

**BAPTIST MEDICAL AND DENTAL
MISSION INTERNATIONAL, INC.**
Hattiesburg, Mississippi

Financial Statements
As of and for the Years Ended
September 30, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Baptist Medical and Dental
Mission International, Inc.
Hattiesburg, Mississippi

Opinion

We have audited the accompanying financial statements of Baptist Medical and Dental Mission International, Inc. (a not-for-profit corporation) (the "Mission"), which comprise the statements of financial position as of September 30, 2023 and 2022 and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Mission as of September 30, 2023 and 2022 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Mission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Mission'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.

HORNE LLP

Ridgeland, Mississippi
August 7, 2024

**BAPTIST MEDICAL AND DENTAL
MISSION INTERNATIONAL, INC.**
Statements of Financial Position
September 30, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 1,892,289	\$ 1,534,582
Short-term investments	11,807	10,850
Inventories	110,656	105,570
Other assets	27,916	24,754
Property and equipment, net	3,417,773	3,531,374
	<hr/>	<hr/>
Total assets	\$ 5,460,441	\$ 5,207,130
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LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 68,840	\$ 27,317
Accrued payroll and withholdings	5,101	5,248
	<hr/>	<hr/>
Total liabilities	73,941	32,565
Net assets		
Without donor restrictions	4,197,241	3,956,322
With donor restrictions	1,189,259	1,218,243
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Total net assets	5,386,500	5,174,565
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Total liabilities and net assets	\$ 5,460,441	\$ 5,207,130
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See accompanying notes.

**BAPTIST MEDICAL AND DENTAL
MISSION INTERNATIONAL, INC.**
Statements of Activities
Years Ended September 30, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support						
Contributions of cash and other financial assets	\$ 4,700,324	\$ 1,189,259	\$ 5,889,583	\$ 3,981,738	\$ 1,218,243	\$ 5,199,981
Contributions of nonfinancial assets	3,145,983	-	3,145,983	1,713,360	-	1,713,360
Interest and other income	656,088	-	656,088	561,071	-	561,071
Gain on Paycheck Protection Program Loan forgiveness	-	-	-	226,000	-	226,000
Net assets released for satisfaction of program restrictions	1,218,243	(1,218,243)	-	1,300,544	(1,300,544)	-
Total revenues, gains and other support	9,720,638	(28,984)	9,691,654	7,782,713	(82,301)	7,700,412
Expenses						
Honduras operations	6,335,177	-	6,335,177	5,007,417	-	5,007,417
Nicaragua operations	1,640,868	-	1,640,868	925,652	-	925,652
Nepal operations	259,431	-	259,431	281,439	-	281,439
Guatemala operations	526,809	-	526,809	367,416	-	367,416
Fundraising	95,017	-	95,017	23,346	-	23,346
Management and general	622,417	-	622,417	640,757	-	640,757
Total expenses	9,479,719	-	9,479,719	7,246,027	-	7,246,027
Change in net assets	240,919	(28,984)	211,935	536,686	(82,301)	454,385
Net assets at beginning of period	3,956,322	1,218,243	5,174,565	3,419,636	1,300,544	4,720,180
Net assets at end of period	\$ 4,197,241	\$ 1,189,259	\$ 5,386,500	\$ 3,956,322	\$ 1,218,243	\$ 5,174,565

See accompanying notes.

