



ANNUAL REPORT
September 30, 2022

ASAP MINISTRIES, INC.

Berrien Springs, Michigan

ANNUAL REPORT

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C O N T E N T S

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4 - 5
Statements of Functional Expenses	6 - 7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 15



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
ASAP Ministries, Inc.
Berrien Springs, MI 49103

Opinion

We have audited the accompanying financial statement of ASAP Ministries, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2022, and the related statements of activities, functional expenses and cash flows for the year 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 ASAP Ministries, Inc. as of September 30, 2022, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ASAP Ministries, Inc. 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.

Prior Period Financial Statements

The financial statements of ASAP Ministries, Inc. as of September 30, 2021, were audited by other auditors whose report dated November 7, 2022, expressed an unmodified opinion on those statements.

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 ASAP Ministries, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 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 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, including omissions, 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 ASAP Ministries, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ASAP Ministries, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Respectfully submitted,



Certified Public Accountants

South Bend, Indiana
January 8, 2024

ASAP MINISTRIES, INC.Berrien Springs, Michigan

STATEMENTS OF FINANCIAL POSITION

September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	2,697,186	2,620,663
Investments	645,663	704,647
Accounts receivable	8,963	12,666
Prepaid expenses	4,361	45,707
Total Current Assets	3,356,173	3,383,683
PROPERTY AND EQUIPMENT		
Land	9,052	9,052
Buildings and improvements	287,859	287,859
Equipment	68,092	68,092
Furniture and fixtures	12,142	12,142
Vehicles	34,671	34,671
Total	411,816	411,816
Accumulated Depreciation	249,226	229,693
Net Property and Equipment	162,590	182,123
OTHER ASSETS		
Note receivable	0	70,458
Other investments	355,222	319,016
Total Other Assets	355,222	389,474
TOTAL ASSETS	3,873,985	3,955,280
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	49,651	54,163
Accrued expenses	25,315	5,188
Total Current Liabilities	74,966	59,351
TOTAL LIABILITIES	74,966	59,351
NET ASSETS		
Net assets without donor restrictions	1,443,447	1,112,816
Net assets with donor restrictions	2,355,572	2,783,113
TOTAL NET ASSETS	3,799,019	3,895,929
TOTAL LIABILITIES AND NET ASSETS	3,873,985	3,955,280

The Notes to Financial Statements are an integral part of this statement.

ASAP MINISTRIES, INC.Berrien Springs, Michigan

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2022

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE			
Contributions and grants	1,662,201	2,466,178	4,128,379
Rental income	6,000	0	6,000
Other income	20,978	0	20,978
Investment income, net	24,813	0	24,813
Unrealized loss on investments	(107,582)	0	(107,582)
Total Public Support and Revenue	1,606,410	2,466,178	4,072,588
Net assets released from restrictions:			
Satisfaction of restrictions	2,893,719	(2,893,719)	0
FUNCTIONAL EXPENSES			
Program	3,554,959	0	3,554,959
Management and general	236,150	0	236,150
Fundraising	378,389	0	378,389
Total Functional Expenses	4,169,498	0	4,169,498
CHANGE IN NET ASSETS	330,631	(427,541)	(96,910)
NET ASSETS, BEGINNING OF YEAR	1,112,816	2,783,113	3,895,929
NET ASSETS, END OF YEAR	1,443,447	2,355,572	3,799,019

The Notes to Financial Statements are an integral part of this statement.

ASAP MINISTRIES, INC.Berrien Springs, Michigan

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE			
Contributions and grants	1,202,726	3,782,531	4,985,258
Loss on disposal of assets	(672)	0	(672)
Investment income, net	24,005	0	24,005
Unrealized gain on investments	25,894	0	25,894
Total Public Support and Revenue	1,251,953	3,782,531	5,034,485
Net assets released from restrictions:			
Satisfaction of restrictions	2,488,680	(2,488,680)	0
FUNCTIONAL EXPENSES			
Program	2,810,460	0	2,810,460
Management and general	475,369	0	475,369
Fundraising	181,103	0	181,103
Total Functional Expenses	3,466,932	0	3,466,932
CHANGE IN NET ASSETS	273,701	1,293,851	1,567,552
NET ASSETS, BEGINNING OF YEAR	839,115	1,489,262	2,328,377
NET ASSETS, END OF YEAR	1,112,816	2,783,113	3,895,929

The Notes to Financial Statements are an integral part of this statement.

