

TMS Global, Inc. and Subsidiaries

Consolidated Financial Statements

May 31, 2022 and 2021

TMS Global, Inc. and Subsidiaries

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
TMS Global, Inc. and Subsidiaries

Opinion

We have audited the accompanying consolidated financial statements of TMS Global, Inc. and Subsidiaries, a Georgia corporation (the Organization), which comprise the consolidated statement of financial position as of May 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.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of TMS Global, Inc. and Subsidiaries as of May 31, 2022, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Prior Period Consolidated Financial Statements

The consolidated financial statements of the Organization as of May 31, 2021 were audited by other auditors whose report dated October 14, 2021 expressed an unmodified opinion on those statements.

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 Organization's ability to continue as a going concern within 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 Organization'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 Organization'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.

Windham Brannon, LLC

October 11, 2022

TMS Global, Inc. and Subsidiaries

Consolidated Statements of Financial Position

May 31, 2022 and 2021

	2022	2021
Assets		
Cash and cash equivalents	\$ 422,201	\$ 1,318,268
Other assets	115,250	256,114
Investments	4,860,300	5,260,484
Trust assets	135,280	137,071
Property and equipment, net	443,173	438,744
Long-term investments	519,456	591,708
Beneficial interest in perpetual trust	2,087,057	2,330,698
Total assets	\$ 8,582,717	\$ 10,333,087
Liabilities and net assets		
Liabilities		
Accounts payable and accrued expenses	\$ 132,791	\$ 45,005
Annuities payable	42,910	45,162
Trust liabilities	36,053	36,803
Total liabilities	211,754	126,970
Net assets		
Without donor restrictions	1,415,183	2,869,136
With donor restrictions:		
Restricted for purpose or time	4,471,448	4,605,743
Restricted in perpetuity	2,484,332	2,731,238
Total net assets	8,370,963	10,206,117
Total liabilities and net assets	\$ 8,582,717	\$ 10,333,087

TMS Global, Inc. and Subsidiaries

Consolidated Statements of Activities

For the Years Ended May 31, 2022 and 2021

	2022				2021			
	Without Donor Restrictions	With Donor Restrictions For Purpose Or Time	In Perpetuity	Total	Without Donor Restrictions	With Donor Restrictions For Purpose Or Time	In Perpetuity	Total
Support and revenue								
Support:								
Contributions	\$ 1,692,490	\$ 7,317,843	\$ -	\$ 9,010,333	\$ 2,249,159	\$ 7,281,439	\$ -	\$ 9,530,598
Gift-in-kind contributions	63,178	141,925	-	205,103	84,735	69,759	-	154,494
Total support	1,755,668	7,459,768	-	9,215,436	2,333,894	7,351,198	-	9,685,092
Revenue:								
Fee income	14,066	-	-	14,066	22,104	-	-	22,104
Investment income (loss)	(167,884)	(71,461)	-	(239,345)	1,075,689	94,707	-	1,170,396
Change in value of annuities and trusts	341	(1,042)	(243,641)	(244,342)	2,378	33,400	345,861	381,639
Other income	38,621	-	-	38,621	55,852	-	-	55,852
Total revenue (loss)	(114,856)	(72,503)	(243,641)	(431,000)	1,156,023	128,107	345,861	1,629,991
Total support and revenue	1,640,812	7,387,265	(243,641)	8,784,436	3,489,917	7,479,305	345,861	11,315,083
Reclassifications								
Net assets released from restriction:								
Satisfaction of purpose restrictions	6,610,895	(6,610,895)	-	-	6,192,445	(6,192,445)	-	-
Reclassified with donor permission	-	3,265	(3,265)	-	-	3,659	(3,659)	-
Administrative assessments	913,930	(913,930)	-	-	948,035	(948,035)	-	-
Total reclassifications	7,524,825	(7,521,560)	(3,265)	-	7,140,480	(7,136,821)	(3,659)	-

(Continued)

TMS Global, Inc. and Subsidiaries
Consolidated Statements of Activities
For the Years Ended May 31, 2022 and 2021

