (Used) by Financing Activities	<u>(7,717)</u>	<u>101,175</u>
Net Change in Cash and Cash Equivalents	524,425	(394,682)
Cash and Cash Equivalents, Beginning of Year	<u>894,015</u>	<u>1,288,697</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,418,440</u>	<u>\$ 894,015</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS:		
General operations	\$ 616,858	\$ 382,373
Missio benefits operations	<u>801,582</u>	<u>511,642</u>
	<u>\$ 1,418,440</u>	<u>\$ 894,015</u>

See notes to financial statements

MISSIO NEXUS

Notes to Financial Statements

December 31, 2021 and 2020

1. NATURE OF ORGANIZATION:

Missio Nexus (the Organization) was unveiled as the new name for the merged entity in Boston on February 6, 2012, at a Bi-Centennial Celebration of the commissioning of the first US missionaries sent out by a mission society. The Mission Exchange (formerly The EFMA) was birthed in 1946 out of the National Association of Evangelicals (NAE) as an umbrella association for mission agencies including denominations. CrossGlobal Link (formerly The IFMA), was founded as an association of independent faith missions in 1917.

On October 1, 2011, the memberships of CrossGlobal Link and The Mission Exchange agreed to merge, forming a body representative of 35,000 evangelical missionaries deployed in every country by more than 200 agencies and churches. The merger was effective January 1, 2012.

The Organization is a registered nonprofit organization and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (Code). The Organization's primary revenue source is conference, seminar, and event revenue, as well as member dues and assessments.

The vision of the Organization is to see missional leaders accelerating the fulfillment of the Great Commission in servant partnership with the church globally. Its mission is to advance the effectiveness of the Great Commission community in North America in global mission.

As an extension of its commitment to deliver on the promises made in this vision and mission, the Organization sponsors an extensive menu of online learning initiatives and electronic resources. It also provides for mutual prayer support, encouragement, and fellowship; encourages high standards for ministry; arranges conferences, workshops, and seminars; builds and maintains appropriate liaisons with other groups who share common concerns; seeks freedom for international ministries; publishes information of importance to the mission community; and provides other services and activities within the scope of its purpose.

In July 2019, the Organization started a self-funded medical plan referred to as Missio Benefits (the Plan). The purpose of Missio Benefits is to help member churches and ministries join together to offer affordable healthcare insurance plans based on Christian values. The Plan was terminated as of November 1, 2021 (see Note 8).

The Organization is a member of the National Association of Evangelicals (NAE).

2. SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States (GAAP). The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

MISSIO NEXUS

Notes to Financial Statements

December 31, 2021 and 2020

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the 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 only of checking accounts. While occasionally deposits may be in excess of federally insured limits, the Organization has not experienced any losses in such accounts, and management believes that it is not exposed to any significant credit risk on cash and cash equivalents. At December 31, 2021 and 2020, the Organization's cash balances exceeded federally insured limits by \$1,150,931 and \$572,008, respectively.

INVESTMENTS

Investments in equity securities with readily determinable fair values and all debt securities are recorded at fair value. Interest and dividend income and the realized and unrealized gain or loss on investments is reported as investment income (loss) without donor restrictions in the accompanying statements of activities unless a donor or law restricts its use. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments. Donated investments are recorded at the fair market value at the date of donation and are thereafter carried in conformity with the stated policy.

PROPERTY AND EQUIPMENT—NET

Items capitalized as property and equipment are stated at cost or, if donated, at market value on the date of donation. The Organization generally capitalizes and reports property and equipment acquisitions in excess of \$5,000. Expenditures for repairs and maintenance are charged to expenses as incurred, and additions and improvements that significantly extend the lives of assets are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from three to ten years.

CLASSES OF NET ASSETS

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

Net assets without donor restrictions are currently available at the discretion of the board for use in operations, designated by the board for a specific use, or invested in property and equipment net of accumulated depreciation.

Net assets with donor restrictions are stipulated by donors for the support of the Organization's staff, as well as for specific operating purposes or programs, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled.

MISSIO NEXUS

Notes to Financial Statements

December 31, 2021 and 2020

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES

The Organization recognizes contributions when cash, securities, or other assets; unconditional promises to give; or a notification of a beneficial interest is received. Conditional promises to give—that is, those with a measurable performance or other barrier and a right of return—are not recognized until the conditions on which they depend have been met.