ASAP MINISTRIES, INC.

Berrien Springs, Michigan

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended September 30, 2022

	Total Program Services	Supporting Services		Total Support Services	Total 2022
		Management and General	Fund Raising		
Grants, contracts and direct assistance	2,644,459	0	0	0	2,644,459
Salaries and wages	366,752	135,014	169,152	304,166	670,918
Payroll taxes	28,600	9,950	12,706	22,656	51,256
Employee benefits	49,218	26,433	31,873	58,306	107,524
Contract services	94,081	13,152	19,843	32,995	127,076
Technology	11,259	4,149	32,600	36,749	48,008
Depreciation	7,618	5,469	6,446	11,915	19,533
Insurance	11,140	1,183	1,394	2,577	13,717
Office expense	36,442	2,417	3,786	6,203	42,645
Printing and publications	20,557	96	28,764	28,860	49,417
Advertising and promotion	54,522	93	24,195	24,288	78,810
Occupancy	15,410	10,879	12,822	23,701	39,111
Telephone	1,787	1,361	1,795	3,156	4,943
Travel	169,123	2,692	20,853	23,545	192,668
Bank fees	1,407	21,323	143	21,466	22,873
Miscellaneous expense	118	217	320	537	655
Postage and shipping	18,775	1,722	11,697	13,419	32,194
Bad debt	23,691	0	0	0	23,691
TOTAL FUNCTIONAL EXPENSES	3,554,959	236,150	378,389	614,539	4,169,498

The Notes to Financial Statements are an integral part of this statement.

ASAP MINISTRIES, INC.

Berrien Springs, Michigan

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended September 30, 2021

	<u>Total Program Services</u>	<u>Supporting Services</u>		<u>Total Support Services</u>	<u>Total 2021</u>
		<u>Management and General</u>	<u>Fund Raising</u>		
Grants, contracts and direct assistance	2,303,587	0	0	0	2,303,587
Salaries and wages	330,471	216,900	64,934	281,834	612,305
Payroll taxes	25,840	16,959	5,077	22,036	47,876
Employee benefits	41,502	50,003	11,032	61,035	102,537
Contract services	0	57,127	0	57,127	57,127
Technology	0	34,717	11,573	46,290	46,290
Depreciation	5,755	11,509	5,755	17,264	23,019
Insurance	0	3,643	0	3,643	3,643
Gift annuity payouts	0	160	0	160	160
Office expense	2,269	17,907	9,077	26,984	29,253
Printing and publications	25,453	0	19,525	19,525	44,978
Advertising and promotion	43,730	0	32,116	32,116	75,846
Occupancy	8,391	9,676	3,155	12,831	21,222
Telephone	1,621	4,052	2,431	6,483	8,104
Travel	4,048	139	9,266	9,405	13,453
Bank fees	0	37,711	0	37,711	37,711
Miscellaneous expense	0	8,282	0	8,282	8,282
Property taxes	0	263	0	263	263
Postage and shipping	17,793	6,321	7,162	13,483	31,276
TOTAL FUNCTIONAL EXPENSES	2,810,460	475,369	181,103	656,472	3,466,932

The Notes to Financial Statements are an integral part of this statement.

ASAP MINISTRIES, INC.Berrien Springs, Michigan

STATEMENTS OF CASH FLOWS

For the Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	(96,910)	1,567,552
Adjustments to reconcile increase (decrease) in net assets to net cash from (used in) operating activities:		
Depreciation	19,533	23,019
Unrealized (gain) loss on investments	107,582	(25,894)
Loss on disposal of assets	0	672
Provision for bad debts	23,691	0
Adjustments for changes in operating assets and liabilities:		
Accounts receivable	(19,988)	(12,666)
Prepaid expenses	41,346	(45,707)
Note receivable	70,458	7,477
Accounts payable	(4,512)	54,163
Accrued expenses	20,127	5,188
Net Cash Flows Provided By Operating Activities	161,327	1,573,804
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Proceeds from disposal of property and equipment	0	700
Proceeds from sale of investments	0	11,099
Purchase of investments	(84,804)	0
Net Cash Flows Provided By (Used In) Investing Activities	(84,804)	11,799
CHANGE IN CASH, RESTRICTED CASH, AND CASH EQUIVALENTS	76,523	1,585,603
CASH, RESTRICTED CASH, AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,620,663	1,035,060
CASH, RESTRICTED CASH, AND CASH EQUIVALENTS AT END OF YEAR	2,697,186	2,620,663

The Notes to Financial Statements are an integral part of this statement.

