

SAMARITAN'S PURSE

**Consolidated Financial Statements
and Supplemental Schedule**

December 31, 2020

(with Independent Auditors' 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

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December 31, 2020

To God be the glory!

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Independent Auditors' Report

Board of Directors
Samaritan's Purse

We have audited the accompanying consolidated financial statements of Samaritan's Purse (the "Ministry"), which comprise the consolidated statement of financial position as of December 31, 2020, 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 2019 consolidated financial statements and, in our report dated March 20, 2020, we expressed an unmodified opinion on those consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Ministry as of December 31, 2020, and the consolidated results of their activities and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 to the underlying accounts and other records used to prepare the consolidated financial statements. The supplemental information 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 information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Dixon Hughes Goodman LLP

Charlotte, North Carolina
March 24, 2021

SAMARITAN'S PURSE
Consolidated Statement of Financial Position
December 31, 2020
(With Comparative Totals for 2019)
To God be the glory!

<u>Assets</u>	<u>2020</u>	<u>2019</u>
Current assets:		
Cash and cash equivalents:		
Available for ministries	\$ 172,201,415	\$ 36,811,740
Held for donor-restricted ministry purposes	257,642,392	209,215,913
Investments:		
Available for ministries	202,831,183	211,290,860
Planned giving program	3,200,596	2,805,914
Grants receivable	10,197,935	8,199,662
Other current assets	15,523,542	13,912,225
Inventories	42,429,862	49,299,952
Total current assets	<u>704,026,925</u>	<u>531,536,266</u>
Noncurrent assets:		
Planned giving program investments	50,954,420	39,666,260
Endowment investments	1,386,563	1,325,666
Other noncurrent assets	834,150	804,895
Property and equipment, net of accumulated depreciation	236,802,147	193,311,089
Total noncurrent assets	<u>289,977,280</u>	<u>235,107,910</u>
Total assets	<u>\$ 994,004,205</u>	<u>\$ 766,644,176</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable - suppliers	\$ 27,348,103	\$ 28,080,784
Accrued expenses	14,566,696	11,760,859
Current portion of planned giving program obligations	3,200,596	2,805,914
Total current liabilities	<u>45,115,395</u>	<u>42,647,557</u>
Noncurrent liabilities:		
Planned giving program obligations	25,169,821	22,039,794
Total noncurrent liabilities	<u>25,169,821</u>	<u>22,039,794</u>
Total liabilities	<u>70,285,216</u>	<u>64,687,351</u>
Net assets:		
Without donor restrictions:		
Designated by governing board	131,609,654	57,314,276
Represented by property and equipment	236,802,147	193,311,089
General	271,550,506	208,048,761
Total without donor restrictions	<u>639,962,307</u>	<u>458,674,126</u>
With donor restrictions:		
Ministry purpose restrictions	282,749,673	242,275,690
Perpetual in nature	1,007,009	1,007,009
Total with donor restrictions	<u>283,756,682</u>	<u>243,282,699</u>
Total net assets	<u>923,718,989</u>	<u>701,956,825</u>
Total liabilities and net assets	<u>\$ 994,004,205</u>	<u>\$ 766,644,176</u>

See accompanying notes.

SAMARITAN'S PURSE
Consolidated Statement of Activities
For the Year Ended December 31, 2020
(With Comparative Totals for 2019)
To God be the glory!

