



MEDICAL AMBASSADORS INTERNATIONAL

Financial Statements
With Independent Auditors' Report

December 31, 2023 and 2022

MEDICAL AMBASSADORS INTERNATIONAL

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Medical Ambassadors International
Modesto, California

Opinion

We have audited the accompanying financial statements of Medical Ambassadors International, which comprise the statements of financial position as of December 31, 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 Medical Ambassadors International as of December 31, 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 audits in accordance with auditing standards generally accepted in the United States of America. 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 Medical Ambassadors International 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 these 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 Medical Ambassadors International's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors
Medical Ambassadors International
Modesto, California

Auditors' 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 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, including omissions, 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 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 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 Medical Ambassadors International'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 Medical Ambassadors International'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.

Capin Crouse LLP

Pleasanton, California
June 26, 2024

MEDICAL AMBASSADORS INTERNATIONAL

Statements of Financial Position

	December 31,	
	2023	2022
ASSETS:		
Cash and cash equivalents	\$ 848,106	\$ 945,612
Investments	799,416	743,818
Prepaid expenses and other assets	20,338	19,513
Financing lease—right-of-use assets	58,925	-
Property and equipment—net	450,858	464,022
Total Assets	\$ 2,177,643	\$ 2,172,965
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 97,397	\$ 88,865
Financing lease obligation	60,306	-
Accrued expenses	54,931	43,767
Total liabilities	212,634	132,632
Net assets:		
Without donor restrictions:	704,540	978,693
With donor restrictions	1,260,469	1,061,640
Total net assets	1,965,009	2,040,333
Total Liabilities and Net Assets	\$ 2,177,643	\$ 2,172,965

See notes to financial statements

MEDICAL AMBASSADORS INTERNATIONAL

Statements of Activities

	Year Ended December 31,					
	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT, REVENUE, AND RECLASSIFICATIONS:						
Contributions	\$ 1,300,252	\$ 1,708,363	\$ 3,008,615	\$ 1,489,677	\$ 1,392,067	\$ 2,881,744
Investment income	48,898	-	48,898	(88,889)	-	(88,889)
Other income	8,008	-	8,008	4,399	-	4,399
Net assets released from restrictions:						-
Satisfaction of ministry project restrictions	1,509,534	(1,509,534)	-	1,269,855	(1,269,855)	-
Total Support, Revenue, and Reclassifications	2,866,692	198,829	3,065,521	2,675,042	122,212	2,797,254
OPERATING EXPENSES:						
Program services:						
Field ministry and programs	2,191,037	-	2,191,037	2,072,368	-	2,072,368
Supporting activities:						
General and administrative	358,864	-	358,864	337,447	-	337,447
Fundraising	590,944	-	590,944	468,347	-	468,347
	3,140,845	-	3,140,845	2,878,162	-	2,878,162
Change in Net Assets	(274,153)	198,829	(75,324)	(203,120)	122,212	(80,908)
Net Assets, Beginning of Year	978,693	1,061,640	2,040,333	1,181,813	939,428	2,121,241
Net Assets, End of Year	\$ 704,540	\$ 1,260,469	\$ 1,965,009	\$ 978,693	\$ 1,061,640	\$ 2,040,333

See notes to financial statements

MEDICAL AMBASSADORS INTERNATIONAL

Statements of Functional Expenses

	Year Ended December 31,							
	2023				2022			
	Field Ministry and Programs	General and Administrative	Fundraising	Total	Field Ministry and Programs	General and Administrative	Fundraising	Total
Salaries and benefits	\$ 1,355,229	\$ 177,486	\$ 274,058	\$ 1,806,773	\$ 1,299,457	\$ 168,772	\$ 213,542	\$ 1,681,771
Training	338,538	-	99,459	437,997	303,752	-	51,859	355,611
Outside services	58,396	129,802	106,745	294,943	70,157	147,330	95,876	313,363
Field transportation	206,176	-	-	206,176	210,550	-	-	210,550
Travel and meetings	105,836	5,886	40,525	152,247	50,776	23,190	17,913	91,879
Office expense	10,442	124,474	8,220	143,136	2,947	97,832	5,990	106,769
Other expenses	19,374	20,420	83	39,877	25,540	15,083	2,254	42,877
Advertising and promotion	-	-	24,987	24,987	-	-	25,918	25,918
Depreciation	-	21,485	-	21,485	-	35,492	-	35,492
Utilities	-	13,224	-	13,224	-	13,932	-	13,932
Facility allocation	97,046	(133,913)	36,867	-	109,189	(164,184)	54,995	-
	<u>\$ 2,191,037</u>	<u>\$ 358,864</u>	<u>\$ 590,944</u>	<u>\$ 3,140,845</u>	<u>\$ 2,072,368</u>	<u>\$ 337,447</u>	<u>\$ 468,347</u>	<u>\$ 2,878,162</u>