ASAP MINISTRIES, INC.

Berrien Springs, Michigan

NOTES TO FINANCIAL STATEMENTS

September 30, 2022 and 2021

NATURE OF BUSINESS

ASAP Ministries, Inc. (the "Organization") is a nonprofit organization located in Berrien Springs, Michigan. ASAP Ministries mission is to empower local missionaries in Southeast Asia and the 10/40 window to restore and to disciple the marginalized with the wholistic gospel, which includes education and humanitarian endeavors. Funding is primarily provided by individual and corporate donations.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) on the accrual basis of accounting.

The Organization adheres to Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, which sets standards for reporting on financial statements of nonprofit organizations. ASC 958-205 requires the classification and presentation of net assets in two categories: net assets with donor restrictions and net assets without donor restrictions.

Net assets without donor restrictions are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

FAIR VALUE MEASUREMENTS

Management accounts for all assets and liabilities that are measured and reported on a fair value basis under the Fair Value Measurements and Disclosures Topic of FASB ASC 820. ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The framework for measuring fair value establishes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

ASAP MINISTRIES, INC.

Berrien Springs, Michigan

NOTES TO FINANCIAL STATEMENTS

September 30, 2022 and 2021

CASH AND CASH EQUIVALENTS

For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments without donor restrictions with an initial maturity of three months or less to be cash equivalents. Cash is held at a local bank and is insured up to the limits by the FDIC. It is common throughout the course of operations for the Organization's cash balance to exceed the insured limit.

The Organization had \$2,355,572 and \$2,783,113 of restricted net assets comprised of cash and investments included in current assets on the Statements of Financial Position at September 30, 2022 and 2021, respectively. Restricted cash is for use in the programs described in Note 5.

CONCENTRATION OF CREDIT RISK

Financial instruments with potential credit risk consists of cash. Concentration of credit risk with respect to cash generally relates to deposits held at the bank which may exceed the amount of insurance provided on the deposits and the potential inability to access liquidity in the financial institutions where the cash is concentrated. The risk is managed as the cash may be redeemed upon demand and is maintained in a financial institution with reputable credit, and, therefore, bears minimal credit risk.

ACCOUNTS RECEIVABLE

Receivables for point-in-time revenues are stated at the amount management expects to collect from outstanding balances and are presented net of allowance for doubtful accounts. Management has determined that no allowance is necessary at September 30, 2022 or 2021. Factors considered in determining collectibility include past collection history, an aged analysis of receivables, economic conditions, as well as historical trends. The Organization does not charge interest on past due accounts.

PREPAID EXPENSES

Prepaid expenses consist of amounts advanced to individuals and other entities by the Organization for short-term projects. Those individuals and entities were to present receipts to the Organization to verify the purpose for which the funds advanced to them were spent. Expenses were recognized by the Organization at that time. Amounts for which the Organization did not receive verification of expenditure were to be refunded to the Organization by the individuals and entities. Bad debt of \$23,691 for the year ended September 30, 2022 represents the amounts for which the Organization never received verification of expenditure and for which the Organization does not intend to recoup from the individuals and entities. There was no bad debt during the year ended September 30, 2021.

CONTRIBUTIONS

Contributions, including promises to give, are recorded when the contribution is deemed unconditional. Contributions are reflected in the financial statements at the earlier of the transfer of the assets or at the time an unconditional promise to give is made.

ASAP MINISTRIES, INC.