**BAPTIST MEDICAL AND DENTAL
MISSION INTERNATIONAL, INC.**

Statements of Functional Expenses

Year Ended September 30, 2023

	Program							
	Honduras Operations	Nicaragua Operations	Nepal Operations	Guatemala Operations	Fundraising	Management and General	Total	
Depreciation	\$ 277,206	\$ 74,829	\$ -	\$ 23,283	\$ -	\$ 8,255	\$ 383,573	
Evangelistic and ministerial support	288,772	94,731	88,815	46,177	-	-	518,495	
General supplies	274,613	67,225	3,602	29,120	-	1,784	376,344	
Insurance	6,655	5,743	2,614	3,240	-	14,514	32,766	
Interest expense	-	-	-	-	-	155	155	
Legal and accounting	25,135	3,024	3,829	902	-	45,704	78,594	
Local doctors and dentists	23,088	-	-	-	-	-	23,088	
Medical supplies	1,203,297	348,257	12,055	-	-	-	1,563,609	
Meetings and conferences	5,347	4,346	-	19,416	-	20,636	49,745	
Miscellaneous	17,201	30,143	5,924	60	-	48,924	102,252	
Office supplies	44,145	5,041	9,551	999	-	54,660	114,396	
Salaries, wages and benefits	3,089,379	653,848	80,214	227,049	57,137	383,250	4,490,877	
Postage and shipping	48,550	21,326	133	242	-	7,746	77,997	
Printing and publications	3,538	1,920	2,223	75	13,850	(3,383)	18,223	
Public relations	116	1,188	-	-	-	4,144	5,448	
Rentals	31,295	19,249	5,045	1,000	-	4,133	60,722	
Repairs and maintenance	99,255	25,405	349	15	24,030	(13,791)	135,263	
Taxes	-	-	-	-	-	8,835	8,835	
Travel	640,265	200,627	43,396	156,577	-	14,967	1,055,832	
Utilities and telephone	140,094	41,820	816	3,700	-	21,884	208,314	
Vehicle expense	117,226	42,146	865	14,954	-	-	175,191	
Total	\$ 6,335,177	\$ 1,640,868	\$ 259,431	\$ 526,809	\$ 95,017	\$ 622,417	\$ 9,479,719	

See accompanying notes.

**BAPTIST MEDICAL AND DENTAL
MISSION INTERNATIONAL, INC.**
Statements of Functional Expenses
Year Ended September 30, 2022

	Program								
	Honduras Operations	Nicaragua Operations	Nepal Operations	Guatemala Operations	Fundraising	Management and General	Total		
Depreciation	\$ 251,038	\$ 102,688	\$ 700	\$ 16,690	\$ -	\$ 8,255	\$ 379,371		
Evangelistic and ministerial support	374,959	117,304	82,199	64,085	-	208	638,755		
General supplies	214,934	38,038	9,427	41,217	-	1,827	305,443		
Insurance	6,659	6,141	2,960	3,699	-	16,699	36,158		
Interest expense	-	-	-	-	-	1,592	1,592		
Legal and accounting	21,179	361	929	1,180	-	39,460	63,109		
Local doctors and dentists	19,448	-	-	231	-	-	19,679		
Medical supplies	792,074	38,664	-	-	-	-	830,738		
Meetings and conferences	1,640	152	-	5,581	-	17,321	24,694		
Miscellaneous	14,124	38,609	17,896	121	-	46,372	117,122		
Office supplies	38,781	4,539	3,644	178	-	16,264	63,406		
Salaries, wages and benefits	2,448,090	414,433	89,093	133,349	16,644	389,332	3,490,941		
Postage and shipping	37,730	7,833	1,742	-	1,750	5,194	54,249		
Printing and publications	2,954	1,877	-	133	1,690	1,428	8,082		
Public relations	106	1,042	-	211	-	232	1,591		
Rentals	16,776	12,724	34,696	160	-	3,982	68,338		
Repairs and maintenance	91,498	9,837	192	-	3,262	43,997	148,786		
Taxes	-	-	-	-	-	8,603	8,603		
Travel	422,957	47,249	35,059	84,606	-	20,878	610,749		
Utilities and telephone	126,971	43,697	547	3,629	-	19,073	193,917		
Vehicle expense	125,499	40,464	2,355	12,346	-	40	180,704		
Total	\$ 5,007,417	\$ 925,652	\$ 281,439	\$ 367,416	\$ 23,346	\$ 640,757	\$ 7,246,027		

See accompanying notes.

**BAPTIST MEDICAL AND DENTAL
MISSION INTERNATIONAL, INC.**
Statements of Cash Flows
Years Ended September 30, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	\$ 211,935	\$ 454,385
Adjustment to reconcile change in net assets to net cash provided by operating activities		
Depreciation	383,573	379,371
Paycheck Protection Program Loan forgiveness	-	(226,000)
Gain on sale of property and equipment	(34,843)	(3,231)
Change in operating assets and liabilities		
Inventories	(5,086)	(36,299)
Other assets	(3,162)	(2,960)
Accounts payable and accrued expenses	41,376	(15,797)
Net cash provided by operating activities	593,793	549,469
Cash flows from investing activities		
Proceeds from sale of property and equipment	34,843	-
Insurance proceeds received for damaged vehicle	-	31,702
Purchases of property and equipment	(269,972)	(87,750)
Net cash used in investing activities	(235,129)	(56,048)
Cash flows from financing activities		
Repayments on line of credit	-	(150,000)
Net cash used in financing activities	-	(150,000)
Net increase in cash and cash equivalents	358,664	343,421
Cash and cash equivalents, beginning of year	1,545,432	1,202,011
Cash and cash equivalents, end of year	\$ 1,904,096	\$ 1,545,432

See accompanying notes.