	2022				2021			
	Without Donor Restrictions	With Donor Restrictions For Purpose Or Time	In Perpetuity	Total	Without Donor Restrictions	With Donor Restrictions For Purpose Or Time	In Perpetuity	Total
Expenses								
Program services:								
Field cross-cultural workers and projects	6,729,583	-	-	6,729,583	6,028,096	-	-	6,028,096
U.S. based ministries	1,221,887	-	-	1,221,887	896,824	-	-	896,824
Church resources ministry	227,279	-	-	227,279	166,955	-	-	166,955
Total program services	8,178,749	-	-	8,178,749	7,091,875	-	-	7,091,875
Supporting activities:								
Management and general	1,958,686	-	-	1,958,686	1,659,563	-	-	1,659,563
Fundraising	482,155	-	-	482,155	444,998	-	-	444,998
Total supporting activities	2,440,841	-	-	2,440,841	2,104,561	-	-	2,104,561
Total expenses	10,619,590	-	-	10,619,590	9,196,436	-	-	9,196,436
Change in Net Assets	(1,453,953)	(134,295)	(246,906)	(1,835,154)	1,433,961	342,484	342,202	2,118,647
Net assets, beginning of year	2,869,136	4,605,743	2,731,238	10,206,117	1,435,175	4,263,259	2,389,036	8,087,470
Net assets, end of year	\$ 1,415,183	\$ 4,471,448	\$ 2,484,332	\$ 8,370,963	\$ 2,869,136	\$ 4,605,743	\$ 2,731,238	\$ 10,206,117

The accompanying notes are an integral part of these consolidated financial statements.

TMS Global, Inc. and Subsidiaries

Consolidated Statement of Functional Expenses For the Year Ended May 31, 2022

	Program Services				Supporting Activities			
	Field		Church Resources Ministry	Total Program Services	Management and General		Total Supporting Activities	Total Expenses
	Cross-cultural Workers & Projects	U.S. Based Ministries			Fundraising			
Salaries-full time	\$ 3,196,726	\$ 604,511	\$ 133,450	\$ 3,934,687	\$ 929,810	\$ 243,399	\$ 1,173,209	\$ 5,107,896
Salaries-temporary	106,106	52,231	-	158,337	641	641	1,282	159,619
Employee benefits	837,317	120,228	10,927	968,472	252,045	47,068	299,113	1,267,585
Travel & conferences	631,803	120,616	52,846	805,265	85,902	24,410	110,312	915,577
Vehicles	184,686	10,579	3,660	198,925	9,834	5,393	15,227	214,152
Communications	78,159	10,615	5,257	94,031	22,998	15,869	38,867	132,898
Promotional, dues, & copies	1,733	8,171	344	10,248	19,285	419	19,704	29,952
Housing & occupancy	19,715	8,946	2,187	30,848	15,633	1,914	17,547	48,395
Repairs & maintenance	129,283	16,118	3,621	149,022	66,800	5,335	72,135	221,157
Depreciation	-	21,186	5,179	26,365	16,478	4,237	20,715	47,080
Project & direct support	1,234,007	123,365	5,923	1,363,295	75,472	97,424	172,896	1,536,191
Supplies	50,357	4,625	888	55,870	9,073	1,564	10,637	66,507
Consulting & professional services	14,917	112,614	2,025	129,556	349,603	32,520	382,123	511,679
Other expenses	244,774	8,082	972	253,828	105,112	1,962	107,074	360,902
Total expenses	\$ 6,729,583	\$ 1,221,887	\$ 227,279	\$ 8,178,749	\$ 1,958,686	\$ 482,155	\$ 2,440,841	\$ 10,619,590

(Continued)