Berrien Springs, Michigan

NOTES TO FINANCIAL STATEMENTS

September 30, 2022 and 2021

Contributions received are considered to be available for current use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support that increases net assets with donor restrictions. A donor restriction expires when a stipulated time restriction ends or when a purpose restriction is accomplished. Upon expiration, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

CONTRIBUTIONS OF NONFINANCIAL ASSETS

In order to recognize donated services as contributions in the financial statements the services must require special skills, be provided by individuals who possess those skills, and typically need to be purchased if not contributed. A number of unpaid volunteers have made significant contributions of their time to the Organization's various programs. The value of the contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the requirements for recognition.

PROPERTY AND EQUIPMENT

Donations of property and equipment are recorded as current support at their estimated fair value unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. Net assets with donor restrictions are reclassified to net assets without donor restrictions at that time. The Organization did not receive any donated assets during the years ended September 30, 2022 or 2021.

Purchased property and equipment are stated at cost. Expenditures for additions, improvements and replacements are added to the property and equipment accounts. Repairs and maintenance are charged to expense as incurred. When equipment is retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the respective accounts and any gains or losses arising from the disposition are reflected in income. Depreciation is provided for over the estimated useful lives of the assets using the straight-line method. Depreciation expense was \$19,533 and \$23,019 for the years ended September 30, 2022 and 2021, respectively.

A summary of the range of lives by asset category follows:

Buildings and building improvements	15 - 31.5 years
Equipment	3 - 5 years
Furniture and fixtures	5 - 7 years
Vehicles	5 years

ADVERTISING COSTS

Various costs relating to advertising are considered period costs and are expensed as incurred. Advertising costs for the years ended September 30, 2022 and 2021 were \$78,810 and \$75,846, respectively.

ASAP MINISTRIES, INC.

Berrien Springs, Michigan

NOTES TO FINANCIAL STATEMENTS

September 30, 2022 and 2021

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing program and other activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among program and supporting services benefited.

Significant expenses that are allocated include the following:

Expense	Method of Allocation
Employee benefits, contract services, facility, equipment, and depreciation	Time and effort

All other expenses are assigned to their respective functional category by method of direct assignment.

COPYRIGHTS AND TRADEMARKS

The Organization has adopted the policy of expensing as current expenses the legal fees of registering its copyrights and trademarks.

INCOME TAXES

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service (IRS) has determined that the Organization is not a private foundation within the meaning of Section 509(a).

The Income Taxes Topic, FASB ASC 740, clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. ASC 740 requires an entity to disclose the nature of uncertain tax positions taken, if any, when filing its income tax return utilizing a two-step process to recognize and measure any uncertain tax positions taken. The entity recognizes a tax benefit only if it is more likely than not the position would be sustained in a tax examination, with a tax examination being presumed to occur. No tax benefit will be recorded on tax positions not meeting the more likely than not test. Interest and penalties accrued or incurred, if any, as a result of applying ASC 740 will be recorded to interest expense and other expense, respectively.

Based on its evaluation, the Organization has concluded that there are no uncertain tax positions requiring recognition in its financial statements. The evaluation was performed for all federal and state tax periods still subject to examination. The Organization's 2018 through 2021 federal and state exempt organization returns remain subject to examination by the IRS and state taxing authorities.

FUTURE ACCOUNTING PRONOUNCEMENT

The Organization has not yet implemented ASU 2016-02, Leases: Topic 842 which was issued by FASB in February 2016. This ASU affects any entity that enters into a lease, with some specified scope exemptions. The main difference between previous GAAP and this ASU is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous GAAP. The amendments in this ASU are scheduled to be effective for fiscal years beginning after December 15, 2021. The Organization is in the process of assessing the effect of this ASU on its financial statements.

ASAP MINISTRIES, INC.

Berrien Springs, Michigan

NOTES TO FINANCIAL STATEMENTS

September 30, 2022 and 2021

NOTE 2 - LIQUIDITY AND AVAILABILITY

The Organization has working capital of \$3,281,207 and \$3,324,332 and average days cash on hand of 30 and 0 as of September 30, 2022 and 2021, respectively.

