



AVANT MINISTRIES

Consolidated Financial Statements
With Independent Auditors' Report

December 31, 2023 and 2022

GOSPEL MISSIONARY UNION D/B/A AVANT MINISTRIES

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Gospel Missionary Union
d/b/a Avant Ministries
Kansas City, Missouri

Opinion

We have audited the accompanying consolidated financial statements of Gospel Missionary Union d/b/a Avant Ministries, which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities and cash flows for the years 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 consolidated financial position of Gospel Missionary Union d/b/a Avant Ministries as of December 31, 2023 and 2022, and the changes in its consolidated 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 audits 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 Gospel Missionary Union d/b/a Avant Ministries 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.

Emphasis of Matter

As discussed in Note 14, net assets as of January 1, 2022, and certain amounts in the consolidated financial statements as and for the year ended December 31, 2022, were restated. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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, 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 Gospel Missionary Union d/b/a Avant Ministries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Board of Directors
Gospel Missionary Union
d/b/a Avant Ministries
Kansas City, Missouri

Auditors' 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 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 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 Gospel Missionary Union d/b/a Avant Ministries' 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 Gospel Missionary Union d/b/a Avant Ministries' 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.

Capin Crouse LLP

Naperville, Illinois
June 12, 2024

GOSPEL MISSIONARY UNION D/B/A AVANT MINISTRIES

Consolidated Statements of Financial Position

	December 31,	
	2023	2022 (as restated)
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ -	\$ 240,443
Cash held for board designations	2,455,242	2,637,708
Investments	17,758,807	16,630,255
Investments held for board designations	352,008	-
Accounts receivable and other assets	340,267	446,225
	<u>20,906,324</u>	<u>19,954,631</u>
Assets held in trust	609,660	568,671
Property and equipment–net	6,304,712	5,983,087
	<u>6,304,712</u>	<u>5,983,087</u>
Total Assets	<u>\$ 27,820,696</u>	<u>\$ 26,506,389</u>
LIABILITIES AND NET ASSETS:		
Current liabilities:		
Accounts payable	\$ 293,484	\$ 447,071
Amounts held for others	5,988	6,813
Current portion of annuities payable	39,555	39,555
	<u>339,027</u>	<u>493,439</u>
Deferred revenue	1,364,386	1,414,919
Trust liabilities	346,043	330,357
Revocable agreements	136,060	133,482
Noncurrent portion of annuities payable	182,729	192,379
Total liabilities	<u>2,368,245</u>	<u>2,564,576</u>
Net assets:		
Without Donor Restrictions	14,147,640	12,112,087
With Donor Restrictions	11,304,811	11,829,726
Total net assets	<u>25,452,451</u>	<u>23,941,813</u>
Total Liabilities and Net Assets	<u>\$ 27,820,696</u>	<u>\$ 26,506,389</u>

See notes to consolidated financial statements
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GOSPEL MISSIONARY UNION D/B/A AVANT MINISTRIES

Consolidated Statements of Activities

	Year Ended December 31,	
	2023	2022 (as restated)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:		
Contributions	\$ 20,468,528	\$ 20,916,133
Contributions from Avant-Canada	2,255,770	2,382,613
Change in value of trusts	(25,303)	61,109
Reclassifications–net assets released from restrictions	(23,223,910)	(23,463,235)
Change in Net Assets With Donor Restrictions	(524,915)	(103,380)
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Revenues:		
Field revenue–sales, rentals, and other	1,046,546	914,994
Contributions	849,740	1,098,553
Investment income (loss)	1,728,047	(2,246,877)
Grant revenue	334,492	-
Other income	298,122	76,051
	4,256,947	(157,279)
Reclassifications–net assets released from restriction by satisfaction of purpose restrictions	23,223,910	23,463,235
Total Revenues and Reclassifications Without Donor Restrictions	27,480,857	23,305,956
Expenses:		
Program services	19,115,102	19,567,843

(continued)

See notes to consolidated financial statements

GOSPEL MISSIONARY UNION D/B/A AVANT MINISTRIES

Consolidated Statements of Activities (continued)

	Year Ended December 31,	
	2023	2022 (as restated)
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS, continued:		
Expenses, continued:		
Supporting activities:		
Management and general	4,617,788	4,826,724
Fundraising	1,712,414	1,571,493
	6,330,202	6,398,217
 Total Expenses	 25,445,304	 25,966,060
 Change in Net Assets Without Donor Restrictions	 2,035,553	 (2,660,104)
 Change in Net Assets	 1,510,638	 (2,763,484)
 Net Assets, Beginning of Year		
As previously reported	23,941,813	26,675,760
Prior period adjustment (Note 14)	-	29,537
As restated	23,941,813	26,705,297
 Net Assets, End of Year	 \$ 25,452,451	 \$ 23,941,813