**BAPTIST MEDICAL AND DENTAL
MISSION INTERNATIONAL, INC.**
Years Ended September 30, 2023 and 2022

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies

Nature of Activities

Baptist Medical and Dental Mission International, Inc. (the "Mission") is a nonprofit corporation organized under the laws of the state of Mississippi. It has elected tax-exempt status under Internal Revenue Code Section 501(c)(3) and is exempt from both federal and state income taxes. The Mission seeks to provide quality medical and dental care to the impoverished people of the remote villages of third-world nations and teach preventative measures to be taken to avoid disease and death. Established on Baptist Christian beliefs, the Mission's primary goal is directed toward the preaching of God's Word and the theological preparation of new preachers through established Bible Institutes and churches.

The following is a summary of significant accounting policies:

Basis of Preparation

The accompanying financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America, which requires the Mission to report information regarding its financial position and activities according to the following net asset classification:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Mission's management and the Board of Trustees.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Mission or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that resources be maintained in perpetuity. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Mission considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

**BAPTIST MEDICAL AND DENTAL
MISSION INTERNATIONAL, INC.**
Years Ended September 30, 2023 and 2022

NOTES TO FINANCIAL STATEMENTS

Note 1. Continued

Inventories

Donated inventories, consisting of medical supplies, pharmaceuticals and similar items, are recorded at fair market value as of the date of the gift. All other inventories purchased by the Mission are recorded at cost. Inventories are stated at the lower of cost (first-in, first-out method) or market.

Investments

Investments are reported on the statements of financial position at fair value and are classified as short-term investments. Net investment income is reported in the consolidated statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses less external investment expenses.

Property and Equipment

Donated physical property and equipment are recorded at fair market value as of the date of the gift. All other property and equipment purchased by the Mission are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of these assets. The useful lives are estimated as follows for these assets:

Office buildings, hospitals and churches	20 – 40 years
Equipment, furniture and fixtures	5 – 7 years
Automobiles	5 years
Mission compound and improvements	10 years
Bible Institute compound and improvements	10 years

The Mission incurs maintenance costs on its property and equipment. Maintenance costs that extend the life of the asset, materially add to its value or adapt the asset to a new or different use are capitalized in property and equipment and are depreciated over their estimated useful lives. All other repair and maintenance costs are expensed as incurred.

Asset Impairments

In accordance with Accounting Standards Codification ("ASC") Topic 360, Property, Plant and Equipment, the Mission periodically evaluates whether current facts or circumstances indicate that the carrying amount of its depreciable assets to be held and used may not be recoverable. If such circumstances are determined to exist, an estimate of undiscounted future cash flows produced by the long-lived asset or the appropriate grouping of assets is compared to the carrying value to determine whether impairment exists. If an asset is determined to be impaired, the loss is measured based on the difference between the asset's fair value and its carrying value. An estimate of the asset's fair value is based on quoted market prices in active markets, if available. If quoted market prices are not available, the estimate of fair value is based on various valuation techniques, including a discounted value of estimated future cash flows. The Mission reports an asset to be disposed of at the lower of its carrying value or its estimated net realizable value.

**BAPTIST MEDICAL AND DENTAL
MISSION INTERNATIONAL, INC.**
Years Ended September 30, 2023 and 2022

NOTES TO FINANCIAL STATEMENTS

Note 1. Continued

Severance and Termination Liability

Labor laws for certain third-world nations in which the Mission operates require severance amounts to be paid by employers upon termination of employees without cause. Additionally, management's interpretation of the labor laws provides that although these amounts are payable at termination or certain other events, the employee becomes entitled to these amounts upon achieving certain employment criteria such as years of service milestones. The Mission annually evaluates the payments of severances in an effort to manage the liability.