TMS Global, Inc. and Subsidiaries

Consolidated Statement of Functional Expenses For the Year Ended May 31, 2021

	Program Services				Supporting Activities			
	Field Cross-cultural Workers & Projects	U.S. Based Ministries	Church Resources Ministry	Total Program Services	Management and General	Fundraising	Total Supporting Activities	Total Expenses
Salaries-full time	\$ 3,298,240	\$ 550,355	\$ 126,131	\$ 3,974,726	\$ 830,331	\$ 217,065	\$ 1,047,396	\$ 5,022,122
Salaries-temporary	117,504	56,787	1,584	175,875	19,724	5,412	25,136	201,011
Employee benefits	789,961	117,820	10,590	918,371	186,307	42,590	228,897	1,147,268
Travel & conferences	238,503	8,499	5,847	252,849	17,475	11,074	28,549	281,398
Vehicles	116,101	2,052	1,553	119,706	6,047	2,944	8,991	128,697
Communications	82,172	5,789	1,327	89,288	11,545	32,490	44,035	133,323
Promotional, dues, & copies	2,612	6,334	191	9,137	19,297	506	19,803	28,940
Housing & occupancy	23,690	10,057	2,458	36,205	29,001	2,207	31,208	67,413
Repairs & maintenance	105,774	29,337	6,384	141,495	149,181	8,831	158,012	299,507
Depreciation	-	22,820	5,578	28,398	17,749	4,564	22,313	50,711
Project & direct support	989,873	23,226	2,048	1,015,147	41,801	93,330	135,131	1,150,278
Supplies	73,967	1,895	336	76,198	2,180	926	3,106	79,304
Consulting & professional services	32,067	45,143	1,398	78,608	234,626	20,465	255,091	333,699
Other expenses	157,632	14,813	1,066	173,511	92,823	2,215	95,038	268,549
Interest	-	1,897	464	2,361	1,476	379	1,855	4,216
Total expenses	\$ 6,028,096	\$ 896,824	\$ 166,955	\$ 7,091,875	\$ 1,659,563	\$ 444,998	\$ 2,104,561	\$ 9,196,436

The accompanying notes are an integral part of these consolidated financial statements.

TMS Global, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended May 31, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Change in net assets	\$ (1,835,154)	\$ 2,118,647
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	47,080	50,711
Noncash contribution (PPP loan forgiveness)	-	(388,039)
Realized/unrealized losses (gains) on investments	481,481	(1,387,564)
Payments on annuities	10,422	10,422
Trust distributions	(1,091)	(2,552)
Change in value of beneficial interest in perpetual trust	243,641	(345,861)
Actuarial change in charitable gift annuities and trusts	341	306
Changes in operating assets and liabilities:		
Contributions receivable	-	357,936
Other assets	140,864	(125,401)
Accounts payable and accrued expenses	85,534	12,644
Net cash provided (used) by operating activities	(826,882)	301,249
Cash flows from investing activities		
Proceeds from sales of investments	445,746	477,013
Purchases of investments	(453,000)	-
Purchases of property and equipment	(51,509)	(3,950)
Net cash provided (used) by investing activities	(58,763)	473,063
Cash flows from financing activities		
Payments on annuities	(10,422)	(10,422)
Net cash provided (used) by financing activities	(10,422)	(10,422)
Net change in cash and cash equivalents	(896,067)	763,890
Cash and cash equivalents, beginning of year	1,318,268	554,378
Cash and cash equivalents, end of year	\$ 422,201	\$ 1,318,268
Supplemental disclosures		
Cash paid for interest	\$ -	\$ 4,216
Non-cash operating activities		
Non-cash contributions of securities	\$ 205,103	\$ 154,494

The accompanying notes are an integral part of these consolidated financial statements.

TMS Global, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

May 31, 2022 and 2021

1. Nature of Business

TMS Global, Inc. and Subsidiaries (the Organization) is the consolidated financial reporting entity for TMS Global, Inc. (TMS Global) and its subsidiaries, Mission Society Foundation, Inc. (Foundation), Mission Society Humanitarian Endeavors, Inc. (Humanitarian Endeavors), and Friendship Corporation (Friendship Corporation).

TMS Global, Inc., headquartered in Norcross, Georgia, is a Georgia not-for-profit corporation formed on January 6, 1984. TMS Global and its consolidated subsidiaries are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (Code), and contributions to it are tax deductible within the limitations prescribed by the Code. TMS Global and its consolidated subsidiaries are not private foundations under Section 509(a)(1) of the Code.

The Foundation was formed in 1995 to establish flexible giving opportunities. The Foundation is a separately incorporated organization whose board is appointed by the TMS Global board.

Humanitarian Endeavors was formed in 1995 to facilitate humanitarian aid activities. Humanitarian Endeavors is a separately incorporated organization whose board is appointed by the TMS Global board.

Friendship Corporation, established in 1993 as a Georgia not-for-profit corporation, is intended to provide medical and educational services within the former Soviet Union. The board of the Friendship Corporation is elected by the TMS Global board.