	2020		2019	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and revenue:				
Contributions	\$ 408,747,337	\$ 264,116,380	\$ 672,863,717	\$ 486,828,593
Contributed goods and services	9,190,435	200,290,555	209,480,990	245,983,633
Investment income	9,400,552	139,567	9,540,119	13,940,977
Change in value of annuities and trusts	2,203,955	66,409	2,270,364	3,142,906
Other income	4,353,271	157,704	4,510,975	3,711,629
Total support and revenue	<u>433,895,550</u>	<u>464,770,615</u>	<u>898,666,165</u>	<u>753,607,738</u>
Reclassifications:				
Assessment against restricted contributions	21,071,013	(21,071,013)	-	-
Satisfaction of program and property restrictions	403,225,619	(403,225,619)	-	-
Total reclassifications	<u>424,296,632</u>	<u>(424,296,632)</u>	<u>-</u>	<u>-</u>
Expenses:				
Ministry expenses:				
Emergency relief	115,918,829	-	115,918,829	117,602,954
Community development ministry	86,151,129	-	86,151,129	89,992,318
Medical ministry	50,069,523	-	50,069,523	45,403,838
Children's ministry-Operation				
Christmas Child	284,651,667	-	284,651,667	310,446,976
Children's ministry-other	4,333,388	-	4,333,388	6,811,390
Christian education	30,748,697	-	30,748,697	29,852,627
Other ministry services	5,041,408	-	5,041,408	5,716,778
Total ministry expenses	<u>576,914,641</u>	<u>-</u>	<u>576,914,641</u>	<u>605,826,881</u>
Supporting activities:				
Fund raising	53,762,607	-	53,762,607	55,115,784
General and administrative	46,226,753	-	46,226,753	40,404,423
Total expenses	<u>676,904,001</u>	<u>-</u>	<u>676,904,001</u>	<u>701,347,088</u>
Increase in net assets	181,288,181	40,473,983	221,762,164	52,260,650
Net assets at beginning of year	458,674,126	243,282,699	701,956,825	649,696,175
Net assets at end of year	<u>\$ 639,962,307</u>	<u>\$ 283,756,682</u>	<u>\$ 923,718,989</u>	<u>\$ 701,956,825</u>

See accompanying notes.

SAMARITAN'S PURSE
Consolidated Statement of Functional Expenses
For The Year Ended December 31, 2020
(With Comparative Totals for 2019)
To God be the glory!

	<u>2020</u>			<u>2019</u>	
	<u>Ministry expenses</u>	<u>Fund raising</u>	<u>General and administrative</u>	<u>Total</u>	<u>Total</u>
Grants	\$ 38,475,332	\$ -	\$ -	\$ 38,475,332	\$ 30,696,966
Contributed goods and services	216,341,860	17,636	17,277	216,376,773	253,275,128
Direct materials/project costs	114,417,173	373,910	101,593	114,892,676	114,239,693
Employment	115,424,630	27,325,734	28,679,225	171,429,589	156,252,525
Contracted services	14,384,288	1,351,513	1,792,839	17,528,640	16,918,866
Vehicle maintenance and repairs	5,426,263	125,002	85,598	5,636,863	6,575,070
Travel - staff	13,338,778	1,343,727	634,719	15,317,224	31,089,417
Ministry and missionary aircraft	6,348,254	126,573	200,600	6,675,427	8,669,397
Supplies	4,033,948	235,286	2,011,365	6,280,599	5,425,025
Telecommunications	2,906,419	259,023	1,008,863	4,174,305	4,062,305
Postage and shipping	5,198,897	4,444,208	353,376	9,996,481	10,298,993
Printing and broadcast	6,519,404	9,526,637	463,781	16,509,822	15,165,987
Buildings and equipment	11,886,829	871,688	6,619,711	19,378,228	17,731,617
Depreciation	15,164,966	3,469,735	3,469,735	22,104,436	19,879,330
Other	7,047,600	4,291,935	788,071	12,127,606	11,066,769
	<u>7,047,600</u>	<u>4,291,935</u>	<u>788,071</u>	<u>12,127,606</u>	<u>11,066,769</u>
Total expenses	<u>\$ 576,914,641</u>	<u>\$ 53,762,607</u>	<u>\$ 46,226,753</u>	<u>\$ 676,904,001</u>	<u>\$ 701,347,088</u>

See accompanying notes.

SAMARITAN'S PURSE
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2020
(With Comparative Totals for 2019)
To God be the glory!

