

SAMARITAN'S PURSE

**Consolidated Financial Statements
and Supplemental Schedule**

December 31, 2022

(with Independent Auditor's Report thereon)

To God be the glory!

SAMARITAN'S PURSE

Mission Statement

Samaritan's Purse is a nondenominational evangelical Christian organization providing spiritual and physical aid to hurting people around the world. Since 1970, Samaritan's Purse has helped meet needs of people who are victims of war, poverty, natural disasters, disease, and famine with the purpose of sharing God's love through His Son, Jesus Christ. The organization serves the Church worldwide to promote the Gospel of the Lord Jesus Christ.



To God be the glory!

SAMARITAN'S PURSE

Table of Contents

December 31, 2022

To God be the glory!

	<u>Page(s)</u>
Independent Auditor's Report	1-2
Consolidated Statement of Financial Position.....	3
Consolidated Statement of Activities.....	4
Consolidated Statement of Functional Expenses	5
Consolidated Statement of Cash Flows	6
Notes to Consolidated Financial Statements	7-22
Supplemental Schedule:	
Schedule of Ministry Expenses Information	23

Independent Auditor's Report

Board of Directors
Samaritan's Purse

Opinion

We have audited the consolidated financial statements of Samaritan's Purse (the "Ministry"), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements. The prior year summarized comparative information has been derived from the Ministry's 2021 consolidated financial statements and, in our report dated March 29, 2022, we expressed an unmodified opinion on those consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Ministry as of December 31, 2022, and the consolidated 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 the Ministry 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 the Ministry's ability to continue as a going concern for 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 the Ministry'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ministry'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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplemental schedule referred to in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounts and other records used to prepare the consolidated financial statements. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedule is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

FORVIS, LLP

**Charlotte, North Carolina
March 21, 2023**

SAMARITAN'S PURSE
Consolidated Statement of Financial Position
December 31, 2022
(With Comparative Totals for 2021)
To God be the glory!

<u>Assets</u>	<u>2022</u>	<u>2021</u>
Current assets:		
Cash and cash equivalents:		
Available for ministries	\$ 253,468,336	\$ 201,132,275
Held for donor-restricted ministry purposes	497,210,968	356,331,041
Investments:		
Available for ministries	430,335,429	334,513,662
Held for donor-restricted ministry purposes	4,833,578	-
Planned giving program	4,211,258	3,547,005
Grants receivable	9,167,140	11,308,974
Other current assets	26,578,495	22,612,973
Inventories	60,670,769	55,236,612
Total current assets	<u>1,286,475,973</u>	<u>984,682,542</u>
Noncurrent assets:		
Planned giving program investments	66,047,176	59,361,760
Endowment investments	1,396,019	1,561,155
Other noncurrent assets	405,084	870,707
Property and equipment, net of accumulated depreciation	280,875,203	260,074,699
Total noncurrent assets	<u>348,723,482</u>	<u>321,868,321</u>
Total assets	<u><u>\$ 1,635,199,455</u></u>	<u><u>\$ 1,306,550,863</u></u>
 <u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable - suppliers	\$ 48,382,424	\$ 36,098,375
Accrued expenses	18,740,997	15,624,129
Current portion of planned giving program obligations	4,211,258	3,547,005
Total current liabilities	<u>71,334,679</u>	<u>55,269,509</u>
Noncurrent liabilities:		
Planned giving program obligations	34,454,157	28,680,444
Total noncurrent liabilities	<u>34,454,157</u>	<u>28,680,444</u>
Total liabilities	<u>105,788,836</u>	<u>83,949,953</u>
Net assets:		
Without donor restrictions:		
Designated by governing board	258,301,914	177,280,725
Represented by property and equipment	280,875,203	260,074,699
General	458,564,285	395,014,480
Total without donor restrictions	<u>997,741,402</u>	<u>832,369,904</u>
With donor restrictions:		
Ministry purpose restrictions	530,662,208	389,223,997
Perpetual in nature	1,007,009	1,007,009
Total with donor restrictions	<u>531,669,217</u>	<u>390,231,006</u>
Total net assets	<u>1,529,410,619</u>	<u>1,222,600,910</u>
Total liabilities and net assets	<u><u>\$ 1,635,199,455</u></u>	<u><u>\$ 1,306,550,863</u></u>

See accompanying notes.

SAMARITAN'S PURSE
Consolidated Statement of Activities
For the Year Ended December 31, 2022
(With Comparative Totals for 2021)
To God be the glory!