The Organization is a voluntary mission agency for laity, clergy, and congregations, who hold evangelical, historical, Wesleyan beliefs. Its purpose is to carry out the Great Commission of our Lord Jesus Christ to go into all the world and preach the good news to all, making disciples, and teaching them to obey the Great Commandment and the Great Commission. This purpose is accomplished through providing personnel and funds to evangelize unreached and under-reached peoples of the world and establishing new congregations among them. Approximately 134 cross-cultural workers presently serve in approximately 34 countries on 5 continents in a wide array of ministries. Several additional countries are reached through cross-cultural workers serving under cooperative agreements with partner agencies.

The Organization is a faith mission and its cross-cultural workers depend totally upon voluntary gifts of individuals, businesses, churches, foundations, and other charities.

As an expression of its accountability and financial stewardship, the Organization is a member of the Evangelical Council for Financial Accountability and MissioNexus.

In furtherance of its exempt purposes, the Organization expends a large portion of its resources on church growth and evangelism programs. Using models as varied as cell groups, Bible schools, seminaries, and theological education and training, the Organization equips national believers to provide their churches with competent, Spirit empowered leadership. In addition, Bible schools

TMS Global, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

May 31, 2022 and 2021

and seminaries have been established to educate pastors and lay leaders on how to interpret and teach the scriptures, and to minister to the needs in interpreting and teaching Scriptures, and ministering to the needs of the national church. The Organization also provides educational, medical, vocational, social, and other humanitarian services.

In the United States, the Organization provides local churches with seminars and mentoring to encourage and empower the U.S. congregations to take up the Great Commission in all geographies throughout the world. This is carried out through the Church Resources Ministry Division.

2. Summary of Significant Accounting Policies

The consolidated financial statements have been prepared on the accrual basis, in accordance with accounting principles generally accepted in the United States. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

Principles of Consolidation

The consolidated financial statements include the operations of TMS Global, the Foundation, Humanitarian Endeavors, and Friendship Corporation (collectively referred to as the Organization). All significant inter-organization balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the 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 cash, checking, savings, and highly liquid investments with maturity dates of less than three months. These accounts may, at times, exceed federally insured limits. The Organization has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

Contributions Receivable

The Organization does not accept or record. The Organization receives indications of intent to support the Organization that provide monthly, quarterly, or annual gifts of a specified amount. These indications of intent are open-ended and subject to unilateral change by the donor. They are

TMS Global, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

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not considered to be unconditional promises to give and are not recognized prior to receipt of the contribution. Total outstanding intentions to give to the Organization as of the years ended May 31, 2022 and 2021, were estimated to be \$501,624 and \$392,450, respectively.

Other Assets

Other assets consist of advances to cross-cultural workers in the field and due upon completion of term services, prepaid insurance and rent. At May 31, 2022 and 2021, management has determined that no allowance for uncollectible accounts is deemed necessary.

Investments and Long-Term Investments

Investments in marketable securities with readily determinable fair values and all debt securities are recorded at fair value based on the last reported sales price on the valuation date. Donated investments are recorded at fair value at the date of donation and are thereafter carried in conformity with the stated policy. Interest and dividend income and the realized and unrealized gain or loss on investments is reported as investment income (loss) without donor restrictions in the accompanying consolidated statements of activities unless a donor or law restricts its use. Investments do not represent significant concentrations of market risk inasmuch as the investment portfolio is adequately diversified among many issuers.

Trust Assets, Liabilities, and Net Assets

In 2001, the Organization received and was appointed the trustee of a charitable lead trust. The charitable term of the lead trust was 15 years and ended May 28, 2016. The terms of the trust awarded distributions of 5% of the fair value as of the end of the trust calendar year to the recipient, TMS Global. Upon completion of the charitable lead trust, remaining trust assets were distributed to a specific Charitable Remainder Trust. The trustee of the new remainder trust is also TMS Global. Distributions from the remainder trust are paid to a designated recipient over the course of her life. Upon her death, the remainder of the trust assets will pass to TMS Global. The estimated present value of future distributions to TMS Global has been recognized and reported as trust assets as part of net assets with donor restrictions for purpose or time.

Property and Equipment, Net

Items capitalized as property and equipment are stated at cost or, if donated, at market value on the date of donation. Leasehold improvements are carried at cost less accumulated amortization. Depreciation and amortization is provided over the estimated service lives of the assets, ranging from 3 to 40 years, using the straight-line method. The capitalization policy is to capitalize all fixed assets greater than \$2,500, with the exception of vehicles for international cross-cultural workers, which are expensed when purchased from cross-cultural worker support accounts. When sold, proceeds are returned to cross-cultural worker support accounts. Additionally, all computer equipment, regardless of cost, is capitalized.