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Increase in net assets	\$ 221,762,164	\$ 52,260,650
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	22,104,436	19,879,330
Gain on disposition of property	(820,854)	(24,706)
(Gain) loss on sale of investments	(7,185,921)	12,874
Property and equipment contributions received	(1,931,303)	(240,914)
Contributions of other assets received and held for sale	(671,622)	(886,854)
Adjustment of planned giving obligations	1,856,229	1,880,817
Unrealized gain on investments	(72,004)	(9,811,299)
Increase in value of other assets	(29,255)	(44,294)
Net change in:		
Grants receivable	(1,998,273)	873,945
Other assets	(945,983)	7,112,827
Inventories	6,870,090	7,064,800
Accounts payable-suppliers	(6,640,188)	1,017,477
Accrued expenses	2,805,837	1,169,805
Net cash provided by operating activities	<u>235,103,353</u>	<u>80,264,458</u>
Cash flows from investing activities:		
Proceeds from sale of property and equipment	6,293,665	45,501
Proceeds from sale of investments	105,905,106	166,775,859
Purchase of investments	(93,378,350)	(172,110,383)
(Increase) decrease in planned giving program assets	(8,552,893)	1,518,534
Collections on note receivable	6,288	-
Capital expenditures	(63,229,495)	(43,612,777)
Net cash used by investing activities	<u>(52,955,679)</u>	<u>(47,383,266)</u>
Cash flows from financing activities:		
Proceeds from planned giving program contracts	4,317,419	2,497,823
Payments of planned giving program contracts	(2,648,939)	(6,241,378)
Net cash provided (used) by financing activities	<u>1,668,480</u>	<u>(3,743,555)</u>
Net increase in cash and cash equivalents	183,816,154	29,137,637
Cash and cash equivalents - beginning of year	<u>246,027,653</u>	<u>216,890,016</u>
Cash and cash equivalents - end of year	<u>\$ 429,843,807</u>	<u>\$ 246,027,653</u>
Non cash investing and financing activities:		
Capital expenditures in accounts payable-suppliers	<u>\$ 5,907,507</u>	<u>\$ 6,952,328</u>
Cash and cash equivalents:		
Available for ministries	\$ 172,201,415	\$ 36,811,740
Held for donor-restricted ministry purposes	257,642,392	209,215,913
Total cash and cash equivalents	<u>\$ 429,843,807</u>	<u>\$ 246,027,653</u>

See accompanying notes.

SAMARITAN'S PURSE
HELPING IN JESUS' NAME

Notes to Consolidated Financial Statements
December 31, 2020
(With Comparative Totals for 2019)

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.

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) and Samaritan's Purse (Korea). 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 interorganization 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 the 2012 IAR mortality table 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 and cash surrender value of life insurance which are carried at fair value. 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, 2020 and 2019, 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 – Land is stated at cost. All other property and equipment are stated at cost less accumulated depreciation. Depreciation over the following estimated useful lives of property and equipment is computed using the straight-line method:

Buildings	30 years
Furniture, fixtures, land improvements, and equipment	3-10 years
Ministry and missionary aircraft	10 years

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

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>2020</u>	<u>2019</u>
Emergency ministry reserve	\$ 50,000,000	\$ -
Contingency operating reserves	50,000,000	23,600,000
Capital reserves	16,860,040	13,475,570
The Greatest Journey	13,304,030	17,738,706
Evangelistic outreaches	1,000,000	1,000,000
Tenwek Hospital - New Heart Institute construction	445,584	1,500,000
Total	<u>\$ 131,609,654</u>	<u>\$ 57,314,276</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 154,000 individuals in 2020 and approximately 197,000 individuals in 2019. The Ministry recorded the value of approximately 71,000 and 96,000 of those volunteers for the years ended December 31, 2020 and 2019, respectively. The value of contributed services recorded by the Ministry amounted to approximately \$7,200,000 in 2020 and \$12,500,000 in 2019. The recorded value is determined based on hours of service donated at average fair value of comparable services and is reported both as revenue and expense in the period the service is performed.

The remaining 83,000 volunteers in 2020 and 101,000 in 2019 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 \$6,800,000 in 2020 and \$8,500,000 in 2019. Approximately \$3,800,000 of the 2020 amount and \$4,700,000 of the 2019 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. Such gifts are recorded at their estimated fair value at the date of donation. Based upon the quantities donated, some gifts were valued using the estimated wholesale value of gifts received considering their condition and utility for use. Gifts of approximately \$202,300,000 and \$233,500,000 were received for the years ended December 31, 2020 and 2019, respectively. These donations include the receipt of individual gift boxes through the Operation Christmas Child project. This project collected approximately 7,400,000 and 8,900,000 gift boxes from individuals for the years ended December 31, 2020 and 2019, respectively. The estimated value per gift box was \$25.17 for 2020 and \$24.21 for 2019. Contributed goods are held in inventory and expensed as used by the Ministry.