	2022			2021
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
Support and revenue:				
Contributions of cash and other financial assets	\$ 481,747,147	\$ 510,885,093	\$ 992,632,240	\$ 754,835,438
Contributions of non-financial assets	14,904,748	298,581,282	313,486,030	250,403,242
Investment income (loss)	(2,353,227)	(54,552)	(2,407,779)	4,444,643
Change in value of annuities and trusts	(8,923,626)	(430,835)	(9,354,461)	1,675,166
Other income	6,068,353	923,133	6,991,486	2,993,205
Total support and revenue	<u>491,443,395</u>	<u>809,904,121</u>	<u>1,301,347,516</u>	<u>1,014,351,694</u>
Reclassifications:				
Assessment against restricted contributions	15,210,922	(15,210,922)	-	-
Satisfaction of program and property restrictions	653,254,988	(653,254,988)	-	-
Total reclassifications	<u>668,465,910</u>	<u>(668,465,910)</u>	<u>-</u>	<u>-</u>
Expenses:				
Ministry expenses:				
Emergency relief	269,932,291	-	269,932,291	125,533,706
Community development ministry	81,881,091	-	81,881,091	69,841,606
Medical ministry	65,976,539	-	65,976,539	43,317,560
Children's ministry-Operation Christmas Child	370,684,416	-	370,684,416	312,798,650
Children's ministry-other	5,401,037	-	5,401,037	5,935,103
Christian education	49,060,523	-	49,060,523	36,224,814
Other ministry services	10,715,587	-	10,715,587	8,655,141
Total ministry expenses	<u>853,651,484</u>	<u>-</u>	<u>853,651,484</u>	<u>602,306,580</u>
Supporting activities:				
Fund raising	68,817,053	-	68,817,053	59,195,962
General and administrative	72,069,270	-	72,069,270	53,967,231
Total expenses	<u>994,537,807</u>	<u>-</u>	<u>994,537,807</u>	<u>715,469,773</u>
Increase in net assets	165,371,498	141,438,211	306,809,709	298,881,921
Net assets at beginning of year	<u>832,369,904</u>	<u>390,231,006</u>	<u>1,222,600,910</u>	<u>923,718,989</u>
Net assets at end of year	<u>\$ 997,741,402</u>	<u>\$ 531,669,217</u>	<u>\$ 1,529,410,619</u>	<u>\$ 1,222,600,910</u>

See accompanying notes.

SAMARITAN'S PURSE
Consolidated Statement of Functional Expenses
For The Year Ended December 31, 2022
(With Comparative Totals for 2021)
To God be the glory!

	2022			2021
	Ministry expenses	Fund raising	General and administrative	Total
Grants	\$ 75,134,126	\$ -	-	\$ 75,134,126
Contributed goods and services	313,322,611	310	21,951	313,344,872
Direct materials/project costs	188,754,770	177,448	218,161	189,150,379
Employment	137,372,731	29,037,420	42,088,950	208,499,101
Contracted services	18,050,947	2,443,834	5,587,188	26,081,969
Vehicle maintenance and repairs	6,862,938	175,716	147,508	7,186,162
Travel - staff	30,309,364	3,279,718	1,594,333	35,183,415
Ministry and missionary aircraft	13,624,118	135,160	1,298,258	15,057,536
Supplies	5,210,016	238,591	3,957,002	9,405,609
Telecommunications	3,573,385	293,145	1,565,890	5,432,420
Postage and shipping	7,946,887	5,957,790	549,157	14,453,834
Printing and broadcast	11,031,550	14,611,504	889,520	26,532,574
Buildings and equipment	13,763,342	1,422,656	8,111,445	23,297,443
Depreciation	18,602,952	4,411,278	5,270,348	28,284,578
Other	10,091,747	6,632,483	769,559	17,493,789
Total expenses	<u>\$ 853,651,484</u>	<u>\$ 68,817,053</u>	<u>\$ 72,069,270</u>	<u>\$ 994,537,807</u>

See accompanying notes.

SAMARITAN'S PURSE
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2022
(With Comparative Totals for 2021)
To God be the glory!

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Increase in net assets	\$ 306,809,709	\$ 298,881,921
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	28,284,578	28,529,830
(Gain) loss on disposition of property	(235,417)	1,445,899
(Gain) loss on sale of investments	3,048,093	(1,919,265)
Property and equipment contributions received	(2,261,976)	(73,470)
Contributions of other assets received and held for sale	(2,932,469)	(1,749,403)
Adjustment of planned giving obligations	1,370,437	2,193,871
Unrealized (gain) loss on investments	20,799,426	(672,665)
(Increase) decrease in value of other assets	71,389	(36,557)
Net change in:		
Grants receivable	2,141,834	(1,111,039)
Other assets	(1,033,053)	(5,339,928)
Inventories	(5,434,157)	(12,806,750)
Accounts payable-suppliers	7,366,876	5,474,487
Accrued expenses	3,116,868	1,057,433
Net cash provided by operating activities	<u>361,112,138</u>	<u>313,874,364</u>
Cash flows from investing activities:		
Proceeds from sale of property and equipment	304,755	2,029,651
Proceeds from sale of investments	167,313,887	97,218,180
Purchase of investments	(281,797,982)	(228,940,968)
Increase in planned giving program assets	(17,203,302)	(6,296,102)
Proceeds from sale of life insurance	394,234	-
Collections (issuance) of note receivable	-	(100)
Capital expenditures	(41,975,271)	(51,928,677)
Net cash used by investing activities	<u>(172,963,679)</u>	<u>(187,918,016)</u>
Cash flows from financing activities:		
Proceeds from planned giving program contracts	8,418,813	4,661,490
Payments of planned giving program contracts	(3,351,284)	(2,998,329)
Net cash provided by financing activities	<u>5,067,529</u>	<u>1,663,161</u>
Net increase in cash and cash equivalents	193,215,988	127,619,509
Cash and cash equivalents - beginning of year	557,463,316	429,843,807
Cash and cash equivalents - end of year	<u>\$ 750,679,304</u>	<u>\$ 557,463,316</u>
Non cash investing and financing activities:		
Capital expenditures in accounts payable-suppliers	<u>\$ 4,917,173</u>	<u>\$ 3,275,785</u>
Cash and cash equivalents:		
Available for ministries	\$ 253,468,336	\$ 201,132,275
Held for donor-restricted ministry purposes	497,210,968	356,331,041
Total cash and cash equivalents	<u>\$ 750,679,304</u>	<u>\$ 557,463,316</u>

See accompanying notes.