See notes to financial statements

MEDICAL AMBASSADORS INTERNATIONAL

Statements of Cash Flows

	Year Ended December 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (75,324)	\$ (80,908)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	21,485	35,492
Noncash effect of change in accounting principle	1,381	-
Reinvested dividends	(7,299)	(14,381)
Net realized and unrealized (gain) loss on investments	(28,247)	104,027
Donated investments	-	(20,200)
Net change in:		
Prepaid expenses and other assets	(825)	(4,349)
Accounts payable	21,882	7,352
Accrued expenses	11,164	2,927
Net Cash Provided (Used) by Operating Activities	(55,783)	29,960
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(8,321)	-
Purchases of investments	(887,351)	(100,594)
Proceeds from sale of investments	867,299	-
Net Cash Used by Investing Activities	(28,373)	(100,594)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on financing lease	(13,350)	-
Net Cash Used by Financing Activities	(13,350)	-
Change in Cash and Cash Equivalents	(97,506)	(70,634)
Cash and Cash Equivalents, Beginning of Year	945,612	1,016,246
Cash and Cash Equivalents, End of Year	\$ 848,106	\$ 945,612
NON-CASH TRANSACTIONS AND SUPPLEMENTAL DISCLOSURE:		
Right-of-use assets obtained in exchange for financing lease obligations	\$ 73,656	\$ -
Interest paid related to financing leases	\$ 2,663	\$ -

See notes to financial statements

MEDICAL AMBASSADORS INTERNATIONAL

Notes to Financial Statements

December 31, 2023 and 2022

1. NATURE OF ORGANIZATION:

Medical Ambassadors International (the Organization) was incorporated in 1980 in California. The Organization is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state laws. However, the Organization is subject to federal income tax on any unrelated business taxable income. In addition, the Organization is not classified as a private foundation within the meaning of Section 509(a) of the IRC.

The Organization exists to recruit, train, and support national leaders among developing peoples to take responsibility to reach their own people physically and spiritually. Using the Community Health Evangelism model, the Organization trains nationals in basic preventive medical care as well as evangelism and discipleship of their neighbors. The goal is to promote healthier families, more self-reliant communities, and stronger churches. The Organization's primary source of revenue is from tax-deductible contributions from the public.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, cash on deposit, money market accounts, and certificates of deposit with an original maturity date of 90 days or less. These accounts may, at times, exceed federally insured limits. The Organization has not experienced any losses in such accounts. At December 31, 2023 and 2022, the Organization's cash balances exceeded federally insured limits by approximately \$445,000 and \$513,000, respectively.

INVESTMENTS

Investments consist of deposit accounts, equity investments, mutual funds, and fixed-income securities. Cash and cash equivalents are held at cost. Equities and mutual funds are carried at fair value based on quoted prices in active markets for identical assets, which is Level 1 of the fair value hierarchy. Fixed-income securities are carried at fair value based on other determinations, which is Level 2 of the fair value hierarchy. Interest income and the realized and unrealized gains or losses on investments are reported as investment income without donor restriction unless a donor or law restricts its use.

PROPERTY AND EQUIPMENT

Expenditures over \$1,000 for property and equipment are capitalized at cost. Donated items are recorded at fair value on the date of the gift. Depreciation is computed on the straight-line method over the estimated useful lives of the assets, ranging from 3 to 30 years.

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Notes to Financial Statements

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

NET ASSETS

The financial statements report amounts by class of net assets:

Net assets without donor restrictions are currently available at the discretion of the board and management for use in the Organization's operations.

Net assets with donor restrictions are contributed with donor stipulation for specific operating purposes or capital projects.

PUBLIC SUPPORT, REVENUE, AND EXPENSES

Contributions are recorded when cash or unconditional promises-to-give have been received or ownership of donated assets is transferred to the Organization. Conditional promises-to-give are recognized when the barriers on which they depend are overcome. The Organization records contributions as net assets with donor restrictions if they are received with donor stipulations that limit their use through purpose or time restrictions, or both. When donor restrictions expire, that is when the purpose restriction is fulfilled or the time restriction expires, the net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. The Organization receives noncash gifts that are recorded as support at the estimated fair value on the date of the gift. Goods given to the Organization that do not have an objective basis for valuation are not recorded. Revenue is recorded when earned. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs, such as depreciation and facilities, have been allocated among the program services and supporting activities based upon square footage and payroll and other expenses are allocated based on estimate of time incurred.

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Notes to Financial Statements

December 31, 2023 and 2022

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Missionary support is considered available for general expenditure within the year. The Organization maintains liquidity sufficient to meet general obligations.