See notes to consolidated financial statements

GOSPEL MISSIONARY UNION D/B/A AVANT MINISTRIES

Consolidated Statements of Cash Flows

	Year Ended December 31,	
	2023	2022 (as restated)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,510,638	\$ (2,763,484)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	377,580	383,626
Net realized and unrealized (gain) loss on investments	(1,293,531)	2,651,373
Change in value of trusts	(25,303)	61,109
Maturities of charitable gift annuities	-	(6,825)
Charitable gift annuity actuarial change	(9,650)	(10,718)
Changes in operating assets and liabilities:		
Accounts receivable and other assets	105,958	(181,104)
Accounts payable	(153,587)	76,240
Amounts held for others	(825)	(17,873)
Deferred revenue	(50,533)	(50,533)
Net Cash Provided by Operating Activities	460,747	141,811
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(699,205)	(233,481)
Gift portion of new charitable gift annuities	-	(17,862)
Purchase of investments	(1,108,677)	(502,004)
Proceeds from sale of investments	880,659	1,376,784
Net Cash (Used) Provided by Investing Activities	(927,223)	623,437
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments of annuity and trust obligations	(31,557)	(38,857)
Proceeds from charitable gift annuities	-	30,000
Investment income on assets held in trust	72,546	(102,284)
Proceeds from trusts	2,578	2,477
Net Cash Provided (Used) by Financing Activities	43,567	(108,664)
Net Change in Cash, Cash Equivalents, and Designated Cash	(422,909)	656,584
Cash, Cash Equivalents, and Designated Cash, Beginning of Year	2,878,151	2,221,567
Cash, Cash Equivalents, and Designated Cash, End of Year	\$ 2,455,242	\$ 2,878,151

See notes to consolidated financial statements

GOSPEL MISSIONARY UNION D/B/A AVANT MINISTRIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022 (as restated)

1. NATURE OF ORGANIZATION:

Gospel Missionary Union d/b/a Avant Ministries (Avant) is an international Christian evangelistic organization recognized as a religious order both as a church and as associated with churches of the Protestant faith. Its operations are conducted under the terms of a joint ministries agreement between Avant and Avant Ministries Canada, collectively known as Avant International. The joint ministries board is composed of all members of the U.S. and Canada boards.

Avant is a Missouri nonprofit organization classified as a 501(c)(3) religious organization by the United States Internal Revenue Service (the Code), which is other than a private foundation. As such, it is exempt from U.S. federal and state income tax, and contributions are deductible for income tax purposes.

Avant Ministries Canada (Avant-Canada) was incorporated on April 18, 1968, as a nonprofit religious organization. As such, it is exempt from corporate income taxes. Avant-Canada provides both direct financial support and compensated workers to the joint ministries.

Avant has been a tradition-rich missionary sending organization since its founding in 1892. As one of the oldest missionary agencies in the western world, it has had a focus on church planting with the goal of taking the Gospel of Jesus Christ to those who have not heard the good news. Avant's church planting principles are the strategic, God-enabled processes which seek to continuously shorten the time needed to develop a mature church. Avant has also developed its own set of metrics to measure the development of and maturity of the church.

Missionaries raise support for the ministry from interested churches and individuals. Avant receives approximately 54% of contributions from individuals, 30% from churches, and 16% from other organizations. Support figures are established according to cost-of-living factors and include an amount for mission administration, medical expense reimbursement, life insurance, retirement, and ministry expenses. Funds provided for the support of each individual's ministry are set apart for that purpose and disbursed in compliance with a support schedule and policies.

UFM International d/b/a Crossworld and Avant have entered into a Shared Services Alliance that allows both organizations to maintain their separate identity and structure, but share an office building and certain administrative functions.

Avant maintains its accounts and prepares its consolidated financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The preparation of consolidated 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 reported amounts of assets and liabilities, disclosures of any contingent assets and liabilities at the date of the consolidated financial statements, and the reported revenues and expenses during the reporting period. Actual results could differ from the estimates. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

GOSPEL MISSIONARY UNION D/B/A AVANT MINISTRIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022 (as restated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the transactions and balances of Avant Ministries Foundation, which is a controlled affiliated organization of Avant. Avant Ministries Foundation is a Texas nonprofit organization which exists to further the purposes of Avant. It is exempt from federal income tax under section 501(c)(3) of the Code and is classified as a supporting foundation under Section 509(a)(9), which is not a private foundation under Section 509(a)(1) of the Code. The consolidated financial statements also include the transactions and balances of Culturio, LLC (Culturio), which was incorporated on May 2, 2023, as a nonprofit organization. As such, it is exempt from corporate income taxes. Culturio provides payroll services for Avant's international missionary employees of which Avant is the single entity owner. All significant intercompany balances and transactions have been eliminated.

These consolidated financial statements also report the worldwide ministries of Avant, including material assets, liabilities, net assets, revenues, and expenses of its forty-one fields of service around the world. The consolidated statements include all international and U.S. operations, which are conducted under the joint ministries agreement and all contributions from Avant-Canada for specific projects and missionary support accounts.

As disclosed in Note 12, the consolidated statements do not include the assets, liabilities, net assets, revenues, and expenses of Avant-Canada except for those contributed to Avant International as part of the joint ministries agreement.

CASH, CASH EQUIVALENTS, AND DESIGNATED CASH

Cash, cash equivalents, and designated cash consist of checking, savings and petty cash accounts. From time to time, cash deposits may exceed federally insured limits or be held in uninsured accounts. At December 31, 2023 and 2022, Avant's cash balances exceeded federally insured limits by \$1,104,471 and \$1,295,353, respectively.