SAMARITAN'S PURSE
HELPING IN JESUS' NAME

Notes to Consolidated Financial Statements
December 31, 2022
(With Comparative Totals for 2021)

1. Description of Ministry and Summary of Significant Accounting Policies

Ministry – Samaritan's Purse (the "Ministry") is incorporated as a nonprofit organization under the laws of North Carolina. The Ministry is a nondenominational evangelical Christian organization providing spiritual and physical aid to hurting people around the world since 1970. Based on the Scriptural example of the Good Samaritan in Luke 10:25-37, the Ministry helps meet the needs of people who are victims of war, poverty, natural disasters, disease, and famine with the purpose of sharing God's love through His Son, Jesus Christ. The Ministry serves the Church worldwide to promote the Gospel of the Lord Jesus Christ.

"All we have comes from God and we give it out of His hand." – 1 Chronicles 29:14b, Dutch Paraphrase.

Jesus said, "For God so loved the world that He gave His only begotten Son, that whoever believes in Him should not perish but have everlasting life. For God did not send His Son into the world to condemn the world, but that the world through Him might be saved" (John 3:16-17). At the core of the Ministry is the belief that mankind has been separated from God by sin and our only hope of salvation comes from the atoning sacrifice of God's Son, Jesus Christ. The Bible tells us, "All have sinned and come short of the glory of God," (Romans 3:23) and "the wages of sin is death, but the gift of God is eternal life through Jesus Christ our Lord" (Romans 6:23). Jesus took our sins upon Himself, suffered, and died on a cross. He took our sins to the grave, and on the third day, God raised His Son to life. Through His death and resurrection, Jesus became the way for man to be reconciled to God. Jesus said, "I am the way, the truth, and the life. No one comes to the Father except through Me" (John 14:6).

God's Word commands His followers to take this Good News to the ends of the earth and make disciples of all nations (Matthew 28:19-20). People who choose to remain in their sins will be separated from God forever. But those who put their faith and trust in what Jesus Christ has done will be saved by God's grace. "If you confess with your mouth the Lord Jesus and believe in your heart that God has raised Him from the dead, you will be saved" (Romans 10:9). If you would like to receive God's free gift of salvation, you can pray a prayer like this: "Dear God, I know that I am a sinner. I am sorry for my sins. Please forgive me. Help me turn from my sinful life. I believe by faith that Jesus is Your Son who died for my sins, and whom You have raised to life. I want to trust Jesus as my Savior and follow Him as my Lord from this day forward. Amen."

Basis of Presentation – Consolidated 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, the Ministry is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Principles of Consolidation – The consolidated financial statements include the accounts of the Ministry and its interrelated organizations, Samaritan's Purse (Kenya), Samaritan's Purse (Sri Lanka), Ippan Shadan Houjin Samaritan's Purse (Japan), Samaritan's Purse (Korea), and Samaritan's Purse International – United Kingdom. Samaritan's Purse International – United Kingdom, previously a related party, became consolidated effective October 24, 2022. An inherent contribution of approximately \$3,000,000 related to the acquisition is recognized in other income on the consolidated statement of activities. The accounts of Emmanuel Group, a wholly owned title holding corporation formed in 2004 under Section 501(c)(2) of the Internal Revenue Code, are also included in the consolidated financial statements. Emmanuel Group has no operations or activities other than holding titles. All interorganizational transactions and account balances are eliminated upon consolidation.

Use of Estimates – The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure 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 include investments in highly liquid debt instruments with an original maturity of three months or less when purchased. The Board approved an investment policy for the operating fund that maintains adequate cash flow with preservation of principal and liquidity as the primary investment objectives with maximization of earnings as a secondary objective.

Investments – Investments in equity securities with readily determinable fair values, all debt securities, and real estate are measured at fair value. Investment income or loss (including gains and losses on investments, interest, and dividends) is included in the increase in net assets.

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

Planned Giving Program – The Ministry has a fully-funded program whereby donors may contribute through gift annuities and charitable remainder trusts. Assets equal to the present value of payment liabilities, plus an additional reserve, are held in segregated trust accounts by a bank or brokerage firm and are managed by professional investment advisors. The Ministry complies with various state laws regulating gift annuities and trusts.

The Ministry records planned gift assets at their fair value. Liabilities are recorded at the present value of projected payments, usually for beneficiaries' lives using a 4.5% discount rate and mortality tables and other actuarial assumptions. Changes in value of annuities and trusts are recorded in the consolidated statement of activities. The charitable present value of annuities and trusts is recorded as contribution revenue at the time the agreement is executed. Values of trust agreements in which the Ministry's remainder interest is revocable are recorded as a liability until that interest becomes irrevocable, at which time the contribution revenue is recorded.