Membership dues, which are nonrefundable, are comprised of an exchange element based on the value of benefits provided, and a contribution element for the difference between the total dues paid and the exchange element. The Organization recognizes the exchange portion of membership dues over the membership period, and the contribution portion immediately. Membership dues and conference registrations received in advance are recorded as deferred revenue. Substantially all deferred revenue at December 31, 2021 and 2020, was recognized as revenue during the following years. All other exchange revenue is recognized when earned.

The Organization reports gifts of cash and other assets as support with donor restrictions 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 restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as reclassifications. All contributions are considered for use without donor restrictions unless specifically restricted by the donor or other legal restrictions.

Gifts-in-kind are recorded at fair value on the date of the gift.

The Organization reports gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash and other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Expenses, including advertising and promotional expenses of \$10,453 and \$839 for the years ended December 31, 2021 and 2020, respectively, are recorded when incurred in accordance with the accrual basis of accounting. The costs of providing the various program services and supporting activities have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

During the years ended December 31, 2021 and 2020, the Organization conducted several conferences, seminars, and events. Revenue received from these events totaled \$528,111 and \$24,929, respectively. Direct costs associated with these events are included in program services expense in the accompanying statements of activities and totaled \$355,812 and \$15,683 for the years ended December 31, 2021 and 2020, respectively.

MISSIO NEXUS

Notes to Financial Statements

December 31, 2021 and 2020

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the Organization's financial assets as of December 31, 2021 and 2020, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The Organization considers general expenditures to be all expenditures related to its ongoing activities of advancing the effectiveness of the Great Commission community in North America in global mission as well as the conduct of services undertaken to support those activities to be general expenditures.

	December 31,	
	2021	2020
Financial assets:		
Cash and cash equivalents	\$ 1,418,440	\$ 894,015
Investments	1,990	170,632
Accounts receivable and other advances	5,982	59,077
Financial assets, at year-end and available to meet cash needs for general expenditures within one year	<u>\$ 1,426,412</u>	<u>\$ 1,123,724</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. At December 31, 2021, the Organization had \$76,802 in net assets with donor restrictions for various initiatives. These funds are considered available to meet the needs for general expenditures as funds are used for their donor restricted purpose.

4. INVESTMENTS:

Investments consist of:

	December 31,	
	2021	2020
Held at cost:		
Cash and cash equivalents	\$ 1,990	\$ 5,602
Held at fair value:		
Exchange-traded funds	-	14,018
Mutual funds	-	151,012
	<u>-</u>	<u>165,030</u>
	<u>\$ 1,990</u>	<u>\$ 170,632</u>

MISSIO NEXUS

Notes to Financial Statements

December 31, 2021 and 2020

4. INVESTMENTS, continued:

Investment income consists of:

	Year Ended December 31,	
	2021	2020
Interest and dividends	\$ 675	\$ 8,978
Unrealized gains	14,554	8,889
Realized gains	2,913	-
Investment fees	(886)	(1,454)
	<u>\$ 17,256</u>	<u>\$ 16,413</u>

5. EXPENSES BY BOTH NATURE AND FUNCTION:

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. These expenses include salaries and benefits, facilities and equipment, depreciation, and travel which are primarily allocated on estimates of time and effort.

MISSIO NEXUS

Notes to Financial Statements

December 31, 2021 and 2020

5. EXPENSES BY BOTH NATURE AND FUNCTION, continued:

Functional expenses by natural classification as of December 31, 2021:

	Program Services	General and Administrative	Membership Development	Total Expenses
Salaries and benefits	\$ 413,805	\$ 123,818	\$ 30,383	\$ 568,006
Health benefits (Missio benefits):				
Premiums and medical claims	19,413,526	-	-	19,413,526
Insurance plan management	865,342	-	-	865,342
Rent and utilities	-	6,687	-	6,687
Graphics and publications	8,238	-	-	8,238
Professional services	37,200	64,201	5,000	106,401
Venue, honorariums, and events	369,987	-	-	369,987
Office supplies and misc.	-	2,628	-	2,628
Travel	11,843	2,961	-	14,804
Depreciation	279	70	-	349
Dues and subscriptions	7,955	-	-	7,955
Technology	33,159	8,290	-	41,449
Insurance	-	3,696	-	3,696
Marketing	-	-	10,453	10,453
Bank and other fees	-	45,419	-	45,419
	<u>\$ 21,161,334</u>	<u>\$ 257,770</u>	<u>\$ 45,836</u>	<u>\$ 21,464,940</u>

MISSIO NEXUS

Notes to Financial Statements

December 31, 2021 and 2020

5. EXPENSES BY BOTH NATURE AND FUNCTION, continued:

Functional expenses by natural classification as of December 31, 2020:

	Program Services	General and Administrative	Membership Development	Total Expenses
Salaries and benefits	\$ 416,973	\$ 84,568	\$ 19,676	\$ 521,217
Health benefits (Missio benefits):				
Premiums and medical claims	12,375,889	-	-	12,375,889
Insurance plan management	699,002	-	-	699,002
Professional services	-	27,969	-	27,969
Rent and utilities	-	6,255	-	6,255
Graphics and publications	7,436	-	-	7,436
Professional services	39,186	66,901	-	106,087
Venue, honorariums, and events	23,840	-	-	23,840
Office supplies and misc.	-	4,968	-	4,968
Travel	5,523	1,381	-	6,904
Depreciation	1,816	453	-	2,269
Dues and subscriptions	2,482	-	-	2,482
Technology	35,662	8,915	-	44,577
Insurance	-	2,786	-	2,786
Marketing	-	-	839	839
Bank and other fees	-	23,865	-	23,865
	<u>\$ 13,607,809</u>	<u>\$ 228,061</u>	<u>\$ 20,515</u>	<u>\$ 13,856,385</u>

6. FAIR VALUE MEASUREMENTS:

The *Fair Value Measurements and Disclosure* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization 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.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2020:

MISSIO NEXUS

Notes to Financial Statements

December 31, 2021 and 2020

6. FAIR VALUE MEASUREMENTS, continued:

	Fair Value Measurements at December 31, 2020			
	Level 1	Level 2	Level 3	Total
Investments, at fair value:				
Exchange-traded funds	\$ -	\$ 14,018	\$ -	\$ 14,018
Mutual funds:				
Growth funds	39,452	-	-	39,452
International equity	28,592	-	-	28,592
Value funds	34,570	-	-	34,570
REIT	11,622	-	-	11,622
Fixed income funds	36,776	-	-	36,776
	<u>151,012</u>	<u>-</u>	<u>-</u>	<u>151,012</u>
Total investments at fair value	<u>\$ 151,012</u>	<u>\$ 14,018</u>	<u>\$ -</u>	<u>\$ 165,030</u>

Following is a description of the valuation methodologies used for assets measured at fair value:

Exchange-traded funds—valued at the closing price reported on the active market in which the individual funds are traded.

Mutual funds—valued at quoted market prices or dealer quotes in an active market.

Changes in valuation techniques—None.

7. NET ASSETS:

Net assets with donor restrictions consist of the following:

	December 31,	
	2021	2020
Subject to expenditure for specified purpose or by time:		
Funding Missions Initiative	\$ 21,130	38500
Diversity project	35,010	
Other special projects	20,662	
	<u>\$ 76,802</u>	<u>\$ 38,500</u>

MISSIO NEXUS

Notes to Financial Statements

December 31, 2021 and 2020

8. SELF INSURANCE:

In 2019, the Organization established a self-funded medical program (the Plan), which covers employees of enrolled member organizations and their families, as adopted by participants. The Plan loss exposure is limited through the use of stop loss insurance.

Following is a summary of transactions for the Plan for the years ended December 31, 2021 and 2020:

	December 31,	
	2021	2020
Premiums and runout charges billed	\$ 20,691,096	\$ 12,568,996
Participation fees*	71,465	69,376
Claims expense	(15,766,900)	(9,870,658)
Premiums expense	(3,646,626)	(2,505,231)
Administrative and legal expense	(865,342)	(726,971)
Excess (deficit) of revenue over expenses	<u>\$ 483,693</u>	<u>\$ (464,488)</u>

* Participation fees include administrative fees as well as onboarding fees charged to members in order to cover medical claims payable that are submitted to the Organization after the participating organization leaves the Plan.

The Plan uses a third-party service organization to process and pay medical claims. Management records a liability for claims incurred in the current year but are not reported and paid until a following year. Management estimates these claims using past experience claims data and lag information provided by Cigna and actuarial reports. Total claims payable at December 31, 2021 and 2020, amounted to \$543,106 and \$798,626, respectively. It is possible that management may be unaware of certain claims until considerable time after the year-end. Those claims are recorded as an expense in the period when management becomes aware of them.

Effective August 26, 2021, the Organization entered into an agreement with a certain third-party to assume operations of the Plan and its participants effective November 1, 2021. The Organization will continue to pay claims that were incurred prior to that date for one year, ending November 1, 2022. As part of the agreement, the third-party agreed to help cover the runout fees associated with claims received after November 1, 2021, and remitted \$250,000 to Missio Nexus as well as an additional installment amount, determined pro-rata on the percentage of Plan participants who agreed to transfer to the new plan operations. For the year ended December 31, 2021, the Organization received \$536,136 from the third-party, which is included in premium fees in the accompanying statements of activities.