As of December 31, 2023 and 2022, respectively, \$131,026 and \$126,625 of cash, cash equivalents, and designated cash were held in foreign countries which impose various restrictions. The nature of these restrictions range from prohibitions on removal of currency from the country to restrictions on the maximum amount of local currency which can be exchanged for U.S. dollars.

GOSPEL MISSIONARY UNION D/B/A AVANT MINISTRIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022 (as restated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

Cash, cash equivalents, and designated cash consists of the following:

	December 31,	
	2023	2022
Cash and cash equivalents	\$ -	\$ 240,443
Cash held for board designations	2,455,242	2,637,708
	<u>\$ 2,455,242</u>	<u>\$ 2,878,151</u>

INVESTMENTS AND ASSETS HELD IN TRUST

Investments consist of mutual funds, certificates of deposit, bonds, and equity securities. Mutual funds, certificates of deposit, bonds, and equity securities have readily determinable fair values with gains and losses included as unrestricted income in the consolidated statements of activities. Donated investments are recorded at fair value on the date of donation and thereafter carried in accordance with the above provisions.

PROPERTY AND EQUIPMENT

Items capitalized as property and equipment are recorded at cost, estimated cost, or at fair market value on the date of the gift if donated. Avant capitalizes all property and equipment with a cost or value exceeding \$5,000.

Depreciation is computed on the straight-line method over the estimated useful lives of the related assets ranging from three to thirty years. Depreciation expense is allocated among program services and supporting activities expenses.

DEFERRED REVENUE

Avant entered into a services consolidation agreement (shared services) and a corresponding lease agreement with a similar 501(c)(3) organization, Crossworld, on March 9, 2009. The lease agreement included a construction cost recovery that will be recognized as revenue by Avant over a period of forty years commencing upon Crossworld's occupancy in February 2011. The unrecognized portion is reflected as deferred revenue. The recognized portion is recorded as other income.

GOSPEL MISSIONARY UNION D/B/A AVANT MINISTRIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022 (as restated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

TRUST LIABILITIES

As trustee, Avant administers irrevocable trusts, including charitable remainder unitrusts. These trusts provide the payment of lifetime distributions to the grantor or other designated beneficiaries. The present value of the income interests are reported as trust liabilities using a discount rate of 5% and mortality tables. For trusts with a term of years, thus meeting the definition of a derivative financial instrument, as described in the paragraph above, the liability for the trust is computed using the current market rate instead of the rate at inception. At the death of the lifetime beneficiaries, the trusts provide for the distribution of assets to designated remaindermen. The present value of the remainder interest of Avant is reported as contributions with donor restrictions in the period received, net assets with donor restrictions, and as a reclassification to net assets without donor restrictions when the trust matures. Certain trusts contain provisions to distribute assets to remaindermen other than Avant. The portion attributable to others is reflected as a part of trust liabilities on the consolidated statements of financial position.

REVOCABLE AGREEMENTS

Avant has entered into agreements with individuals whereby money or other property is provided to Avant as a revocable loan agreement upon which a stated amount of interest is paid to the donor or other indicated recipient during their lifetimes. At the individual's death, the balance of the obligation is recorded as contribution income. The liability for these agreements is shown on the consolidated statements of financial position. Assets funding revocable agreements are included with the operating assets of Avant.

CLASSES OF NET ASSETS

Net assets without donor restrictions are those resources currently available for use in the international ministries of Avant under the direction of the board or resources invested in property and equipment.

Net assets with donor restrictions are those resources stipulated by donors for specific operating purposes or for the acquisition of property and equipment or not currently available for use until commitments regarding their use have been fulfilled or lifetime beneficiary interests have ceased.

SUPPORT, REVENUE, AND EXPENSES

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to Avant.

Avant reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated amounts. 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 net assets released from restrictions.

Donor restricted contribution income is subject to an assessment fee ranging from eleven and a half percent (11.5%) to fourteen percent (14%), depending on length of service, which is used for general and administrative and fundraising expenses. These assessments are reclassified from net assets with donor restrictions to net assets without donor restrictions at the time the contribution is received.

GOSPEL MISSIONARY UNION D/B/A AVANT MINISTRIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022 (as restated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

Avant receives indications of intent to support ministries that are commitments to provide monthly, quarterly, or annual gifts of a specified amount. These commitments are open-ended and subject to unilateral change by the donor. Because the commitments do not express a term or period, the amount of the commitment is not measurable. Considering these factors, the commitments are not considered to be unconditional promises to give and are not recognized prior to receipt of the contribution.

Avant reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulations about how long those long-lived assets must be maintained, Avant reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Expenses are reported when costs are incurred.