The Ministry is also named as a beneficiary in trusts and wills not managed by the Ministry, the values of which are unknown and are not included in the consolidated statement of financial position.

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. The Ministry utilizes market data or assumptions that market 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 data exists, therefore requiring an entity to develop its own assumptions.

Grants Receivable – Grants receivable consist of grant funds receivable from the United States Agency for International Development (“USAID”), World Food Program, and other grantors. Grant receivables are carried at original invoice amount.

Other Assets – Other assets consist primarily of receivables, prepaid expenses, and deposits which are carried at cost at the date of acquisition as well as gifts of property held for liquidation. Changes in fair value are reported in other income in the consolidated statement of activities.

The Ministry has contracted with a captive insurance company to obtain coverage for workers' compensation, general liability, property, and automobile liability insurance. The Ministry owns a non-controlling share of the common stock of the captive insurance company and is accounting for this asset under the cost method of investment accounting. The cost of this asset in the amount of \$285,000 as of December 31, 2022 and 2021, is included as other noncurrent assets in the consolidated statement of financial position.

Inventories – Inventory consisting of Operation Christmas Child gift boxes, medical equipment and supplies, and other equipment and supplies is stated at the lower of fair value as of the date of the donation or at market value as of the date of the consolidated statement of financial position.

Property and Equipment – Property and equipment additions over \$5,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed.

Net Assets – Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The Ministry's Board of Directors has designated net assets without donor restrictions for the following purpose(s) as of December 31:

	<u>2022</u>	<u>2021</u>
Contingency operating reserves	\$ 70,000,000	\$ 50,000,000
Tenwek Cardiothoracic Center	52,769,139	23,476,980
Emergency ministry reserve	50,000,000	50,000,000
Ukraine ministry	34,523,000	-
The Greatest Journey	29,434,678	33,869,354
Capital reserves	20,575,097	18,934,391
Evangelistic outreaches	1,000,000	1,000,000
Total	<u>\$ 258,301,914</u>	<u>\$ 177,280,725</u>

Net Assets With Donor Restrictions – Net assets that are subject to restrictions imposed by the donor or certain grantors. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition – Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Donated Property – Donated property is recorded at fair value at the date of donation.

Contributed Services – The Ministry received contributed services from approximately 193,000 individuals in 2022 and approximately 189,000 individuals in 2021. The Ministry recorded the value of approximately 97,000 and 102,000 of those volunteers for the years ended December 31, 2022 and 2021, respectively. The remaining 96,000 volunteers in 2022 and 87,000 in 2021 performed services which are not reflected in the consolidated financial statements as the services did not require specialized skills as specified by GAAP pertaining to Accounting for Contributions Received and Contributions Made. These services are estimated to be valued at \$7,500,000 in 2022 and \$6,700,000 in 2021. Approximately \$4,200,000 of the 2022 amount and \$4,000,000 of the 2021 amount not reflected in the consolidated financial statements were related to the collection of gift boxes for Operation Christmas Child.

Contributed Goods – The Ministry receives donations of medical equipment, supplies, and other materials for use in its programs. Donations include the receipt of individual gift boxes through the Operation Christmas Child project. This project collected approximately 9,200,000 and 8,800,000 gift boxes from individuals for the years ended December 31, 2022 and 2021, respectively. The estimated value per gift box was \$26.21 for 2022 and \$24.77 for 2021. Contributed goods are held in inventory and expensed as used by the Ministry.

The Ministry liquidates marketable gifts in kind that are not intended for ministry use upon receipt. The amounts, therefore, are included on the consolidated statement of cash flows as an operating activity.

Functional Classification of Expenses – GAAP pertaining to Financial Statements of Nonprofit Organizations requires reporting of expenses by their functional classification in major classes such as ministry, fund raising, and general and administrative.

Ministry expenses consist of activities that result in food, medicine, clothing, shelter, other relief supplies, and Operation Christmas Child gift boxes being distributed to beneficiaries and all Christian evangelical activities such as sharing the Gospel through the distribution of Bibles or literature, training pastors, Christian education, intercessory prayer, religious services, lifestyle evangelism, or other activities that fulfill the purpose or mission for which the Ministry exists.

These services are the major purpose for, and the major output of, the Ministry. Ministry expenses are in furtherance of our stated purpose as presented in our Articles of Incorporation, Bylaws, and representations to government authorities.

Fund raising expenses involve informing potential donors and facilitating contributions of money, securities, materials, facilities, other assets, or time. Fund raising activities include publicizing and conducting fund raising campaigns, maintaining donor mailing lists, conducting special fund raising events, preparing and distributing fund raising manuals and other materials, and conducting other activities involved with soliciting contributions from individuals, foundations, government agencies, and others.

General and administrative expenses are those that are not identifiable with a single ministry or fund raising activity, but are indispensable to the conduct of those activities and to the Ministry's existence. They include oversight, business management, general record keeping, budgeting, and financing activities.