TMS Global, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

May 31, 2022 and 2021

Beneficial Interest in Perpetual Trust

In a prior year, the Organization received a beneficial interest in a perpetual trust. The trust assets consist of cash and cash equivalents and marketable securities. The trust assets are carried at fair value as of the date of the consolidated financial statements. When possible, the fair value of investments held as trustee or agent are determined by reference to quoted market prices. When quoted market prices are not available, fair value is estimated by reference to market values of similar securities or by discounting cash flows at an appropriate risk rate, taking into consideration the varying degrees of risk specific to each financial asset.

Charitable Gift Annuities

The Organization has several charitable gift annuities. Under these agreements, the donor makes an initial gift of cash or other assets. An annuity payment liability is measured based on the present value of estimated future payments to the named life income beneficiary using discount rates and actuarial assumptions which consider the donor's life expectancy and the rates typically earned on those investments. The difference between the fair value of the asset received and the annuity payment liability is recognized as contributions. The asset is adjusted annually to fair value and the liability is adjusted for payments to the life income beneficiary. The discount is amortized over the life of the agreement with the remainder reclassified from net assets with donor restrictions to net assets without donor restrictions when the agreement terminates. The discount rates for these annuities approximates 3% for both years ended May 31, 2022 and 2021.

Classes of Net Assets

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

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

Net assets with donor restrictions for purpose or time are contributed with donor stipulations for specific operating purposes or programs, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled.

Net assets with donor restrictions in perpetuity are contributed with donor stipulations that the principal remain in perpetuity and only the income be available as revenue without donor restrictions or with donor restrictions.

TMS Global, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

May 31, 2022 and 2021

Support and Revenue, Reclassifications, and Expenses

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

The Organization reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated amounts. Gifts are reported as support without donor restrictions if they are spent in the same fiscal year. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as reclassifications.

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

Donated goods (including securities, property, and equipment) are recorded at fair value at the date of the gift.

Expenses are recorded when incurred in accordance with the accrual basis of accounting. The consolidated statements of activities report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied and are shown on the consolidated statements of functional expenses. These expenses include depreciation, facilities operations and other expenses and are allocated by an analysis of square footage. Expenses related to salaries and benefits and cross-cultural workers are allocated by an analysis of time and effort.

TMS Global, Inc. and Subsidiaries

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Allocation of Joint Costs

The Organization incurred joint costs that include fundraising appeals or activities:

	Program	General and Administrative	Fundraising	Total
Year Ended May 31, 2022:				
Cost of informational materials and activities	\$ 132,605	\$ 106,084	\$ 26,521	\$ 265,210
Salaries and expenses of cross-cultural workers and program staff	2,968,539	30,291	30,291	3,029,121
Home office expenses	329,510	283,529	19,706	632,745
	\$ 3,430,654	\$ 419,904	\$ 76,518	\$ 3,927,076
Year Ended May 31, 2021:				
Cost of informational materials and activities	\$ 109,712	\$ 87,770	\$ 21,942	\$ 219,424
Salaries and expenses of cross-cultural workers and program staff	3,069,245	31,319	31,319	3,131,883
Home office expenses	251,915	203,057	20,939	475,911
	\$ 3,430,872	\$ 322,146	\$ 74,200	\$ 3,827,218

Income Taxes

The Organization is exempt from Federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. The Organization is not required by the Internal Revenue Service to file a Form 990 because it is exempt from filing as a missionary society.

3. Liquidity and Funds Available

The following reflects the Organization's financial assets as of May 31, 2022 and 2021, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The Organization considers general expenditures to be all expenditures related to its ongoing activities to achieve its mission and vision as well as the conduct of services undertaken to support those activities.