The table below represents financial assets available for general expenditures within one year at September 30:

	<u>2022</u>	<u>2021</u>
Cash	2,697,186	2,620,663
Investments	645,663	704,647
Accounts receivable, net	8,963	12,666
Note receivable	0	70,458
Assets limited to use:		
Donor restricted	(2,355,572)	(2,783,113)
Financial assets available to meet general expenditures within one year:	996,240	625,321

The Organization has certain donor restricted assets limited to use which are available for general expenditure within one year in the normal course of operations (Note 5). Accordingly, these assets have been included in the qualitative information above for financial assets to meet general expenditures within one year.

NOTE 3 - FAIR VALUE MEASUREMENTS

The three levels of the fair value hierarchy under ASC 820 are described below:

Basis of Fair Value Measurement

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 - Quoted prices for similar assets or liabilities in active markets or identical assets or liabilities in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. As required by ASC 820, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The fixed annuity contract has a 5 year term that will terminate April 27, 2027, with the Organization being named as the beneficiary. The organization may withdraw interest only for the first contract year, and following years may withdraw up to 15% of the contract value with no penalty. The current contract provides for a fixed interest rate over the 5 year period.

ASAP MINISTRIES, INC.

Berrien Springs, Michigan

NOTES TO FINANCIAL STATEMENTS

September 30, 2022 and 2021

The following table presents the Organization's fair value hierarchy for investment assets at fair value, as of September 30, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Equities	2,707	0	0	2,707
Fixed income	390,789	252,167	0	642,956
Fixed annuity	0	355,222	0	355,222
Total	393,496	607,389	0	1,000,885

The following table presents the Organization's fair value hierarchy for investment assets at fair value, as of September 30, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Equities	38,083	0	0	38,083
Fixed income	419,978	246,586	0	666,564
Fixed annuity	0	319,016	0	319,016
Total	458,061	565,602	0	1,023,663

The Organization held investments in a fixed annuity that made up approximately 14% and 12% of total investments at September 30, 2022 and 2021, respectively.

Investment securities in general are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near-term and such changes could materially affect the amounts reported in the Statements of Financial Position.

NOTE 4 - NOTES RECEIVABLE

During the fiscal year ended September 30, 2017 the Organization advanced funds for improvements to property in Texas not owned by the Organization. A promissory note was issued for the total loan amount and is secured by the real estate. The purpose was to provide facilities to operate Reach The World Next Door, a program of the Organization. The balance at September 30, 2022 and 2021 was \$0 and \$70,458, respectively. The note plus accrued interest was paid in full on May 23, 2022.

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at September 30:

	<u>2022</u>	<u>2021</u>
Evangelism	965,982	1,103,971
Education	532,688	788,549
Humanitarian	302,599	314,450
Construction	80,815	119,726
Other	473,488	456,417
Total	2,355,572	2,783,113

ASAP MINISTRIES, INC.

Berrien Springs, Michigan

NOTES TO FINANCIAL STATEMENTS

September 30, 2022 and 2021

Net assets were released from donor restrictions by incurring expenses satisfying the purpose of the restrictions as follows for the years ended September 30:

	<u>2022</u>	<u>2021</u>
Evangelism	1,235,747	746,604
Education	962,195	746,604
Humanitarian	251,278	622,170
Construction	192,945	248,868
Other	251,554	124,434
Total Net Assets Released from Restrictions	2,893,719	2,488,680

NOTE 6 - RETIREMENT PLAN

The Organization maintains a Simplified Employee Pension (SEP) plan qualified under section 408(k)(1) of the Internal Revenue Code. Eligible employees must be 21 years of age or older and earn at least the minimum amount provided by IRS guidelines for SEP plans starting upon date of hire. Upon qualification, the Organization will pay an amount equal to 5% of the employee's earnings into his/her SEP account. The Organization may waive this provision when funds are not available. There is no vesting period for the Organization's contribution. The Organization incurred expenses of \$28,537 and \$33,498 for the years ended September 30, 2022 and 2021, respectively.

NOTE 7 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through January 8, 2024, the date the financial statements were available to be issued. The Organization entered into a triple net lease with an unrelated party for space in May 2023. The lease requires monthly payments of \$4,800 through May 2028, with a clause that states the rent will be adjusted each year in January by the annual change in the Consumer Price Index, with the adjustment not to go lower than the full cost of the listed base rent. No other events or transactions occurred during this period which require recognition or disclosure in the financial statements.