Allocation of Joint Costs – In 2022, the Ministry conducted activities that included requests for contributions, as well as ministry and general and administrative components. Those activities included print communications and broadcast productions. The costs of conducting those activities included a total of \$24,100,455 and \$18,584,727 of joint costs for 2022 and 2021, respectively. These joint costs are not specifically attributable to particular components of the activities and were allocated as follows:

	<u>2022</u>	<u>2021</u>
Ministry	\$ 8,217,888	\$ 7,193,385
Fund raising	15,360,472	11,006,654
General and administrative	<u>522,095</u>	<u>384,688</u>
Total	<u><u>\$ 24,100,455</u></u>	<u><u>\$ 18,584,727</u></u>

Income Taxes – The Ministry is exempt from federal income taxes, and contributions to the Ministry are deductible as charitable contributions under Internal Revenue Code Section 170.

The Internal Revenue Service has issued a determination letter to the Ministry stating that it continues to qualify for tax-exempt status under Internal Revenue Code Section 501(c)(3); that it is not a private foundation, and that it is classified as a public charity as described in 509(a)(1) and 170(b)(1)(A)(i).

The Ministry has determined that it does not have any material unrecognized tax benefits or obligations as of December 31, 2022.

Assessment – The Board of Directors has established a policy that all donor-restricted contributions for a specific project may be assessed up to 10 percent to be used for administering the gift if needed.

Change in Accounting Principle – During 2022, the Ministry adopted the Financial Accounting Standards Board Accounting Standards Update (ASU) No. 2020-07, *Not-For-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This guidance is intended to increase the transparency of contributed nonfinancial assets for not-for-profit entities through enhanced presentation and disclosure.

The ASU requires that nonfinancial assets are presented as separate line items in the consolidated statement of activities and disclosure include a disaggregation of the amount contributed by category, a description of donor restriction, and valuation techniques for the nonfinancial assets received. The adoption did not have a material impact on reported net assets as of January 1, 2022, however it did result in a reclassification to adhere to the presentation requirements in the consolidated statement of activities.

Subsequent Events – Subsequent events have been evaluated through March 21, 2023, which is the date the consolidated financial statements were available to be issued.

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 the Ministry's consolidated financial statements for the year ended December 31, 2021, from which the summarized information is derived.

2. Liquidity and Availability

The following reflects the Ministry's financial assets as of December 31, 2022 and 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the consolidated statement of financial position date. Amounts not available include amounts set aside by the Board of Directors for property repairs and maintenance, as well as contingency reserves and program funding, all of which could be drawn upon for other purposes if the Board approves that action. These funds may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the financial liabilities.

	<u>2022</u>	<u>2021</u>
Financial assets, at year-end	\$ 1,257,502,764	\$ 956,446,898
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with perpetual restrictions	(1,007,009)	(1,007,009)
Subject to appropriation and satisfaction of donor restrictions	(503,114,597)	(358,460,128)
Investments held for planned giving obligations	(70,258,434)	(62,908,765)
Board designations:		
Contingency operating reserves	(70,000,000)	(50,000,000)
Tenwek Cardiothoracic Center	(52,769,139)	(23,476,980)
Emergency ministry reserve	(50,000,000)	(50,000,000)
Ukraine ministry	(34,523,000)	-
The Greatest Journey	(29,434,678)	(33,869,354)
Capital reserves	(20,575,097)	(18,934,391)
Evangelistic outreaches	(1,000,000)	(1,000,000)
Financial assets available to meet cash need for general expenditures within one year	<u>\$ 424,820,810</u>	<u>\$ 356,790,271</u>

The Ministry is substantially supported by contributions with donor restrictions. Because a donor's restriction requires resources to be used for a particular purpose or in a future period, the Ministry must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Ministry'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. In addition, the Ministry invests cash in excess of daily requirements in short-term investments.

3. Property and Equipment

A summary of property and equipment and related accumulated depreciation at December 31 follows:

	<u>2022</u>	<u>2021</u>
Equipment, furniture and fixtures	\$ 129,816,875	\$ 106,825,130
Ministry and missionary aircraft	111,322,622	106,076,845
Land and land improvements	34,850,762	32,724,716
Buildings	<u>207,322,577</u>	<u>189,343,911</u>
Total	483,312,836	434,970,602
Less accumulated depreciation	<u>202,437,633</u>	<u>174,895,903</u>
Property and equipment, net	<u><u>\$ 280,875,203</u></u>	<u><u>\$ 260,074,699</u></u>

Ministry and missionary aircraft represents aircraft stationed throughout the world that are used by the Ministry.

The Ministry places assets in various countries at any given time to be used for support of missions, medical assistance, and emergency relief. These assets are subject to the laws of the governments in the countries in which they reside. Ministry and missionary aircraft, equipment, and other assets that have a cost basis of \$41,004,680 in 2022 and \$29,912,999 in 2021 have been placed in various foreign countries.

The Ministry has entered into agreements for property and asset acquisitions and capital improvements of approximately \$24,600,000 as of December 31, 2022.