ALLOCATION OF EXPENSES

The costs of providing the various program services and supporting activities of Avant have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

Joint costs that include fundraising appeals or activities are:

	Year Ended December 31, 2023		
	Program Services	Fundraising	Total
Costs of informational materials and activities	\$ 67,096	\$ 16,774	\$ 83,870
Salaries and expenses of missionaries	10,544,904	1,171,656	11,716,560
Salaries and expenses of appointees	76,985	230,955	307,940
Home office	101,260	245,246	346,506
	\$ 10,790,245	\$ 1,664,631	\$ 12,454,876

	Year Ended December 31, 2022		
	Program Services	Fundraising	Total
Costs of informational materials and activities	\$ 61,395	\$ 15,349	\$ 76,744
Salaries and expenses of missionaries	10,757,331	1,195,259	11,952,590
Salaries and expenses of appointees	84,232	252,696	336,928
Home office	93,480	179,023	272,503
	\$ 10,996,438	\$ 1,642,327	\$ 12,638,765

GOSPEL MISSIONARY UNION D/B/A AVANT MINISTRIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022 (as restated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

RECLASSIFICATIONS

Certain prior year amounts were reclassified in Note 9 to match the current year presentation. For the year ending December 31, 2022, expenses totaling \$712,450, which were included in various categories on the functional allocation of expenses, were reclassified and presented as Grants to Other Organizations.

3. INVESTMENTS:

Investments consist of:

	December 31,	
	2023	2022
Certificates of deposit	\$ 4,862,119	\$ 4,455,666
Corporate bonds	3,725,841	4,329,581
Common stock	4,214,268	3,711,386
Mutual funds	4,919,070	3,875,960
Money Market	389,517	257,662
	\$ 18,110,815	\$ 16,630,255

Investment income consists of:

	Year Ended December 31,	
	2023	2022
Interest and dividends	\$ 521,810	\$ 498,956
Investment fees	(87,294)	(94,460)
Net realized and unrealized gains (losses)	1,293,531	(2,651,373)
	\$ 1,728,047	\$ (2,246,877)

4. ASSETS HELD IN TRUST:

Assets held in trust consists of:

	December 31,	
	2023	2022
Mutual funds	\$ 588,198	\$ 542,891
Cash	21,462	25,780
	\$ 609,660	\$ 568,671

GOSPEL MISSIONARY UNION D/B/A AVANT MINISTRIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022 (as restated)

4. ASSETS HELD IN TRUST, continued:

Change in value of trusts consists of:

	Year Ended December 31,	
	2023	2022
Investment (loss) income	\$ (72,546)	\$ 102,284
Actuarial change	15,686	(80,032)
Trust payments	31,557	38,857
	\$ (25,303)	\$ 61,109

5. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net consists of:

	December 31, 2023		
	U.S.	Other Countries	Total
Land	\$ 1,162,974	\$ 788,853	\$ 1,951,827
Buildings	9,239,063	2,303,824	11,542,887
Furniture and equipment	1,229,781	829,900	2,059,681
Automotive	374,000	44,506	418,506
	12,005,818	3,967,083	15,972,901
Less accumulated depreciation	(6,928,440)	(2,739,749)	(9,668,189)
	\$ 5,077,378	\$ 1,227,334	\$ 6,304,712
	December 31, 2022		
	U.S.	Other Countries	Total
Land	\$ 1,162,974	\$ 788,853	\$ 1,951,827
Buildings	8,746,209	2,262,869	11,009,078
Furniture and equipment	1,116,221	799,709	1,915,930
Automotive	352,892	40,244	393,136
	11,378,296	3,891,675	15,269,971
Less accumulated depreciation	(6,611,933)	(2,674,951)	(9,286,884)
	\$ 4,766,363	\$ 1,216,724	\$ 5,983,087

GOSPEL MISSIONARY UNION D/B/A AVANT MINISTRIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022 (as restated)

5. PROPERTY AND EQUIPMENT—NET, continued:

Depreciation in the amounts of \$377,580 and \$383,626 has been allocated to program services and supporting activities in the consolidated statements of activities for the years ended December 31, 2023 and 2022, respectively.

Management has reviewed the assets in other countries and, in its opinion, determined they are under control and ownership of Avant. While such items are recognized as assets of Avant, it should be noted that the political situation in many other countries is subject to rapid change. Therefore, the reader should be aware that while Avant believes the assets are properly stated at the date of this report, subsequent changes could occur that would adversely affect the realizable value of the assets in other countries. In addition, it should be understood the carrying value of the assets in other countries may not be representative of the amount that would be realized should the assets be sold.

6. ANNUITIES PAYABLE:

Avant has established a gift annuity program whereby donors may contribute assets to Avant in exchange for the right to receive a fixed dollar annual return during their lifetime. The difference between the amount provided for the gift annuity and the present value of the liability for future payments, determined on an actuarial basis, is recognized as a contribution without donor restrictions at the date of the gift. This portion is considered to be a charitable contribution for income tax purposes. Assets funding the annuity liability are included in the operating assets of Avant.

The annuity liability is revalued annually based upon actuarially computed present values, and the resulting actuarial gain or loss (\$9,650 gain in 2023 and \$15,089 gain in 2022) is recorded as unrestricted other income. Income earned on annuity investments and distributions paid are credited and charged against unrestricted income unless the annuity agreement stipulates to the disposition of any remaining actuarial value. Change in value of annuities has not been disclosed due to immateriality.

7. EMPLOYEE RETENTION CREDIT:

Avant claimed a tax credit of \$334,492 through the Employee Retention Credit program offered through the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The credit is claimed in relation to qualified wages owed for the year ended December 31, 2021. The full amount of the credit was recognized as grant revenue within the consolidated statements of activities for the year ended December 31, 2023.