TMS Global, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

May 31, 2022 and 2021

	2022	2021
Financial assets:		
Cash and cash equivalents	\$ 422,201	\$ 1,318,268
Accounts receivable	95,890	181,326
Investments	4,860,300	5,260,484
Trust assets	135,280	137,071
Long-term investments	519,456	591,708
Beneficial interest in perpetual trust	2,087,057	2,330,698
Financial assets, at year-end	8,120,184	9,819,555
Less those unavailable for general expenditures within one year:		
Investments held for trust	(135,280)	(137,071)
Endowment funds-held in perpetuity	(397,275)	(400,540)
Accumulated endowment earnings not expected to be appropriated	(122,182)	(191,168)
Beneficial interest in perpetual trust	(2,087,057)	(2,330,698)
	(2,741,794)	(3,059,477)
Financial assets available to meet cash needs for general expenditures within one year	\$ 5,378,390	\$ 6,760,078

As part of the Organizations' liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. At May 31, 2022 and 2021, the Organization had \$4,028,868 and \$4,383,815, respectively, in net assets with donor restrictions for various purposes including project support. These funds are considered available to meet needs for general expenditures as funds are used for their donor restricted purposes and are included in the amounts presented in the table herein.

In addition to the financial assets noted above, the Organization has an available \$750,000 revolving working capital line of credit with a certain financial institution, subject to renewal in January 2023, and bearing interest at the financial institution's prime rate plus 25 basis points (4.03% and 3.40% at May 31, 2022 and 2021, respectively). Borrowings under this line of credit are collateralized by a UCC filing against certain assets owned by the Organization. There were no outstanding borrowings for either of the years ending May 31, 2022 and 2021.

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Notes to Consolidated Financial Statements

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4. Trust Assets, Liabilities, and Net Assets

Trust assets, liabilities, and net assets consisted of the following at May 31, 2022 and 2021:

	2022	2021
Trust assets		
Cash	\$ 7,190	\$ 7,272
Common stock, at fair value	128,090	129,799
Total trust assets	\$ 135,280	\$ 137,071
Trust liabilities and net assets		
Trust liabilities:		
Charitable remainder trust	\$ 36,053	\$ 36,803
Trust net assets	99,227	100,268
Total trust liabilities and net assets	\$ 135,280	\$ 137,071

5. Property and Equipment, Net

Property and equipment, net consisted of the following at May 31, 2022 and 2021:

	2022	2021
Land	\$ 150,000	\$ 150,000
Land improvements	184,181	184,181
Building	438,577	438,577
Building improvements	413,507	390,111
Furniture and equipment	419,307	391,194
Computer equipment	633,737	633,737
	2,239,309	2,187,800
Less accumulated depreciation	(1,796,136)	(1,749,056)
Total property and equipment, net	\$ 443,173	\$ 438,744

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6. Net Assets

Net assets consisted of the following at May 31, 2022 and 2021:

	2022	2021
Without donor restrictions		
Undesignated	\$ 971,301	\$ 2,429,642
State required annuity reserves	709	750
Investment in property and equipment	443,173	438,744
Total without donor restrictions	1,415,183	2,869,136
With donor restrictions		
Restricted by time or purpose:		
Projects:		
Cross-cultural workers	3,263,452	3,396,216
Projects	985,797	918,091
Total projects	4,249,249	4,314,307
Other:		
Beneficial interest in charitable remainder trust	99,227	100,268
Unexpended endowment earnings	122,972	191,168
Total other	222,199	291,436
Total restricted by time or purpose	4,471,448	4,605,743
Restricted in perpetuity:		
Beneficial interest in perpetual trust	2,087,057	2,330,698
Donor-restricted endowment funds	397,275	400,540
Total restricted in perpetuity	2,484,332	2,731,238
Total with donor restrictions	6,955,780	7,336,981
Total net assets	\$ 8,370,963	\$ 10,206,117

7. Fair Value Measurements

Investments are exposed to various risks, such as market, currency, interest rate, and credit risks. Market risks include U.S. and global events which could impact the value of investments held by the Organization. Such events would include healthcare crises, such as a pandemic, international conflicts, supply chain disruptions, global monetary policy decisions, significant external economic influences, and significant cybersecurity attacks, among others. It is at least reasonably possible that changes in the fair value of the Organization's investments will occur in the near term and that such changes could materially affect the investment balances.

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The Fair Value Measurements and Disclosure topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

The following tables present the fair value measurements of assets recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at May 31, 2022 and 2021, respectively.