Management of the Mission evaluated the expected ultimate obligation to pay severance to certain full-time employees and determined there was no liability at September 30, 2023 and 2022. This liability, when necessary, is included in accrued payroll and withholdings in the accompanying statement of financial position and related expenses are recognized in the accompanying statements of activities and functional expenses.

Contributions

Contributions are reported as restricted support if they are received with donor stipulations that limit the use of the contribution. When a donor's stipulated time restriction expires or the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from satisfaction of program restrictions. Donor-restricted contributions, whose restrictions are met in the same reporting period, are reported as unrestricted contributions.

Contributions are recognized when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Contributions and Nonfinancial Assets

The Mission receives a significant amount of contributed services and medical supplies from volunteer teams that carry out its mission. The voluntary services that are recognized consist of services performed by individuals with specialized skills such as doctors, dentists, ophthalmologists, nurses, medical technicians, engineers and construction workers. Contributed services and supplies are recorded at their estimated market value in the Mission's statement of activities as contributions of nonfinancial assets. See Note 5 for further explanation.

New Accounting Pronouncements Adopted

In March 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The standard requires the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition. The standard requires lessors to classify leases as either sales-type, finance or operating. A sales-type lease occurs if the lessor transfers all of the risks and rewards, as well as control of the underlying asset, to the lessee. If risks and rewards are conveyed without the transfer of control, the lease is treated as a financing lease. If the lessor does not convey risks and rewards or control, an operating lease results. The adoption of this ASU did not have a significant impact on the Mission's financial position or results of operations.

**BAPTIST MEDICAL AND DENTAL
MISSION INTERNATIONAL, INC.**
Years Ended September 30, 2023 and 2022

NOTES TO FINANCIAL STATEMENTS

Note 2. Liquidity and Availability and Going Concern

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of September 30, 2023 and 2022 include the following:

	<u>2023</u>	<u>2022</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 1,892,289	\$ 1,534,582
Short-term investments	11,807	10,850
Less amounts not available to be used in one year:		
Net assets with donor restrictions not available within one year	<u>7,530</u>	<u>7,530</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 1,896,566</u>	<u>\$ 1,537,902</u>

The Mission is heavily dependent upon contributed supplies, services and financial support to carry out its operations, which includes significant international travel. In carrying out these operations, the Mission, at times, has incurred deficits in operations and has from time to time used net assets with donor restrictions to meet current cash flow needs. The Mission incurred a surplus in cash flows from operating activities of \$593,793 for 2023. In 2022, the Mission incurred a surplus in cash flows from operating activities of \$549,469.

The financial assets available to meet general expenditures over 12 the next months in the above table consists of net assets with donor restrictions primarily associated with mission trips and operations that will occur over the next 12 months. Because of the nature of operations for the Mission, historically all restricted contributions received are released from restriction in the following year in the normal course of the Mission's operations and, therefore, are considered appropriate for inclusion above.

Note 3. Fair Value Measurements

FASB Accounting Standards Codification ("ASC") Topic 820, Fair Value Measurements and Disclosures, defines fair value, establishes a hierarchal disclosure framework for measuring fair value and requires expanded disclosures about fair value measurements. The provisions of this statement apply to all financial instruments that are being measured and reported on a fair value basis.

Financial assets and liabilities recorded on the consolidated statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities and derivative contracts that are traded in an active exchange market.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted prices that are traded

**BAPTIST MEDICAL AND DENTAL
MISSION INTERNATIONAL, INC.**
Years Ended September 30, 2023 and 2022

NOTES TO FINANCIAL STATEMENTS

Note 3. Continued

less frequently than exchange-traded instruments or derivative contracts whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

Following is a description of the valuation methodologies used for assets measured at fair value, on a recurring basis. There have been no changes in the methodologies used at September 30, 2023 and 2022.

Mutual funds: Valued based on market value of its underlying investments, including debt and equity securities, and other observable inputs other than Level 1 pricing (Level 2).

As of September 30, 2023 and 2022, the mutual funds were valued at \$11,807 and \$10,850, respectively.