GOSPEL MISSIONARY UNION D/B/A AVANT MINISTRIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022 (as restated)

8. NET ASSETS:

Net assets consist of:

	December 31,	
	2023	2022
Net assets without donor restrictions:		
Operating	\$ 11,340,390	\$ 9,474,379
Board designated:		
Capital asset fund	728,684	692,745
Self-insured medical program	659,338	578,592
Life insurance	921,914	870,326
Training center maintenance fund	381,056	391,922
Ministry activities	116,258	104,123
	14,147,640	12,112,087
Net assets with donor restrictions consist of:		
Missionary support and project balances	9,008,346	9,322,691
Project balances held on fields	776,616	893,434
Specified ministry activities	1,246,231	1,365,288
Charitable remainder unitrusts	273,618	248,313
	11,304,811	11,829,726
	\$ 25,452,451	\$ 23,941,813

GOSPEL MISSIONARY UNION D/B/A AVANT MINISTRIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022 (as restated)

9. FUNCTIONAL ALLOCATION OF EXPENSES:

The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses allocated include salaries and benefits, which are allocated based on an estimate of time and effort, depreciation, which is allocated based on a square footage basis, and all other categories, which are allocated based on a detailed estimate of expenses making up each account within each respective category.

The following table presents the consolidated functional allocation of expenses for the year ended December 31, 2023:

	Program Services	General and Administrative	Fundraising	Total
Salaries and benefits	\$ 12,330,012	\$ 2,820,591	\$ 967,060	\$ 16,117,663
Self insured medical costs	2,376,144	543,562	186,364	3,106,070
Travel	1,282,807	183,258	366,516	1,832,581
Office supplies & service costs	769,311	210,770	73,770	1,053,851
Grants to other organizations	741,929	-	-	741,929
Recruitment, training, & public relations	282,146	352,683	6,412	641,241
Depreciation expense	166,135	211,445	-	377,580
Professional services	234,838	40,400	18,490	293,728
Meals & entertainment	200,114	38,483	17,959	256,556
Repairs & maintenance	189,256	45,845	-	235,101
Seminars & conferences	184,890	30,045	16,178	231,113
Bank & processing fees & membership dues	129,213	74,272	-	203,485
Facility and vehicles	131,426	24,041	4,808	160,275
Postage	66,365	15,762	830	82,957
Other	30,516	26,631	54,027	111,174
	<u>\$ 19,115,102</u>	<u>\$ 4,617,788</u>	<u>\$ 1,712,414</u>	<u>\$ 25,445,304</u>

GOSPEL MISSIONARY UNION D/B/A AVANT MINISTRIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022 (as restated)

9. FUNCTIONAL ALLOCATION OF EXPENSES, continued:

The following table presents the consolidated functional allocation of expenses for the year ended December 31, 2022:

	Program Services	General and Administrative	Fundraising	Total
Salaries and benefits	\$ 12,264,413	\$ 3,061,021	\$ 867,562	\$ 16,192,996
Self insured medical costs	2,738,243	442,201	221,100	3,401,544
Office supplies & service costs	611,031	185,245	64,836	861,112
Travel	1,516,703	146,577	283,382	1,946,662
Grants to other organizations	712,450	-	-	712,450
Recruitment, training, & public relations	148,162	412,363	1,533	562,058
Facility and vehicles	340,373	71,318	14,264	425,955
Depreciation expense	168,795	214,831	-	383,626
Meals & entertainment	209,877	78,685	25,471	314,033
Bank & processing fees & membership dues	99,169	60,781	-	159,950
Repairs & maintenance	161,866	39,210	-	201,076
Professional services	112,569	18,413	9,915	140,897
Seminars & conferences	385,238	62,601	33,708	481,547
Other	52,876	20,685	7,058	80,619
Postage	46,078	12,793	42,664	101,535
Total	\$ 19,567,843	\$ 4,826,724	\$ 1,571,493	\$ 25,966,060

GOSPEL MISSIONARY UNION D/B/A AVANT MINISTRIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022 (as restated)

10. LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following reflects Avant's financial assets as of December 31, 2023 and 2022, reduced by amounts not available for general use because of contractual or donor-imposed restrictions or because the governing board has set aside the funds for specific contingency reserves and projects within one year of the balance sheet date. These board designations could be drawn upon if the board approves that action.

	December 31,	
	2023	2022
Financial assets:		
Cash and cash equivalents	\$ -	\$ 240,443
Cash held for board designations	2,455,242	2,637,708
Investments	17,758,807	16,630,255
Investments held for board designations	352,008	-
Accounts receivable and other assets	340,267	446,225
Assets held in trust	609,660	568,671
Financial assets, at year-end	21,515,984	20,523,302
Less those unavailable for general expenditures within one year due to donor imposed restrictions	(2,296,465)	(2,507,035)
Less those unavailable for general expenditures within one year, due to:		
Board designated reserves for future capital projects	(728,684)	(692,745)
Board designated reserves for life insurance	(921,914)	(870,326)
Board designated reserves for self insured medical program	(659,338)	(578,592)
Investments held for revocable agreements	(136,060)	(133,482)
Assets held in trust	(609,660)	(568,671)
	(5,352,121)	(5,350,851)
Financial assets available to meet cash needs for general expenditures within one year	\$ 16,163,863	\$ 15,172,451

Avant is substantially supported by contributions primarily with donor-imposed restrictions for missionary and field project support. Those contributions with donor restrictions require resources to be used in a particular manner or in a future period. Avant must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. For the years ended December 31, 2023 and 2022, Avant has \$11,304,811 and \$11,829,726 respectively, in net assets with donor restrictions, of which \$9,008,346 and \$9,322,691, respectively, is considered available to meet needs for general expenditures within one year. As part of Avant'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.

