



ASSOCIATION OF BAPTISTS FOR WORLD EVANGELISM, INC.  
D/B/A ABWE INTERNATIONAL

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019





## REPORT OF INDEPENDENT AUDITOR

The Board of Directors  
Association of Baptists for World Evangelism, Inc. d/b/a ABWE International  
New Cumberland, Pennsylvania

We have audited the accompanying consolidated financial statements of Association of Baptists for World Evangelism, Inc. d/b/a ABWE International ("ABWE"), which consist of the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Consolidated Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Association of Baptists for World Evangelism, Inc. d/b/a ABWE International as of December 31, 2020 and 2019, the consolidated changes in its net assets and its consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

---

BATTS MORRISON WALES & LEE, P.A. • CERTIFIED PUBLIC ACCOUNTANTS

OFFICES | ORLANDO • DALLAS  
800.960.0803 • WWW.NONPROFITCPA.COM  
KEEPING WATCH FOR NONPROFITS ACROSS THE UNITED STATES®

***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental consolidating statements of financial position as of December 31, 2020 and 2019, and the related supplemental consolidating statements of activities for the years then ended 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.

*Batts Morrison Wales & Lee, P.A.*

BATTS MORRISON WALES & LEE, P.A.

Orlando, Florida  
May 12, 2021

**ASSOCIATION OF BAPTISTS FOR WORLD EVANGELISM, INC.**  
**D/B/A ABWE INTERNATIONAL**  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

**ASSETS**

	December 31,	
	2020	2019
<b>ASSETS</b>		
Cash and cash equivalents	\$ 6,070,819	\$ 3,338,951
Cash designated for health insurance reserves	1,111,801	870,250
Cash restricted for long-term purposes	1,025,000	25,000
Investments	46,523,041	37,364,178
Investments held in trust	4,459,907	4,055,644
Beneficial interest in trust	2,575,131	2,243,422
Other assets	1,044,399	1,259,860
Property and equipment, net	7,882,738	7,781,405
<b>Total assets</b>	<b>\$ 70,692,836</b>	<b>\$ 56,938,710</b>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts payable and accrued expenses	\$ 2,155,500	\$ 2,512,178
Amounts held for others	214,047	91,972
Net pension obligation	19,712,415	18,372,230
Trust liabilities	3,625,394	3,334,784
Annuities payable	1,705,320	1,849,358
<b>Total liabilities</b>	<b>27,412,676</b>	<b>26,160,522</b>

**NET ASSETS**

Without donor restrictions		
Undesignated	9,172,911	5,251,205
Designated		
Deficit associated with net pension obligation	(19,712,415)	(18,372,230)
Funds held in missionary accounts	26,167,392	22,320,887
Donor-advised funds	758,831	565,409
Health insurance reserves	1,111,801	870,250
Crisis management response fund	250,000	—
Investment in property and equipment	7,882,738	7,781,405
Total designated	16,458,347	13,165,721
Total without donor restrictions	25,631,258	18,416,926
With donor restrictions	17,648,902	12,361,262
<b>Total net assets</b>	<b>43,280,160</b>	<b>30,778,188</b>
<b>Total liabilities and net assets</b>	<b>\$ 70,692,836</b>	<b>\$ 56,938,710</b>

The Accompanying Notes are an Integral  
Part of These Consolidated Financial Statements

**ASSOCIATION OF BAPTISTS FOR WORLD EVANGELISM, INC.**  
**D/B/A ABWE INTERNATIONAL**  
CONSOLIDATED STATEMENTS OF ACTIVITIES