Note 4. Property and Equipment

The following is a summary of property and equipment by major classes and locations at September 30, 2023 and 2022:

	2023					
	USA	Honduras	Nicaragua	Nepal	Guatemala	Total
Land	\$ 90,000	\$ 301,427	\$ 232,228	\$ -	\$ -	\$ 623,655
Churches	-	1,739,532	1,177,036	-	-	2,916,568
Office equipment, furniture and fixtures	269,391	82,107	21,208	-	-	372,706
Automobiles	-	1,248,671	410,549	14,006	116,415	1,789,641
Mission compounds	-	1,157,082	1,015,535	-	-	2,172,617
Bible Institute	-	340,516	-	-	-	340,516
Good Shepherd Christian Home	-	1,258,546	-	-	-	1,258,546
Guaimaca Hospital and Ministries	-	1,811,006	-	-	-	1,811,006
Buildings	303,488	-	529,814	-	-	833,302
Total property and equipment	662,879	7,938,887	3,386,370	14,006	116,415	12,118,557
Less accumulated depreciation	449,071	6,074,836	2,154,971	14,006	39,973	8,732,857
Construction in progress	-	32,073	-	-	-	32,073
Property & equipment, net	\$ 213,808	\$ 1,896,124	\$ 1,231,399	\$ -	\$ 76,442	\$ 3,417,773

**BAPTIST MEDICAL AND DENTAL
MISSION INTERNATIONAL, INC.**
Years Ended September 30, 2023 and 2022

NOTES TO FINANCIAL STATEMENTS

Note 4. Continued

	2022					
	USA	Honduras	Nicaragua	Nepal	Guatemala	Total
Land	\$ 90,000	\$ 301,426	\$ 232,228	\$ -	\$ -	\$ 623,654
Churches	-	1,739,531	1,177,036	-	-	2,916,567
Office equipment, furniture and fixtures	269,391	61,992	21,207	-	-	352,590
Automobiles	3,046	1,118,877	410,549	14,006	83,450	1,629,928
Mission compounds	-	1,177,200	1,015,535	-	-	2,192,735
Bible Institute	-	340,514	-	-	-	340,514
Good Shepherd Christian Home	-	1,258,546	-	-	-	1,258,546
Guaimaca Hospital and Ministries	-	1,811,006	-	-	-	1,811,006
Buildings	303,488	-	529,814	-	-	833,302
Total property and equipment	665,925	7,809,092	3,386,369	14,006	83,450	11,958,842
Less accumulated depreciation	443,862	5,872,768	2,080,142	14,006	16,690	8,427,468
Property & equipment, net	\$ 222,063	\$ 1,936,324	\$ 1,306,227	\$ -	\$ 66,760	\$ 3,531,374

Depreciation expense was \$383,573 and \$379,371 for the years ended September 30, 2023 and 2022, respectively.

Note 5. Net Assets

Net assets with donor restrictions as of September 30, 2023 and 2022 were available for the following purposes:

	2023	2022
Administrative	\$ 35,575	\$ 29,531
Missionaries	690,068	619,380
Teams	276,132	239,969
Orphanages	75,551	157,710
Hospital	40,463	50,291
Bible Institute	44,967	92,022
Food banks	26,503	29,340
.	<u>\$ 1,189,259</u>	<u>\$ 1,218,243</u>

**BAPTIST MEDICAL AND DENTAL
MISSION INTERNATIONAL, INC.**
Years Ended September 30, 2023 and 2022

NOTES TO FINANCIAL STATEMENTS

Note 5. Continued

Donor-restricted contributions, whose restrictions are met in the same reporting period, are reported as unrestricted contributions. Contributions recognized during the years ended September 30, 2023 and 2022 were as follows:

	2023	2022
Contributed nonfinancial assets	\$ 3,145,983	\$ 1,713,360
Cash contributions with donor restrictions	1,108,083	936,928
Restricted contributions reported as unrestricted	4,254,066	2,650,288
Cash contributions without donor restrictions	3,592,241	3,044,810
Total contributions without donor restrictions	7,846,307	5,695,098
Contributions with donor restrictions	1,189,259	1,218,243
Total contributions	<u>\$ 9,035,566</u>	<u>\$ 6,913,341</u>

For the years ended September 30, 2023 and 2022, contributed nonfinancial assets recognized within the statement of activities included:

	2023	2022
Voluntary services - medical	\$ 1,698,678	\$ 948,246
Voluntary services - dental	167,800	32,000
Voluntary services - other	288,576	408,060
Medical supplies	973,276	316,530
Bibles	17,653	8,524
Total contributed nonfinancial assets	<u>\$ 3,145,983</u>	<u>\$ 1,713,360</u>

The Mission recognized contributed nonfinancial assets within revenue, including medical services, dental services, other specialized voluntary services, medical supplies, eyeglasses, bibles and labor. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions or the related restrictions were met in the same reporting period. All contributed nonfinancial assets are also utilized and not sold for a profit.