MISSIO NEXUS

Notes to Financial Statements

December 31, 2021 and 2020

8. SELF INSURANCE, continued:

As part of the termination of the Plan, additional runout fees were charged to Plan participants in the amount of \$2,300,722, to assist in covering the claims payable as of December 31, 2021. Any additional cash that remains after all claims have been settled/paid with the Plan will be returned to the participants on a pro-rata basis on what they were charged for runout fees. For the year ended December 31, 2021, no liability has been recorded for the amount owed to participants, as it cannot be determined until all claims have been settled/paid.

9. RETIREMENT PLAN:

The Organization provides retirement benefits for its employees. For the years ended December 31, 2021 and 2020, employer contributions totaled \$20,854 and \$20,000, respectively, and were contributed to a 403(b) retirement plan sponsored by separate organizations.

10. COMMITMENT:

The Organization signed a contract to rent a venue for the 2022 Missions Leader Conference in Orlando, Florida. The Organization paid a \$1,000 deposit as of December 31, 2021, and will incur the remaining expenses in the year ending December 31, 2022, which approximates \$390,000 for catering and guestrooms.

11. 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 financial position and results of the Organization for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve.

As part of the response to the impact of COVID-19, the Organization applied for a Paycheck Protection Program (PPP) Loan, administered by the Small Business Administration (SBA), under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was signed into law in March 2020. The Organization was approved for and received a loan in the amount of \$101,175. The loan bore interest at a fixed rate of 1.00% and was due in May 2022. For the year ended December 31, 2020, in accordance with FASB ASC 958-605, the Organization has simultaneously recognized a contribution with donor restrictions and a release in the amount of \$93,458 in the accompanying statements of activities. The remainder of the outstanding loan proceeds in the amount of \$7,717, which represented the portion of the loan proceeds to be repaid, as determined by the Organization, was recorded as a note payable in the accompanying statements of financial position. Based on the provisions included in the CARES Act, the loan agreement provided for loan forgiveness up to the full amount of the loan, provided the Organization overcame (met) certain loan stipulations.

MISSIO NEXUS

Notes to Financial Statements

December 31, 2021 and 2020

11 RISKS AND UNCERTAINTIES, continued:

During the year ended to December 31, 2021, the Organization received notification of forgiveness from the SBA in the amount of \$93,458 and repaid the outstanding loan balance of \$7,717.

12. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through May 10, 2022, which represents the date the 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
Missio Nexus
Atlanta, Georgia

We have audited the financial statements of Missio Nexus as of and for the years ended December 31, 2021 and 2020, and our report thereon dated May 10, 2022, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statements of financial position and activities by operating segment (the information) are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Capin Crouse LLP

Lawrenceville, Georgia
May 10, 2022

MISSIO NEXUS

Statement of Financial Position by Operating Segment

December 31, 2021

	General Operations	Missio Benefits Operations	Total
ASSETS:			
Cash and cash equivalents	\$ 616,858	\$ 801,582	\$ 1,418,440
Investments	1,990	-	1,990
Other current assets	11,464	-	11,464
Property and equipment–net	-	-	-
Due to (from)	(144,047)	144,047	-
Total Assets	\$ 486,265	\$ 945,629	\$ 1,431,894
LIABILITIES AND NET ASSETS:			
Liabilities:			
Accounts payable and accrued expenses	\$ 23,138	\$ 87,343	\$ 110,481
Medical claims payable	-	543,106	543,106
Deferred revenue	139,283	-	139,283
Total liabilities	162,421	630,449	792,870
Net assets (deficit):			
Without donor restrictions:			
Undesignated	247,042	315,180	562,222
With donor restrictions:			
Diversity project	35,010	-	35,010
Project 42 grant	20,662	-	20,662
Funding Missions Initiative	21,130	-	21,130
	76,802	-	76,802
Total net assets (deficit)	323,844	315,180	639,024
Total Liabilities and Net Assets	\$ 486,265	\$ 945,629	\$ 1,431,894