	For The Years Ended December 31,	
	2020	2019
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Public support and revenue		
Contributions	\$ 45,715,776	\$ 44,113,123
Investment income, net	5,860,507	5,283,777
Grant revenue	1,746,400	—
Other income	1,255,311	1,209,585
Change in value of trusts and charitable gift annuities	(39,096)	(16,898)
Total public support and revenue	54,538,898	50,589,587
Net assets released from restrictions	2,571,977	4,937,625
Total public support and revenue and net assets released from restrictions	57,110,875	55,527,212
Expenses		
Program activities	40,637,774	43,175,884
Supporting activities		
Management and general	5,773,490	5,810,487
Fundraising	3,442,692	3,225,225
Total supporting activities	9,216,182	9,035,712
Total expenses	49,853,956	52,211,596
<b>Change in net assets without donor restrictions         before pension liability adjustment</b>	<b>7,256,919</b>	<b>3,315,616</b>
Pension liability adjustment	(42,587)	1,132,591
<b>Change in net assets without donor restrictions</b>	<b>7,214,332</b>	<b>4,448,207</b>
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>		
Contributions	7,398,663	4,519,830
Change in beneficial interest in trust	331,709	384,206
Investment income, net	107,792	224,762
Change in value of trusts and charitable gift annuities	21,453	(543)
Net assets released from restrictions	(2,571,977)	(4,937,625)
<b>Change in net assets with donor restrictions</b>	<b>5,287,640</b>	<b>190,630</b>
<b>CHANGE IN NET ASSETS</b>	<b>12,501,972</b>	<b>4,638,837</b>
<b>NET ASSETS - Beginning of year</b>	<b>30,778,188</b>	<b>26,139,351</b>
<b>NET ASSETS - End of year</b>	<b>\$ 43,280,160</b>	<b>\$ 30,778,188</b>

The Accompanying Notes are an Integral  
Part of These Consolidated Financial Statements

**ASSOCIATION OF BAPTISTS FOR WORLD EVANGELISM, INC.**  
**D/B/A ABWE INTERNATIONAL**  
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For The Years Ended	
	December 31,	
	2020	2019
<b>OPERATING CASH FLOWS</b>		
Cash received from contributors	\$ 52,114,439	\$ 48,632,953
Other income received	1,255,311	1,209,585
Investment income	803,714	559,603
Cash paid for operating activities and costs	(47,985,153)	(50,175,098)
<b>Net operating cash flows</b>	<b>6,188,311</b>	<b>227,043</b>
<b>INVESTING CASH FLOWS</b>		
Net (purchases) proceeds from sales of investments	(3,994,278)	1,118,027
Purchases of and improvements to property and equipment	(967,014)	(799,684)
<b>Net investing cash flows</b>	<b>(4,961,292)</b>	<b>318,343</b>
<b>FINANCING CASH FLOWS</b>		
Borrowings	1,746,400	—
Contributions restricted for long-term purposes	1,000,000	—
<b>Net investing cash flows</b>	<b>2,746,400</b>	<b>—</b>
<b>NET CHANGE IN CASH, CASH EQUIVALENTS, DESIGNATED CASH, AND RESTRICTED CASH</b>	<b>3,973,419</b>	<b>545,386</b>
<b>CASH, CASH EQUIVALENTS, DESIGNATED CASH, AND RESTRICTED CASH - Beginning of year</b>	<b>4,234,201</b>	<b>3,688,815</b>
<b>CASH, CASH EQUIVALENTS, DESIGNATED CASH, AND RESTRICTED CASH - End of year</b>	<b>\$ 8,207,620</b>	<b>\$ 4,234,201</b>
<b>REPORTED IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS FOLLOWS</b>		
Cash and cash equivalents	\$ 6,070,819	\$ 3,338,951
Cash designated for health insurance reserves	1,111,801	870,250
Cash restricted for long-term purposes	1,025,000	25,000
<b>Total cash, cash equivalents, designated cash, and restricted cash</b>	<b>\$ 8,207,620</b>	<b>\$ 4,234,201</b>

**SUPPLEMENTAL DISCLOSURE**

During the year ended December 31, 2020, \$1,746,400 of principal reductions of a certain note payable is included in "grant revenue" in the consolidated statement of activities. See Note I.