GOSPEL MISSIONARY UNION D/B/A AVANT MINISTRIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022 (as restated)

11. EMPLOYEE BENEFIT PLANS:

RETIREMENT PLAN

Avant has established a retirement assistance program, administered by a life insurance company, covering all full-time U.S. employees, including missionaries and headquarters staff. The plan qualifies for federal tax benefits under Section 403(b) of the Internal Revenue Code. Contributions to the plan are made by Avant in the amount of \$200 per month, per employee, and may be directed to an after-tax deferred annuity account for employees subject to the foreign earned income exclusion. Employees may also make voluntary contributions to the plan under a salary reduction agreement. Employer contributions to the plan for the years ended December 31, 2023 and 2022, were \$905,832 and \$1,035,559, respectively.

MEDICAL PLAN

The medical assistance program covers medical, hospital, dental, and optical costs, with certain limits, for all currently active members. All retired members are offered supplementary coverage through Medicare provided they pay premiums covering additional costs that Medicare does not cover. Avant has purchased stop-loss insurance coverage for claims in excess of \$185,000. The number of units covered under this program were 491 and 477 for the years ended December 31, 2023 and 2022, respectively. As of January 31, 2023, Avant converted its medical plan to a fully insured plan, ending its relationship with the stop-loss provider. The amount of paid claims for the years ended December 31, 2023 and 2022, were \$303,687 and \$4,034,374, respectively. Medical claims payable, including claims incurred but not reported of \$50,615 and \$240,443 as of December 31, 2023 and 2022, respectively, are included in accounts payable.

DEATH BENEFIT PLAN

A death benefit of \$50,000 for active members under age 65, \$25,000 for active members ages 65 through 69, and \$10,000 for all active members or retired members age 70 and older is provided to all active missionaries and is available to retirees choosing to participate in the plan.

GOSPEL MISSIONARY UNION D/B/A AVANT MINISTRIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022 (as restated)

12. RELATED ENTITIES:

As a participant in the joint ministries agreement, Avant-Canada provided contributions of \$387,834 and \$454,197 (in U.S. dollars) and contributed services of \$1,867,936 and \$1,928,416, totaling \$2,255,770 and \$2,382,613, to Avant for the years ended December 31, 2023 and 2022, respectively. Contributed services consist of salaries, benefits, and ministry expenses paid by the Canadian office to overseas workers who have been put under the direction of the International Office in Kansas City as part of the Joint Ministries agreement.

Avant also received \$35,760 and \$121,624 of contributions from donors for Canadian missionaries during the years ended December 31, 2023 and 2022, respectively. These amounts were granted to Avant-Canada and are included in program services on the consolidated statements of activities.

Assets, liabilities, revenue, and expenses of Avant-Canada are not included in these consolidated financial statements, except for those contributed to Avant International as part of the joint ministries agreement. The revenues and expenses, below, include the amounts contributed to Avant (noted above).

Avant-Canada is audited by other auditors whose report disclosed the following (in Canadian Dollars):

	December 31,	
	2023	2022
Total assets	\$ 4,625,267	\$ 4,720,628
Total liabilities	(56,207)	(58,090)
Total net assets	<u>\$ 4,569,060</u>	<u>\$ 4,662,538</u>
Total revenues	<u>\$ 3,847,889</u>	<u>\$ 3,849,408</u>
Total expenses	<u>\$ 3,941,367</u>	<u>\$ 3,888,767</u>

GOSPEL MISSIONARY UNION D/B/A AVANT MINISTRIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022 (as restated)

13. FAIR VALUE MEASUREMENTS:

The *Fair Value Measurements and Disclosure* topic of the FASB Accounting Standards Codification establishes 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. Avant uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, Avant 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 table presents the fair value measurements of assets and liabilities 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 December 31, 2023 and 2022:

	Fair Value Measurements Using:		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 2)
December 31, 2023:			
Investments:			
Certificates of deposit	\$ 4,862,119	\$ -	\$ 4,862,119
Corporate bonds	3,725,841	-	3,725,841
Common stock	4,214,268	4,214,268	-
Equity mutual funds	4,919,070	4,919,070	-
	\$ 17,721,298	\$ 9,133,338	\$ 8,587,960
Assets Held in Trust:			
Equity mutual funds	\$ 364,776	\$ 364,776	\$ -
Fixed income mutual funds	223,422	223,422	-
	\$ 588,198	\$ 588,198	\$ -

GOSPEL MISSIONARY UNION D/B/A AVANT MINISTRIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022 (as restated)