	May 31, 2022			
	Level 1	Level 2	Level 3	Total
Investments, at fair value				
Mutual funds:				
Global stock funds	\$ 3,304,669	\$ -	\$ -	\$ 3,304,669
Bond funds	1,555,631	-	-	1,555,631
Total investments, at fair value	\$ 4,860,300	\$ -	\$ -	\$ 4,860,300
	Level 1	Level 2	Level 3	Total
Long-term investments, at fair value				
Mutual funds:				
Global stock funds	\$ 352,811	\$ -	\$ -	\$ 352,811
Bond funds	166,645	-	-	166,645
Total long-term investments, at fair value	\$ 519,456	\$ -	\$ -	\$ 519,456

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	May 31, 2022			
	Level 1	Level 2	Level 3	Total
Beneficial interest in perpetual trust, at fair value	\$ -	\$ -	\$ 2,087,057	\$ 2,087,057
Trust assets, at fair value				
Common stocks	\$ 128,090	\$ -	\$ -	\$ 128,090
Total trust assets, at fair value	\$ 128,090	\$ -	\$ -	\$ 128,090
	May 31, 2021			
	Level 1	Level 2	Level 3	Total
Investments, at fair value				
Money market funds	\$ 407,813	\$ -	\$ -	\$ 407,813
Mutual funds:				
Global stock funds	3,299,687	-	-	3,299,687
Bond funds	1,552,984	-	-	1,552,984
Total mutual funds	4,852,671	-	-	4,852,671
Total investments, at fair value	\$ 5,260,484	\$ -	\$ -	\$ 5,260,484
	May 31, 2021			
	Level 1	Level 2	Level 3	Total
Long-term investments, at fair value				
Money market funds	\$ 28,927	\$ -	\$ -	\$ 28,927
Mutual funds:				
Global stock funds	373,058	-	-	373,058
Bond funds	189,723	-	-	189,723
Total mutual funds	562,781	-	-	562,781
Total long-term investments, at fair value	\$ 591,708	\$ -	\$ -	\$ 591,708

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	May 31, 2021			
	Level 1	Level 2	Level 3	Total
Beneficial interest in perpetual trust, at fair value	\$ -	\$ -	\$ 2,330,698	\$ 2,330,698
Trust assets, at fair value				
Common stocks	\$ 129,799	\$ -	\$ -	\$ 129,799
Total trust assets, at fair value	\$ 129,799	\$ -	\$ -	\$ 129,799

Methods and assumptions used by the Organization in estimating fair values are as follows:

Valuation techniques: The fair values of common stock, mutual funds, and money market funds are based on quoted market prices or dealer quotes and are considered Level 1. The fair value of the beneficial interest in perpetual trusts is based upon the related assets, including mutual funds, corporate bonds, and marketable securities. The Organization considers the measurement of its beneficial interest in perpetual trust to be a Level 3 measurement within the fair value hierarchy because even though the measurement is based on the fair values of the trust assets reported by the trustee, the Organization does not expect to receive those assets or have the ability to direct the trustee to redeem them.

The following table provides further details of the Level 3 fair value measurements for beneficial interest in perpetual trust:

	2022	2021
Beginning balance	\$ 2,330,698	\$ 1,984,837
Contributions of beneficial interests	-	-
Distributions of beneficial interests	-	-
Change in value of beneficial interest in perpetual trust	(243,641)	345,861
Ending balance	\$ 2,087,057	\$ 2,330,698

8. Endowments

The Organization's endowment consists of two donor-restricted endowment funds established under donor restricted endowment agreements dated December 22, 1994 and March 7, 2008.

The Organization has interpreted the Georgia Uniform Prudent Management of Institutional Funds Act (GUPMIFA) as requiring the preservation of the fair value of the original gift, as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions in

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perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions in perpetuity is classified as net assets with donor restrictions for purpose or time until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by GUPMIFA. In accordance with GUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

Endowment net asset composition by type of fund as of May 31, 2022 and changes in endowment net assets for the year then ended:

	Without Donor Restrictions	With Donor Restrictions		Total with Donor Restrictions	Total Funds
		Original gift amount	Accumulated Gains (Losses) and Other		
Endowment net assets,					
June 1, 2021	\$ -	\$ 400,540	\$ 191,168	\$ 591,708	\$ 591,708
Investment return					
(loss), net	-	-	(71,461)	(71,461)	(71,461)
Transfers	-	(3,265)	3,265	-	-
Endowment net assets,					
May 31, 2022	\$ -	\$ 397,275	\$ 122,972	\$ 520,247	\$ 520,247

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Endowment net asset composition by type of fund as of May 31, 2021 and changes in endowment net assets for the year then ended:

	Without Donor Restrictions	With Donor Restrictions		Total with Donor Restrictions	Total Funds
		Original Gift Amount	Accumulated Gains (Losses) and Other		
Endowment net assets, June 1, 2020	\$ -	\$ 404,199	\$ 92,802	\$ 497,001	\$ 497,001
Investment return, net	-	-	94,707	94,707	94,707
Transfers	-	(3,659)	3,659	-	-
Endowment net assets, May 31, 2021	\$ -	\$ 400,540	\$ 191,168	\$ 591,708	\$ 591,708

Funds with Deficiencies—From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or GUPMIFA requires the Organization to retain as a fund of perpetual duration. No such deficiencies existed for the years ended May 31, 2022 and 2021.

Return Objectives and Risk Parameters—The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce an inflation adjusted income stream to grow the corpus above the inflation rate.

Strategies Employed for Achieving Objectives—To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on fixed income investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives are Related to Spending Policy—The Organization's board considers the long-term expected return on its endowment. This is consistent with the board's objective and donor restrictions to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment returns.

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9. Employee Benefit Plans

Retirement Plan

Effective June 1, 2015, the Organization created a 403(b) Retirement Plan (the Plan). The Plan is a defined contribution plan covering all employees of the Organization except ordained United Methodist clergy who have a pension account at the General Board of Pensions at the United Methodist Church. Employees that meet the requirements become eligible upon hire. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Management at the Organization is responsible for the oversight of the Plan and determines the appropriateness of the Plan's investment offerings, monitors investment performance, and reports to the Organization's board of directors. Participants may elect to make pre-tax or Roth contributions to the Plan through salary deferral. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. The Organization makes a matching contribution of up to 6% of participant compensation for eligible employees. Contributions to the Plan are subject to certain limitations in accordance with federal income tax regulations. Employees must be U.S.-based employees working at least 1,000 hours per year and compensated through a competitive salary administration program in order to be eligible for employer matching contributions. Generally, this excludes any cross-cultural workers. Highly compensated employees are also excluded from employer matching contributions. Employer matching contributions funded by the Organization for the years ended May 31, 2022 and 2021, were \$90,698 and \$86,195, respectively.

Employee Education Savings Plan

All staff are allowed to contribute a portion of their salary (not limited) towards childhood education savings plans. The Organization made no contributions for both of the years ended May 31, 2022 and 2021.

10. Leases

The Organization leases office space and equipment under non-cancelable operating leases. Total rental expense under non-cancelable operating leases for the years ended May 31, 2022 and 2021, was \$8,351 and \$31,117, respectively.

Scheduled minimum payments under non-cancelable leases are as follows:

Years Ending May 31,	Amounts
2023	\$ 7,680
2024	7,680
2025	7,179
2026	1,169
	<hr/>
	\$ 23,708

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11. Paycheck Protection Program

As part of the response to the impact of COVID-19, the Organization applied for a Paycheck Protection Program (PPP) Loan, administered by the Small Business Administration (SBA), under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was signed into law in March 2020. The Organization was approved for and received the proceeds of a loan in the amount of \$644,804. The loan bore interest at a fixed rate of 1.00% and was originally due in April 2022. Under the terms of the CARES Act, PPP Loan recipients could be granted forgiveness for all or a portion of the loans granted under the PPP. Such forgiveness is determined by the SBA, subject to limitations, based on the use of the loan proceeds for specified purposes. The Organization used the proceeds from the PPP Loan in accordance with the conditions specified for forgiveness of the loan during the years ended May 31, 2020 and 2021. For the year ended May 31, 2020, in accordance with FASB ASC 958-605, the Organization recognized in its consolidated statements of activities, a noncash contribution without donor restrictions in the amount of \$256,765, with the remainder of the outstanding loan proceeds in the amount of \$388,039 recorded as a refundable advance in its consolidated statements of financial position. For the year ended May 31, 2021, the Organization recognized the remaining loan amount of \$388,039 as a noncash contribution without donor restrictions. Based on the provisions included in the CARES Act, the loan agreement provides for loan forgiveness up to the full amount of the loan, including accrued interest, provided the Organization overcomes (meets) certain loan stipulations. Effective September 9, 2021, the Organization received notification of forgiveness from the SBA for the full PPP loan amount, including accrued interest.

12. Subsequent Events

Subsequent events have been evaluated through October 11, 2022, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.