See independent auditors' report on supplemental information

MISSIO NEXUS

Statement of Financial Position by Operating Segment

December 31, 2020

	General Operations	Missio Benefits Operations	Total
ASSETS:			
Cash and cash equivalents	\$ 382,373	\$ 511,642	\$ 894,015
Investments	170,632	-	170,632
Other current assets	3,038	57,317	60,355
Property and equipment–net	349	-	349
Due to (from)	(61,154)	61,154	-
Total Assets	\$ 495,238	\$ 630,113	\$ 1,125,351
LIABILITIES AND NET ASSETS:			
Liabilities:			
Accounts payable and accrued expenses	\$ 16,787	\$ -	\$ 16,787
Medical claims payable	-	798,626	798,626
Deferred revenue	155,777	-	155,777
Loan payable	7,717	-	7,717
Total liabilities	180,281	798,626	978,907
Net assets (deficit):			
Without donor restrictions:			
Undesignated	276,457	(168,513)	107,944
With donor restrictions:			
Funding Missions Initiative	38,500	-	38,500
Total net assets (deficit)	314,957	(168,513)	146,444
Total Liabilities and Net Assets	\$ 495,238	\$ 630,113	\$ 1,125,351

See independent auditors' report on supplemental information

MISSIO NEXUS

Statement of Activities by Operating Segment

Year Ended December 31, 2021

	General Operations	Missio Benefits Operations	Total
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS:			
Support and Revenue:			
Public support:			
Contributions	\$ 1,082	\$ -	\$ 1,082
Revenue:			
Premiums and fees from participants	-	20,691,096	20,691,096
Dues and assessments	448,563	-	448,563
Conference, seminar, and event revenue	523,359	-	523,359
Investment income	17,256	-	17,256
Other	37,914	71,465	109,379
Total Support and Revenue	1,028,174	20,762,561	21,790,735
Reclassifications:			
Net assets released from restriction by satisfaction of purpose restrictions	128,483	-	128,483
Total Support, Revenue, and Reclassifications Without Donor Restrictions	1,156,657	20,762,561	21,919,218
Expenses:			
Program services	882,466	20,278,868	21,161,334
Supporting activities:			
General and administrative	257,770	-	257,770
Membership development	45,836	-	45,836
	1,186,072	20,278,868	21,464,940
Change in Net Assets Without Donor Restrictions	(29,415)	483,693	454,278

(continued)

See independent auditors' report on supplemental information

MISSIO NEXUS

Statement of Activities by Operating Segment

Year Ended December 31, 2021

(continued)

	General Operations	Missio Benefits Operations	Total
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS:			
Support and Revenue:			
Public support:			
Contributions	166,785	-	166,785
Reclassifications:			
Net assets released from restriction by satisfaction of purpose restrictions	(128,483)	-	(128,483)
Change in Net Assets With Donor Restrictions	38,302	-	38,302
Change in Net Assets	8,887	483,693	492,580
Net Assets (Deficit), Beginning of Year	314,957	(168,513)	146,444
Net Assets (Deficit), End of Year	\$ 323,844	\$ 315,180	\$ 639,024

See independent auditors' report on supplemental information

MISSIO NEXUS

Statement of Activities by Operating Segment

Year Ended December 31, 2020

	General Operations	Missio Benefits Operations	Total
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS:			
Support and Revenue:			
Public support:			
Contributions	\$ 28,717	\$ -	\$ 28,717
Revenue:			
Premiums and fees from participants	-	12,568,996	12,568,996
Dues and assessments	419,593	-	419,593
Conference, seminar, and event revenue	24,929	-	24,929
Investment income	16,413	-	16,413
Other	40,073	69,376	109,449
Total Support and Revenue	529,725	12,638,372	13,168,097
Reclassifications:			
Net assets released from restriction by satisfaction of purposes	218,970	-	218,970
Total Support, Revenue, and Reclassifications Without Donor Restrictions	748,695	12,638,372	13,387,067
Expenses:			
Program services	532,918	13,074,891	13,607,809
Supporting activities:			
General and administrative	200,092	27,969	228,061
Membership development	20,515	-	20,515
	753,525	13,102,860	13,856,385
Change in Net Assets Without Donor Restrictions	(4,830)	(464,488)	(469,318)

(continued)

See independent auditors' report on supplemental information

MISSIO NEXUS

Statement of Activities by Operating Segment

Year Ended December 31, 2020

(continued)

	General Operations	Missio Benefits Program	Total
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS:			
Support and Revenue:			
Public support:			
Contributions	180,470	-	180,470
Reclassifications:			
Net assets released from restriction by satisfaction of purpose restrictions	(218,970)	-	(218,970)
Change in Net Assets With Donor Restrictions	(38,500)	-	(38,500)
Change in Net Assets	(43,330)	(464,488)	(507,818)
Net Assets, Beginning of Year	358,287	295,975	654,262
Net Assets (Deficit), End of Year	\$ 314,957	\$ (168,513)	\$ 146,444

See independent auditors' report on supplemental information