4. Investments

Investments are composed of the following:

	<u>2022</u>	<u>2021</u>
Cash	\$ 11,437,657	\$ 12,521,882
Certificates of deposit	206,197	205,999
Equities	77,840,277	56,147,446
Fixed income	417,064,329	329,163,255
Real estate	<u>275,000</u>	<u>945,000</u>
Total	<u><u>\$ 506,823,460</u></u>	<u><u>\$ 398,983,582</u></u>

Investment income, exclusive of annuities and trusts, consists of:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 11,586,107	\$ 4,310,360
Net realized gains (losses)	(2,456,403)	611,086
Net unrealized losses	<u>(11,537,483)</u>	<u>(476,803)</u>
Total	<u><u>\$ (2,407,779)</u></u>	<u><u>\$ 4,444,643</u></u>

5. **Planned Giving Program**

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

	<u>2022</u>	<u>2021</u>
Assets:		
Gift annuities	\$ 58,630,559	\$ 58,323,093
Irrevocable trusts	11,627,875	4,585,672
Total	<u><u>\$ 70,258,434</u></u>	<u><u>\$ 62,908,765</u></u>
Liabilities:		
Gift annuities	\$ 32,496,628	\$ 29,319,052
Irrevocable trusts	6,168,787	2,908,397
Total	<u><u>\$ 38,665,415</u></u>	<u><u>\$ 32,227,449</u></u>

The change in value of annuities and trusts presented on the consolidated statement of activities consists of:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 2,177,986	\$ 1,704,733
Net realized gains (losses) on investments	(591,690)	1,308,179
Net unrealized gains (losses) on investments	(9,261,943)	1,149,468
Actuarial adjustments	1,980,847	804,458
Administrative fees	(308,377)	(293,343)
Payments to income beneficiaries	<u>(3,351,284)</u>	<u>(2,998,329)</u>
Total	<u><u>\$ (9,354,461)</u></u>	<u><u>\$ 1,675,166</u></u>

6. Fair Value Measurements

The carrying amount of cash and cash equivalents and grants 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 certain cash equivalents, such as investment securities and U.S. government agency instruments, which are readily available in the active markets in which those securities are traded, are categorized as Level 1. Prices for non-U.S. government agency fixed income instruments and real estate are based on inputs that are readily available in public markets or can be derived from information available in publicly quoted markets and are categorized as Level 2. Prices for privately held stocks are based on assumptions developed by management and are categorized as Level 3.

There were no changes during the years ended December 31, 2022 and 2021, to the Ministry's valuation techniques used to measure asset and liability fair values on a recurring basis.

The following tables set forth by level within the fair value hierarchy the Ministry's assets accounted for at fair value on a recurring basis as of December 31, 2022 and 2021. Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Ministry'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.

Measured at Fair Value on a Recurring Basis

<u>Description</u>	<u>As of December 31, 2022</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities				
Basic materials	\$ 4,560,521	\$ -	\$ -	\$ 4,560,521
Consumer goods	5,240,372	-	-	5,240,372
Financial	16,708,729	-	-	16,708,729
Healthcare	6,051,192	-	-	6,051,192
Industrial goods	10,090,756	-	-	10,090,756
Services	2,499,924	-	-	2,499,924
Technology	8,522,755	-	-	8,522,755
Utilities	21,554	-	-	21,554
Equity funds	24,144,474	-	-	24,144,474
Fixed income				
U.S. government	214,776,464	-	-	214,776,464
Mortgage backed securities	-	21,052,869	-	21,052,869
Asset backed securities	-	27,554,568	-	27,554,568
Corporate	-	153,251,212	-	153,251,212
Mutual funds	-	429,216	-	429,216
Other assets				
Real estate	-	275,000	-	275,000
Donated equity securities and other financial instruments included in other assets	1,618,623	-	611,123	2,229,746
Total	<u>\$ 294,235,364</u>	<u>\$ 202,562,865</u>	<u>\$ 611,123</u>	<u>\$ 497,409,352</u>

<u>Description</u>	<u>As of December 31, 2021</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities				
Basic materials	\$ 2,955,909	\$ -	\$ -	\$ 2,955,909
Consumer goods	5,705,780	-	-	5,705,780
Financial	6,529,252	-	-	6,529,252
Healthcare	4,797,364	-	-	4,797,364
Industrial goods	5,965,618	-	-	5,965,618
Services	1,340,771	-	-	1,340,771
Technology	8,065,708	-	-	8,065,708
Utilities	746,196	-	-	746,196
Equity funds	20,040,848	-	-	20,040,848
Fixed income				
U.S. government	60,386,297	-	-	60,386,297
Mortgage backed securities	-	26,238,180	-	26,238,180
Asset backed securities	-	42,194,491	-	42,194,491
Corporate	-	200,019,908	-	200,019,908
Mutual funds	-	324,379	-	324,379
Other assets				
Real estate	-	945,000	-	945,000
Donated equity securities and other financial instruments included in other assets	1,393,195	-	516,747	1,909,942
Total	<u>\$ 117,926,938</u>	<u>\$ 269,721,958</u>	<u>\$ 516,747</u>	<u>\$ 388,165,643</u>

Cash and cash equivalents, money market deposit accounts, and certificates of deposit are not defined within the levels as prescribed in *Fair Value Measurements*. Accordingly, \$11,643,854 as of December 31, 2022 and \$12,727,881 as of December 31, 2021 of cash and cash equivalents, money market deposits, and certificates of deposit are not included in the table above.

The determination of fair value above incorporates various factors. These factors include not only the credit standing of the counterparties involved and the impact of credit enhancements, but also the impact of the Ministry's nonperformance risk on its liabilities.