Gifts-in-kind distributed through the Ministry amounted to approximately \$209,200,000 and \$240,800,000 for the years ended December 31, 2020 and 2019, respectively.

The Ministry liquidates contributed securities 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 2020, 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 \$16,232,480 and \$14,567,839 of joint costs for 2020 and 2019, respectively. These joint costs are not specifically attributable to particular components of the activities and were allocated as follows:

	<u>2020</u>	<u>2019</u>
Ministry	\$ 6,722,457	\$ 5,264,179
Fund raising	9,133,838	9,015,903
General and administrative	<u>376,185</u>	<u>287,757</u>
Total	<u>\$ 16,232,480</u>	<u>\$ 14,567,839</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, 2020.

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.

Subsequent Events – Subsequent events have been evaluated through March 24, 2021, 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, 2019, from which the summarized information is derived.

2. Liquidity and Availability

The following reflects the Ministry's financial assets as of December 31, 2020 and 2019, 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.

	<u>2020</u>	<u>2019</u>
Financial assets, at year-end	\$ 688,216,569	\$ 501,116,353
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	(259,391,049)	(210,089,981)
Investments held for planned giving obligations	(54,155,016)	(42,472,174)
Board designations:		
Emergency ministry reserve	(50,000,000)	-
Contingency operating reserves	(50,000,000)	(23,600,000)
Capital reserves	(16,860,040)	(13,475,570)
The Greatest Journey	(13,304,030)	(17,738,706)
Evangelistic outreaches	(1,000,000)	(1,000,000)
Tenwek Hospital - New Heart Institute construction	(445,584)	(1,500,000)
Financial assets available to meet cash need for general expenditures within one year	<u>\$ 242,053,841</u>	<u>\$ 190,232,913</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.

The Board designates a portion of any operating surplus to its contingency reserve or other specific projects within the Ministry. These funds are established by the governing board that may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the financial liabilities. In the event of an unanticipated liquidity need, the Ministry also could draw upon funds designated as capital reserves.

3. Property and Equipment

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

	<u>2020</u>	<u>2019</u>
Equipment, furniture and fixtures	\$ 93,406,930	\$ 81,064,866
Ministry and missionary aircraft	98,201,265	88,737,038
Land and land improvements	27,375,548	26,810,746
Buildings	<u>168,600,671</u>	<u>134,755,702</u>
Total	387,584,414	331,368,352
Less accumulated depreciation	<u>150,782,267</u>	<u>138,057,263</u>
Property and equipment, net	<u>\$ 236,802,147</u>	<u>\$ 193,311,089</u>

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 \$30,907,693 in 2020 and \$24,122,619 in 2019 have been placed in various foreign countries.

The Ministry has entered into agreements for property and asset acquisitions and capital improvements of approximately \$14,661,000 as of December 31, 2020.

4. Investments

Investments are composed of the following:

	<u>2020</u>	<u>2019</u>
Cash	\$ 5,810,585	\$ 2,545,734
Certificates of deposit	205,699	203,461
Equities	19,623,222	31,544,711
Fixed income	232,733,256	219,550,018
Real estate	<u>-</u>	<u>1,244,776</u>
Total	<u>\$ 258,372,762</u>	<u>\$ 255,088,700</u>

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

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 5,412,143	\$ 8,185,891
Net realized gains (losses)	6,349,506	(456,942)
Net unrealized gains (losses)	<u>(2,221,530)</u>	<u>6,212,028</u>
Total	<u>\$ 9,540,119</u>	<u>\$ 13,940,977</u>

5. **Planned Giving Program**

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

	<u>2020</u>	<u>2019</u>
Assets:		
Gift annuities	\$ 51,169,384	\$ 41,132,611
Irrevocable trusts	2,985,632	1,339,563
Total	<u>\$ 54,155,016</u>	<u>\$ 42,472,174</u>
Liabilities:		
Gift annuities	\$ 26,852,514	\$ 24,104,102
Irrevocable trusts	1,517,903	741,606
Total	<u>\$ 28,370,417</u>	<u>\$ 24,845,708</u>

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

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 1,245,174	\$ 1,246,861
Net realized gains on investments	836,415	444,068
Net unrealized gains on investments	2,293,534	3,599,271
Actuarial adjustments	792,710	655,336
Administrative fees	(248,530)	(266,477)
Payments to income beneficiaries	<u>(2,648,939)</u>	<u>(2,536,153)</u>
Total	<u>\$ 2,270,364</u>	<u>\$ 3,142,906</u>

6. Fair Value Measurements

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

The carrying amount of accounts payable and accrued expenses approximates fair value because of the short-term maturities of those instruments.