13. FAIR VALUE MEASUREMENTS, continued:

	Fair Value Measurements Using:		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 2)	
	Total	(Level 1)	(Level 2)
December 31, 2022			
Investments:			
Certificates of deposit	\$ 4,455,666	\$ -	\$ 4,455,666
Corporate bonds	4,329,581	-	4,329,581
Common stock	3,711,386	3,711,386	-
Equity mutual funds	3,875,960	3,875,960	-
	\$ 16,372,593	\$ 7,587,346	\$ 8,785,247
Assets Held in Trust:			
Equity mutual funds	\$ 324,655	\$ 324,655	\$ -
Fixed income mutual funds	218,236	218,236	-
	\$ 542,891	\$ 542,891	\$ -

Valuation techniques: Fair values for common stock and mutual funds are based on quoted market prices or dealer quotes. Fair values for certificates of deposit, corporate, and government bonds are based on yields currently available on comparable securities of issuers with similar credit ratings.

GOSPEL MISSIONARY UNION D/B/A AVANT MINISTRIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022 (as restated)

14. PRIOR PERIOD ADJUSTMENT:

The net assets as of January 1, 2022, as well as certain amounts in the previously issued consolidated financial statements as of and for the year ended December 31, 2022, were restated. Certain investments held as of December 31, 2022, were recorded at amortized cost, but it was determined in 2023 they should have been recorded at fair market value. Accordingly, a prior period adjustment has been recorded to net assets as of January 1, 2022, as well as to certain amounts as of and for the year ended December 31, 2022, as follows:

	As Previously Stated	Prior Period Adjustment	As restated
December 31, 2022:			
Consolidated Statement of Financial Position:			
Investments	\$ 17,084,589	\$ (454,334)	\$ 16,630,255
Total Current Assets	\$ 20,408,965	\$ (454,334)	\$ 19,954,631
Total Assets	\$ 26,960,723	\$ (454,334)	\$ 26,506,389
Net assets - Without Donor Restrictions	\$ 12,566,421	\$ (454,334)	\$ 12,112,087
Total Net Assets	\$ 24,396,147	\$ (454,334)	\$ 23,941,813
Total Liabilities and Net Assets	\$ 26,960,723	\$ (454,334)	\$ 26,506,389
For the Year Ended December 31, 2022:			
Consolidated Statement of Activities:			
Investment Income (loss)	\$ (1,763,006)	\$ (483,871)	\$ (2,246,877)
Total Revenues - Without Donor Restrictions	\$ 326,592	\$ (483,871)	\$ (157,279)
Total Revenues and Reclassifications			
Without Donor Restrictions	\$ 23,789,827	\$ (483,871)	\$ 23,305,956
Change in Net Assets Without Donor			
Restrictions	\$ (2,176,233)	\$ (483,871)	\$ (2,660,104)
Change in Net Asset	\$ (2,279,613)	\$ (483,871)	\$ (2,763,484)
Net Assets, Beginning of Year	\$ 26,675,760	\$ 29,537	\$ 26,705,297
Net Assets, End of Year	\$ 24,396,147	\$ (454,334)	\$ 23,941,813
Consolidated Statement of Cash Flows:			
Change in Net Assets	\$ (2,279,613)	\$ (483,871)	\$ (2,763,484)
Net realized and unrealized loss (gain) on			
investments	\$ 2,167,502	\$ 483,871	\$ 2,651,373

15. LEGAL MATTER:

Avant was named as a co-defendant in a civil suit filed during 2023. An estimate of loss, if any, cannot be made as of the date of these consolidated financial statements.

GOSPEL MISSIONARY UNION D/B/A AVANT MINISTRIES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022 (as restated)

16. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through June 12, 2024, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.

SUPPLEMENTARY SCHEDULES

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY SCHEDULES**

Board of Directors
Gospel Missionary Union
d/b/a Avant Ministries
Kansas City, Missouri

We have audited the consolidated financial statements of Gospel Missionary Union d/b/a Avant Ministries as of and for the years ended December 31, 2023 and 2022, and our report thereon June 12, 2024, which expresses an unmodified opinion on those consolidated financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The comparative statements of financial position and activities are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

We have also previously audited, in accordance with auditing standards generally accepted in the United States, the consolidated statements of financial position of Avant Ministries as of December 31, 2023 and 2022, and the related consolidated statements of activities and cash flows for the years then ended; and we expressed unmodified opinions on those consolidated financial statements. In our opinion, the financial information from those years, included on the following pages, is fairly stated in all material respects in relation to the consolidated financial statements from which it has been derived.