7. **Endowment**

The Ministry follows the Uniform Prudent Management of Institutional Funds Act for endowment funds. At December 31, 2022, the Ministry's donor-restricted endowment funds consist of one fund established in the year ending December 31, 2016, with appreciation and growth of the fund designated to benefit one program. Endowment investments have been segregated from other investments. The primary investment objective for donor-restricted endowment funds is to meet the donor's charitable objective and, absent specific donor guidance, invest with the objective to preserve and protect assets while seeking to produce a return appropriate for each fund. The Ministry targets an annual total return of 6% for endowments. The agreement between Samaritan's Purse and the donor governs expenditures from the endowment fund and in this case spending is based on positive returns and appreciation of the fund. Accordingly, investment returns, gains, and losses are reported as activities with donor restrictions. In the years ended December 31, 2022 and 2021 approximately \$90,000 was released each year for specific program expenditures. The endowment investment fund, including additional appreciation and gains above original donation, was valued at approximately \$1,396,000 as of December 31, 2022 and \$1,561,000 as of December 31, 2021.

8. **Net Assets with Donor Restrictions for Ministry Purposes**

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

	<u>2022</u>	<u>2021</u>
Africa projects	\$ 7,515,130	\$ 5,881,882
Agriculture and livestock projects	11,288,667	11,804,064
Asia projects	5,544,782	8,441,444
Bibles and Christian literature	1,046,241	864,835
Central and South America projects	6,015,968	8,042,739
Children's projects - Operation Christmas Child	27,842,633	40,215,376
Children's projects - other	13,037,026	12,665,693
Church construction projects	5,960,542	5,606,474
Clean water projects	11,203,466	11,798,249
Development projects	1,593,185	2,701,576
Emergency relief	23,588,646	20,529,545
Housing construction projects	2,361,720	2,164,866
Hurricane relief - international	10,670,525	12,251,351
Medical missionary support	5,260,729	4,876,346
Medical projects	50,442,733	59,344,218
Middle East projects	6,796,828	7,784,366
Missionary aid	2,936,331	3,085,128
Persecuted Christians	1,832,795	3,434,101
Ukraine relief	129,572,554	-
U.S. - disaster relief	145,370,116	98,314,584
U.S. - hurricane relief	4,662,405	13,557,064
U.S. - nonemergency relief	21,545,280	21,840,288
Other	7,026,295	3,255,939
Inventories:		
Operation Christmas Child gift boxes	15,965,278	20,999,032
Medical equipment and supplies	8,680,017	8,133,422
Other equipment and supplies	2,902,316	1,631,415
Total	<u>\$ 530,662,208</u>	<u>\$ 389,223,997</u>

9. **Commitments**

The Ministry has entered into agreements for program beneficiary projects of approximately \$9,200,000 as of December 31, 2022.

10. **Related-Party Transactions**

The Chief Executive Officer, President, and Chairman of the Ministry serves as Chief Executive Officer, President, and Chairman of Billy Graham Evangelistic Association (the "Association"). The Association is controlled by an independent Board of Directors, though the two ministries share certain board members. The Ministry and the Association are engaged in related party transactions including a shared services agreement to gain efficiencies over administrative services supporting their individual ministries, receive and forward contributions intended for the other organization, transfer assets that align with the other organization's projects and activities, and staff and financially support joint ministry activities and disaster responses. The Ministry paid the Association \$2,372,468 in 2022 and \$4,129,797 in 2021 while the Association paid the Ministry \$12,488,040 in 2022 and \$5,405,676 in 2021 related to these activities. The Ministry made in-kind contributions to the Association valued at \$836,101 in 2022 and \$358,124 in 2021.

Following is 2022 unaudited summary financial information for Billy Graham Evangelistic Association: total assets - \$547,942,037; total liabilities - \$69,818,622; total net assets - \$478,123,415; total revenues - \$165,429,669; and total expenses - \$160,685,922.

The Ministry maintains license agreements with the following unconsolidated organizations: Samaritan's Purse-Australia, The Samaritan's Purse-Canada, and Samaritan's Purse e.V. The agreements outline how the affiliated organizations coordinate program activities and the terms and conditions of their use of the Ministry's registered name and trademarks. The Ministry paid these affiliated organizations \$3,564,431 in 2022 and \$3,993,806 in 2021 for employment cost reimbursement and support of various projects. These affiliated organizations reimbursed the Ministry \$881,679 in 2022 and \$487,308 in 2021 for ministry support and materials. These affiliated organizations contributed \$6,964,933 in 2022 and \$4,769,827 in 2021 to the Ministry in support of programs and projects.

11. **Contributed Goods and Services** – Contributed goods and services for the years ending December 31, 2022 and 2021, included in the consolidated financial statements, were as follows:

	<u>2022</u>	<u>2021</u>
Goods:		
Operation Christmas Child gift boxes	\$ 241,686,307	\$ 218,225,062
Food	36,544,880	9,405,240
Medical equipment and supplies	13,003,346	7,264,068
Operation Christmas Child-other	5,423,861	4,272,878
Real estate	2,294,094	1,256,373
Contributed property and equipment	334,259	73,470
Other	838,481	497,352
Services:		
Medical	7,702,903	6,405,862
Operation Christmas Child	5,533,053	2,768,598
Other	124,846	234,339
Total	<u>\$ 313,486,030</u>	<u>\$ 250,403,242</u>

The Ministry recognized contributed nonfinancial assets, both goods and services within revenue. Contributed goods often had purpose restrictions and are recorded as donor-restricted.