Contributed services include medical services, dental services and veterinary services. The Mission attempts to value professional services at an amount equal to what a patient would be charged in their country. The Mission recognizes the difficulty in valuing these services in Honduras and Nicaragua due to both countries having a socialized medical system. Therefore, professional services are valued and are reported at approximately 30 – 35 percent of the value of the same service if it was provided in the United States. Other specialized voluntary services include team members and volunteers who support the professionals. These other specialized voluntary services are valued at minimum wage.

Contributed medical supplies include prescriptions and eyeglasses. In valuing these supplies, the Mission estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

Contributed bibles are valued at a rate of \$2.75, which represents the lowest retail price among the various countries being provided services.

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NOTES TO FINANCIAL STATEMENTS

Note 6. Line of Credit

The Mission maintains a line of credit agreement with a bank, which permits borrowings up to \$500,000. This line of credit was renewed in January of 2024 and matures in September of 2024. Outstanding borrowings bear interest at a variable rate based on prime lending rate (8.25 percent and 6.25 percent at September 30, 2023 and 2022, respectively). The line of credit is collateralized by property and equipment. The Mission had outstanding borrowings of \$-0- on this line as of September 30, 2023 and 2022. There were \$500,000 of additional available borrowings at September 30, 2023 and 2022.

Note 7. Concentration of Risk and Contingencies

The Mission maintains deposits at several financial institutions. Deposits at each domestic institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. Based on this provision, the Mission had approximately \$896,000 in excess of insured limits held in domestic institutions as of September 30, 2023. The Mission also had approximately \$530,000 of uninsured funds on deposit with a nonprofit foundation providing investment management services as of September 30, 2023. At September 30, 2023 and 2022, the Mission held cash in foreign banks of approximately \$180,000 and \$95,000, respectively, which are not subject to depositor's insurance. Changes in exchange rates could also adversely impact the financial stability of the Mission's foreign deposits.

In addition, the Mission has assets and operates in foreign countries; these countries encounter political volatility and economic instability from time to time that could affect the Mission's operations.

Note 8. Benefit Plan

The Mission has a defined contribution benefit plan (the "Plan") for employees who meet the eligibility requirements set forth in the Plan. The Plan is a simple IRA set up for each employee and covers full-time employees who have completed one year of service. Employees may defer up to \$10,000 of their compensation. The Mission is not required to make contributions to the Plan and any contributions are at the discretion of the Board. The contributions to the Plan were approximately \$29,000 and \$25,000 for the years ended September 30, 2023 and 2022, respectively.

Note 9. Paycheck Protection Program Loan

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security ("CARES") Act was enacted to, amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the COVID-19 pandemic. Using outside legal counsel, management determined that the Mission qualified under the Paycheck Protection Program ("PPP") within the CARES Act and on April 14, 2020, the Mission received a PPP Loan which approximated \$226,000. In February 2021, the Mission applied for and received a second round PPP Loan under the Economic Aid to Hard-Hit Small Businesses, Nonprofits and Venues Act ("Economic Aid Act") which approximated \$226,000.

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Note 9. Continued

Rules stipulate that some or all of the PPP Loan will be forgiven if the sum of payments made during the covered period (either the eight-week or 24-week period after the distribution date) for payroll, building rents and utilities, and state taxes, equal or exceed the PPP Loan amount. The Mission received confirmation of forgiveness for the first round PPP Loan in August 2021. The total PPP Loan from the first round is included in revenue as a gain on debt forgiveness for the period ended September 30, 2021. The Mission received forgiveness of the second PPP loan in January 2022, and this amount is included in revenue as a gain on debt forgiveness in the accompanying statement of activities for the period ended September 30, 2022.

Note 10. Subsequent Events

The Mission has evaluated events through August 7, 2024, which is the date the financial statements were available to be issued, for events requiring recognition or disclosure in the financial statements for the year ended September 30, 2023.