Prices for 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, 2020 and 2019, 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, 2020 and 2019. 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, 2020</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Equities				
Basic materials	\$ 240,096	\$ -	\$ -	\$ 240,096
Consumer goods	655,333	-	-	655,333
Financial	603,773	-	-	603,773
Healthcare	233,191	-	-	233,191
Industrial goods	845,346	-	-	845,346
Services	440,916	-	-	440,916
Technology	474,119	-	-	474,119
Utilities	565,931	-	-	565,931
Equity Funds	15,564,517	-	-	15,564,517
Fixed income				
U.S. government	58,656,736	-	-	58,656,736
Mortgage backed securities	-	15,367,812	-	15,367,812
Asset backed securities	-	21,843,669	-	21,843,669
Corporate	-	136,865,039	-	136,865,039
Other assets				
Donated equity securities and other financial instruments included in other assets	484,469	-	224	484,693
Total	\$ 78,764,427	\$ 174,076,520	\$ 224	\$ 252,841,171

<u>Description</u>	<u>As of December 31, 2019</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Equities				
Basic materials	\$ 536,714	\$ -	\$ -	\$ 536,714
Consumer goods	484,179	-	-	484,179
Financial	655,573	-	-	655,573
Healthcare	116,802	-	-	116,802
Industrial goods	324,532	-	-	324,532
Services	352,026	-	-	352,026
Technology	587,194	-	-	587,194
Utilities	501,677	-	-	501,677
Equity Funds	27,986,014	-	-	27,986,014
Fixed income				
U.S. government	71,870,980	-	-	71,870,980
Mortgage backed securities	-	7,962,718	-	7,962,718
Asset backed securities	-	19,957,479	-	19,957,479
Corporate	-	119,277,679	-	119,277,679
Mutual funds	-	481,162	-	481,162
Other assets				
Real estate	-	1,244,776	-	1,244,776
Donated equity securities and other financial instruments included in other assets	1,978,396	-	224	1,978,620
Total	\$ 105,394,087	\$ 148,923,814	\$ 224	\$ 254,318,125

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, \$6,016,284 as of December 31, 2020 and \$2,749,195 as of December 31, 2019 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, 2020, 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 year ended December 31, 2020 and 2019 approximately \$60,000 each year was released for specific program expenditures. The endowment investment fund, including additional appreciation and gains above original donation, was valued at approximately \$1,387,000 as of December 31, 2020 and \$1,326,000 as of December 31, 2019.

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>2020</u>	<u>2019</u>
Africa projects	\$ 5,624,230	\$ 8,964,634
Agriculture and livestock projects	9,746,746	6,003,877
Asia projects	5,567,262	7,708,088
Bibles and Christian literature	651,809	427,796
Central and South America projects	3,620,848	4,297,047
Children's projects - Operation Christmas Child	38,912,769	29,808,967
Children's projects - other	11,046,925	8,642,737
Church construction projects	2,910,760	3,270,051
Clean water projects	8,465,254	5,965,422
Development projects	2,210,442	1,090,166
Emergency relief	9,352,301	7,643,835
Housing construction projects	1,656,566	655,723
Hurricane relief - international	11,645,477	26,517,909
Medical missionary support	4,255,718	4,073,617
Medical projects	54,144,555	8,498,549
Middle East projects	6,855,259	6,107,412
Missionary aid	3,578,203	3,613,178
Persecuted Christians	4,707,310	4,208,052
U.S.A. - disaster relief	43,187,732	22,046,102
U.S.A. - hurricane relief	12,435,305	37,891,671
U.S.A. - nonemergency relief	16,409,968	11,232,007
Other	2,405,610	1,423,141
Inventories:		
Operation Christmas Child gift boxes	16,639,115	26,049,485
Medical equipment and supplies	5,402,199	5,306,138
Other equipment and supplies	1,317,310	830,086
Total	<u>\$ 282,749,673</u>	<u>\$ 242,275,690</u>

9. **Commitments**

The Ministry has entered into agreements for program beneficiary projects of approximately \$5,066,000 as of December 31, 2020.