Operation Christmas Child gift boxes are valued at fair market value of the items received, pricing is determined by comparing to large retail box store prices. The gift boxes are distributed around the world, in approximately 100 countries, annually.

Food donations are valued most often at wholesale cost paid by the donor or on wholesale values from the market from which the food was sourced. Food is distributed in multiple settings ranging from large displaced persons camps to individual homes in many countries around the world through international projects.

Medical equipment and supplies donations are valued based on the fair value of items donated based on medical market prices with larger donations being valued at wholesale cost. Medical equipment and supplies are distributed to partner mission hospitals and international programs of the Ministry throughout the world.

Operation Christmas Child – other donations are generally larger quantity donations recorded at wholesale, donor cost, or a discounted retail or fair value if wholesale or cost pricing cannot be obtained. These donations are used to supplement individual Operation Christmas Child gift boxes noted above.

Real estate and other donated goods are valued at fair market value and includes items liquidated for ministry use.

Contributed medical services are valued at the market value of earnings by the medical professionals based on their license and specialty. These services are provided in ministry settings in many countries, mainly in partner mission hospitals.

Operation Christmas Child services are valued based on hours served at market rates ranging from minimum wage to the market rate of similar employed services. These services involve the collection and processing of gift boxes.

Other services are valued based on the market value of earnings by the professional.

Contributed goods distributed and services provided through the Ministry in its programs amounted to approximately \$313,300,000 and \$241,200,000 for the years ended December 31, 2022 and 2021, respectively.

12. Retirement Plan

The Ministry sponsors a defined contribution retirement and salary reduction plan (the "Plan") that covers eligible employees as determined by the Plan agreement. Employer contributions are five percent of each participant's salary plus a matching provision which provides a \$1 employer contribution to each \$1 employee contribution up to three percent of each participant's salary. Retirement expenses were \$6,956,561 in 2022 and \$6,214,751 in 2021. The assets of the Plan are held in an employee benefit trust and are not included in the accompanying consolidated financial statements.

13. Concentrations of Credit Risk

The Ministry has deposits in various banks in excess of the amounts covered by federal depository insurance. Management believes that credit risk related to these deposits is minimal.

14. Self-Insurance Program

The Ministry maintains a self-insurance program for hospitalization and medical coverage for its employees. The Ministry partnered with a health system to add an on-site health clinic in 2019 with a goal of reducing overall plan costs. The clinic provides convenient family practice and travel-related medical services to employees and their families. The Ministry limits its losses through the use of stop-loss policies from reinsurers. Specific individual losses for claims are limited to \$175,000 per year. The Ministry's aggregate annual loss limitation is based on a formula that considers, among other things, the total number of employees. At December 31, 2022 and 2021, the estimated liability, net of stop loss recoveries, for these claims approximated \$2,500,000 and \$2,000,000 respectively, and is included in accrued expenses.

SAMARITAN'S PURSE
Schedule of Ministry Expenses Information
For The Year Ended December 31, 2022
To God be the glory!

	2022							
	Emergency relief	Community development ministry	Medical ministry	Children's ministry- Operation Christmas Child	Children's ministry-other	Christian education	Other ministry services	Total ministry expenses
Grants	\$ 35,694,252	19,355,522	4,476,931	3,427,022	2,134,699	4,231,320	5,814,380	\$ 75,134,126
Contributed goods and services	35,417,439	61,342	20,174,061	257,593,821	23,613	10,994	41,341	313,322,611
Direct materials/project costs	99,171,633	20,308,353	16,453,697	50,241,011	614,615	1,876,953	88,508	188,754,770
Employment	48,018,751	27,518,395	14,493,998	28,790,959	1,059,038	15,424,948	2,066,642	137,372,731
Contracted services	6,988,810	1,526,166	1,268,472	5,514,137	161,135	2,101,376	490,851	18,050,947
Vehicle maintenance and repairs	4,597,875	1,447,667	407,029	93,290	39,834	263,680	13,563	6,862,938
Travel - staff	10,457,541	2,181,784	3,728,084	8,983,881	947,758	3,608,097	402,219	30,309,364
Ministry and missionary aircraft	8,009,296	1,418,044	695,778	201,754	36,546	2,402,521	860,179	13,624,118
Supplies	2,453,141	1,544,404	541,636	341,295	36,602	251,959	40,979	5,210,016
Telecommunications	2,081,311	363,820	264,952	337,976	46,985	398,750	79,591	3,573,385
Postage and shipping	549,953	93,814	140,921	3,529,929	473	3,624,774	7,023	7,946,887
Printing and broadcast	873,673	178,643	159,213	2,686,359	4,275	7,120,476	8,911	11,031,550
Buildings and equipment	5,223,112	2,575,923	1,196,362	2,854,185	193,066	1,503,381	217,313	13,763,342
Depreciation	6,669,691	1,578,630	1,260,365	5,154,795	-	3,519,349	420,122	18,602,952
Other	3,725,813	1,728,584	715,040	934,002	102,398	2,721,945	163,965	10,091,747
Total ministry expenses	\$ 269,932,291	\$ 81,881,091	\$ 65,976,539	\$ 370,684,416	\$ 5,401,037	\$ 49,060,523	\$ 10,715,587	\$ 853,651,484