Capin Crouse LLP

Naperville, Illinois
June 12, 2024

GOSPEL MISSIONARY UNION D/B/A AVANT MINISTRIES

Comparative Statements of Financial Position

(Rounded to the nearest thousand)

*as restated

	December 31,				Change	
	2023	2022*	2021	2020	'23-'22	'23-'20
ASSETS:						
Cash and cash equivalents	\$ 2,455	\$ 2,878	\$ 2,222	\$ 5,131	\$ (423)	\$ (2,676)
Accounts receivable and other assets	340	446	265	329	(106)	11
Land held for sale	-	-	-	830	-	(830)
Investments	18,111	16,630	20,016	15,570	1,481	2,541
Assets held in trust	610	569	710	668	41	(58)
Notes and other receivables	-	-	-	-	-	-
Property and equipment–net	6,304	5,983	6,133	6,206	321	98
Total Assets	<u>\$ 27,820</u>	<u>\$ 26,506</u>	<u>\$ 29,346</u>	<u>\$ 28,734</u>	<u>\$ 1,314</u>	<u>\$ (914)</u>
LIABILITIES AND NET ASSETS:						
Liabilities:						
Accounts payable	\$ 294	\$ 448	\$ 372	\$ 635	\$ (154)	\$ (341)
Amounts held for others	6	7	25	17	(1)	(11)
Annuities payable	222	232	237	292	(10)	(70)
Deferred revenue	1,364	1,415	1,465	1,516	(51)	(152)
Trust liabilities	346	330	410	395	16	(49)
Note Payable	-	-	-	780	-	(780)
Revocable agreements	136	133	131	129	3	7
Total liabilities	<u>2,368</u>	<u>2,565</u>	<u>2,640</u>	<u>3,764</u>	<u>(197)</u>	<u>(1,396)</u>
Net assets:						
Board designated:						
Support deficits	-	(6)	(7)	(76)	6	76
Training center maintenance	381	392	415	443	(11)	(62)
Medical program	659	579	757	1,069	80	(410)
Other	1,767	1,672	1,690	887	95	880
	<u>2,807</u>	<u>2,637</u>	<u>2,855</u>	<u>2,323</u>	<u>170</u>	<u>484</u>
Operating	<u>11,340</u>	<u>9,474</u>	<u>11,918</u>	<u>12,212</u>	<u>1,866</u>	<u>(872)</u>
	<u>14,147</u>	<u>12,111</u>	<u>14,773</u>	<u>14,535</u>	<u>2,036</u>	<u>(388)</u>
With donor restrictions	11,305	11,830	11,933	10,435	(525)	870
Total net assets	<u>25,452</u>	<u>23,941</u>	<u>26,706</u>	<u>24,970</u>	<u>1,511</u>	<u>482</u>
Total Liabilities and Net Assets	<u>\$ 27,820</u>	<u>\$ 26,506</u>	<u>\$ 29,346</u>	<u>\$ 28,734</u>	<u>\$ 1,314</u>	<u>\$ (914)</u>

GOSPEL MISSIONARY UNION D/B/A AVANT MINISTRIES

Comparative Statements of Activities

(Rounded to the nearest thousand)

*as restated

	Year Ended December 31,						Change			
	2023	%	2022*	%	2021	%	2020	%	'23-'22	'23-'20
INCOME:										
Support:										
Without donor restrictions	\$ 850	4	\$ 1,099	5	\$ 1,558	6	\$ 2,142	8	\$ (249)	\$(1,292)
With donor restrictions	22,724	84	23,299	98	22,142	83	22,682	86	(575)	43
	<u>23,574</u>	<u>88</u>	<u>24,398</u>	<u>103</u>	<u>23,700</u>	<u>88</u>	<u>24,824</u>	<u>94</u>	<u>(824)</u>	<u>(1,250)</u>
Revenue:										
Investment	1,703	6	(2,187)	(7)	1,537	5	958	4	3,890	745
Other	1,679	6	990	4	1,566	6	488	2	689	1,191
	<u>3,382</u>	<u>12</u>	<u>(1,197)</u>	<u>(3)</u>	<u>3,103</u>	<u>12</u>	<u>1,446</u>	<u>6</u>	<u>4,579</u>	<u>1,936</u>
Total Income	<u>26,956</u>	<u>100</u>	<u>23,201</u>	<u>100</u>	<u>26,803</u>	<u>100</u>	<u>26,270</u>	<u>100</u>	<u>3,755</u>	<u>686</u>
EXPENSES:										
Program services	19,115	75	19,568	75	19,265	77	18,173	78	(453)	942
Supporting activities:										
Management and general	4,618	18	4,827	18	4,016	16	3,787	16	(209)	831
Fundraising	1,712	7	1,571	7	1,786	7	1,445	6	141	267
	<u>6,330</u>	<u>25</u>	<u>6,398</u>	<u>25</u>	<u>5,802</u>	<u>23</u>	<u>5,232</u>	<u>22</u>	<u>(68)</u>	<u>1,098</u>
Total Expenses	<u>25,445</u>	<u>100</u>	<u>25,966</u>	<u>100</u>	<u>25,067</u>	<u>100</u>	<u>23,405</u>	<u>100</u>	<u>(521)</u>	<u>2,040</u>
Change in Net Assets	1,511		(2,765)		1,736		2,865		4,276	(1,354)
Beginning Net Assets	<u>23,941</u>		<u>26,706</u>		<u>24,970</u>		<u>22,105</u>		<u>(2,765)</u>	<u>1,836</u>
Ending Net Assets	<u>\$25,452</u>		<u>\$23,941</u>		<u>\$26,706</u>		<u>\$24,970</u>		<u>\$ 1,511</u>	<u>\$ 482</u>
Fundraising as a percentage of support	7.26%		6.44%		7.54%		5.82%			