	<u>December 31,</u>	
	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash and cash equivalents	\$ 848,106	\$ 945,612
Investments	799,416	743,818
Financial assets, end of year	<u>1,647,522</u>	<u>1,689,430</u>
Less:		
Donor-imposed restrictions unavailable for general expenditure	<u>(80,907)</u>	<u>(76,306)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,566,615</u>	<u>\$ 1,613,124</u>

4. INVESTMENTS:

Investments consist of:

	<u>December 31,</u>	
	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 5,337	\$ 16,950
Equity investments	-	50,721
Mutual funds	104,977	676,147
Fixed-income securities	<u>689,102</u>	<u>-</u>
	<u>\$ 799,416</u>	<u>\$ 743,818</u>

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

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4. INVESTMENTS, continued:

LEVEL 1 FAIR VALUE MEASUREMENTS

The fair values of common stocks and mutual funds are based on quoted market prices in an active market.

LEVEL 2 FAIR VALUE MEASUREMENTS

Pricing inputs other than quoted prices in active markets, which are either directly or indirectly observable as of the measurement date. The nature of these securities includes investments for which quoted prices are available but traded less frequently and investments whose fair value is estimated using other securities, the parameters of which can be directly observed.

The following table presents the fair value measurements of assets recognized in the accompanying 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 at Reporting Date Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of December 31, 2023:				
Assets:				
Held at fair value:				
Fixed-income securities	\$ 689,102	\$ -	\$ 689,102	\$ -
Mutual funds	104,977	104,977	-	-
Equity investments	-	-	-	-
Total assets measured at fair value	794,079	\$ 104,977	\$ 689,102	\$ -
Held at cost:				
Cash and cash equivalents	5,337			
	\$ 799,416			

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Notes to Financial Statements

December 31, 2023 and 2022

4. INVESTMENTS, continued:

	Fair Value Measurements at Reporting Date Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Total			
As of December 31, 2022:			
Assets:			
Held at fair value:			
Fixed-income securities	\$ -	\$ -	\$ -
Mutual funds	676,147	676,147	-
Equity investments	50,721	50,721	-
Total assets measured at fair value	726,868	\$ 726,868	\$ -
Held at cost:			
Cash and cash equivalents	16,950		
	<u>\$ 743,818</u>		

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Notes to Financial Statements

December 31, 2023 and 2022

5. FINANCING LEASE–RIGHT-OF-USE ASSETS AND OBLIGATIONS:

The Organization leases one noncancellable financing lease, expiring in 2028. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease term as of the adoption date. Monthly payments under the lease total \$1,334 and the discount rate used is 3.94%.

	December 31,	
	2023	2022
Financing lease right-of-use assets	\$ 58,925	\$ -
Financing lease obligations	\$ 60,306	\$ -
Financing lease costs:		
Amortization of assets	\$ 14,731	\$ -
Interest on lease liabilities	\$ 2,663	\$ -
Weighted-average discount rate	3.94%	n/a
Weighted-average remaining lease term	4.08 years	n/a

Future minimum lease payments required under the financing lease that have an initial or remaining non-cancelable lease term in excess of one year are as follows:

<u>Year Ending December 31,</u>	
2024	\$ 16,013
2025	16,013
2026	16,013
2027	16,013
2028	1,334
	65,386
Less: imputed interest	(5,080)
	\$ 60,306

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Notes to Financial Statements

December 31, 2023 and 2022

6. PROPERTY AND EQUIPMENT:

Property and equipment consists of:

	December 31,	
	2023	2022
Land	\$ 185,489	\$ 185,489
Building and building improvements	389,460	381,141
Furniture and equipment	191,854	270,108
Equipment under capital lease	-	-
Donated cemetery lots	500	500
	<u>767,303</u>	<u>837,238</u>
Less accumulated depreciation	<u>(316,445)</u>	<u>(373,216)</u>
	<u>\$ 450,858</u>	<u>\$ 464,022</u>

7. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of:

	December 31,	
	2023	2022
Field projects and other	\$ 692,897	\$ 492,910
Missionary support	486,665	492,424
Vine house	73,670	64,069
East Africa training center	4,700	4,700
Wheelchair mission fund	2,537	7,537
	<u>1,260,469</u>	<u>1,061,640</u>

8. RETIREMENT PLAN:

The Organization has a defined contribution pension program that covers certain employees. Employees may make voluntary contributions to the plan through a salary reduction agreement. Currently, the Organization makes no employer contributions.

9. CONCENTRATION:

For the years ended December 31, 2023 and 2022, the top five donors gave 38% and 34%, of total revenue, respectively. Three of the five donors were in the concentration for both years. Management recognizes the impact of the concentration.

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Notes to Financial Statements

December 31, 2023 and 2022

10. SUBSEQUENT EVENTS:

Subsequent events were evaluated through June 26, 2024, which is the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.