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 \$3,030,681 in 2020 and \$2,552,054 in 2019 while the Association paid the Ministry \$6,442,285 in 2020 and \$5,283,849 in 2019 related to these activities. The Ministry made in-kind contributions to the Association valued at \$469,595 in 2020 and \$972,208 in 2019.

Following is 2020 unaudited summary financial information for Billy Graham Evangelistic Association: total assets - \$533,853,676; total liabilities - \$85,435,701; total net assets - \$448,417,975; total revenues - \$130,275,088; and total expenses - \$126,473,654.

The Ministry maintains license agreements with the following unconsolidated organizations: Samaritan's Purse-Australia, The Samaritan's Purse-Canada, Samaritan's Purse International-United Kingdom, 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 \$5,026,461 in 2020 and \$3,315,531 in 2019 for employment cost reimbursement and support of various projects. These affiliated organizations reimbursed the Ministry \$540,403 in 2020 and \$325,227 in 2019 for ministry support and materials. These affiliated organizations contributed \$4,474,703 in 2020 and \$4,839,913 in 2019 to the Ministry in support of programs and projects.

11. **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 \$5,970,793 in 2020 and \$5,295,545 in 2019. The assets of the Plan are held in an employee benefit trust and are not included in the accompanying consolidated financial statements.

12. **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.

13. 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, 2020 and 2019, the estimated liability, net of stop loss recoveries, for these claims approximated \$1,800,000 and \$1,900,000 respectively, and is included in accrued expenses.

SAMARITAN'S PURSE
Schedule of Ministry Expenses Information
For The Year Ended December 31, 2020
To God be the glory!

2020

	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	\$ 4,744,019	\$ 17,491,633	\$ 7,522,998	\$ 2,946,850	\$ 1,460,875	\$ 3,404,998	\$ 903,959	\$ 38,475,332
Contributed goods and services	2,582,712	195,127	8,572,608	204,925,094	14,148	38,376	13,795	216,341,860
Direct materials/project costs	42,730,444	28,133,718	8,380,657	33,320,965	433,064	1,287,903	130,422	114,417,173
Employment	34,553,893	26,419,523	16,287,911	23,274,288	1,338,994	11,558,746	1,991,275	115,424,630
Contracted services	5,125,656	1,789,884	1,612,520	4,869,764	138,919	633,167	214,378	14,384,288
Vehicle maintenance and repairs	3,755,857	967,535	389,565	61,759	56,964	184,266	10,317	5,426,263
Travel - staff	4,417,030	1,304,024	2,773,641	3,050,825	313,361	1,244,741	235,156	13,338,778
Ministry and missionary aircraft	1,832,331	1,935,741	484,746	307,938	16,934	923,687	846,877	6,348,254
Supplies	1,466,785	411,981	781,387	1,123,501	26,526	205,623	18,145	4,033,948
Telecommunications	1,169,998	580,958	414,473	285,446	62,815	302,787	89,942	2,906,419
Postage and shipping	106,820	62,654	129,575	2,255,479	381	2,638,938	5,050	5,198,897
Printing and broadcast	341,438	144,603	138,358	1,996,297	8,298	3,890,128	282	6,519,404
Buildings and equipment	4,008,094	3,137,593	1,359,256	2,043,712	259,149	1,008,456	70,569	11,886,829
Depreciation	6,338,505	1,411,299	578,289	3,701,862	144,572	2,701,295	289,144	15,164,966
Other	2,745,247	2,164,856	643,539	487,887	58,388	725,586	222,097	7,047,600
Total ministry expenses	\$ 115,918,829	\$ 86,151,129	\$ 50,069,523	\$ 284,651,667	\$ 4,333,388	\$ 30,748,697	\$ 5,041,408	\$ 576,914,641