**ASSOCIATION OF BAPTISTS FOR WORLD EVANGELISM, INC.**

**D/B/A ABWE INTERNATIONAL**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

For The Year Ended December 31, 2020

	Supporting activities			Total supporting activities	Total expenses
	Program activities	Management and general	Fundraising		
Wages and benefits	\$ 25,695,536	\$ 3,349,720	\$ 2,618,450	\$ 5,968,170	\$ 31,663,706
General ministry expense	5,407,418	89,048	191,982	281,030	5,688,448
Grants	3,462,459	393,642	156,828	550,470	4,012,929
Office expense and supplies	2,244,786	727,608	187,957	915,565	3,160,351
Travel expenses	1,597,433	218,318	184,706	403,024	2,000,457
Facilities management	528,358	498,336	19,594	517,930	1,046,288
Vehicles and aircraft	798,948	—	26,954	26,954	825,902
Non-capitalized project expenditures	657,193	1,098	11,771	12,869	670,062
Professional fees	182,066	236,557	36,904	273,461	455,527
Service fees	425	232,387	8	232,395	232,820
Public relations expense	63,152	26,776	7,538	34,314	97,466
<b>Total</b>	<b>\$ 40,637,774</b>	<b>\$ 5,773,490</b>	<b>\$ 3,442,692</b>	<b>\$ 9,216,182</b>	<b>\$ 49,853,956</b>

The Accompanying Notes are an Integral  
Part of These Consolidated Financial Statements

**ASSOCIATION OF BAPTISTS FOR WORLD EVANGELISM, INC.**

**D/B/A ABWE INTERNATIONAL**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

For The Year Ended December 31, 2019

	Supporting activities			Total supporting activities	Total expenses
	Program activities	Management and general	Fundraising		
Wages and benefits	\$ 25,212,200	\$ 2,863,476	\$ 2,373,868	\$ 5,237,344	\$ 30,449,544
General ministry expense	5,559,425	123,284	183,925	307,209	5,866,634
Travel expenses	3,166,900	624,768	319,136	943,904	4,110,804
Grants	3,615,379	121,190	95,272	216,462	3,831,841
Office expense and supplies	1,866,123	922,262	165,023	1,087,285	2,953,408
Non-capitalized project expenditures	1,918,508	4,115	6,002	10,117	1,928,625
Vehicles and aircraft	1,134,634	—	37,953	37,953	1,172,587
Facilities management	431,385	533,422	10,769	544,191	975,576
Professional fees	202,837	397,097	24,742	421,839	624,676
Service fees	716	208,993	17	209,010	209,726
Public relations expense	67,777	11,880	8,518	20,398	88,175
<b>Total</b>	<b>\$ 43,175,884</b>	<b>\$ 5,810,487</b>	<b>\$ 3,225,225</b>	<b>\$ 9,035,712</b>	<b>\$ 52,211,596</b>

The Accompanying Notes are an Integral  
Part of These Consolidated Financial Statements

**ASSOCIATION OF BAPTISTS FOR WORLD EVANGELISM, INC.**  
**D/B/A ABWE INTERNATIONAL**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE A – NATURE OF ACTIVITIES**

Association of Baptists for World Evangelism, Inc. d/b/a ABWE International (“ABWE”) is a not-for-profit New Jersey corporation established in 1971 to operate exclusively as a worldwide Christian missionary organization in the proclamation and spread of the gospel of the Lord Jesus Christ, as revealed in God’s Word, the Bible, and to engage in such other religious, charitable, and educational activities as shall be necessary, incidental, or appropriate to the foregoing, including but not limited to evangelism, teaching, medical services, and assisting in the establishment of indigenous and autonomous Baptist churches. ABWE also serves as the trustee and plan sponsor of the ABWE Missionary Retirement Plan and the ABWE Staff Retirement Plan (“the Retirement Plans”).

In conformity with accounting principles generally accepted in the United States of America (“GAAP”), the consolidated financial statements of ABWE include the accounts of the following organizations, which are separate legal entities. All significant inter-organization accounts and transactions have been eliminated in consolidation.

- ABWE Foundation, LLC (“the Foundation”) is a Pennsylvania limited liability company whose purpose is to solicit, hold, invest, and administer funds for the benefit of ABWE. ABWE is the sole voting member of the Foundation.
- Global Neighbors, LLC (“Global Neighbors”) is a Pennsylvania limited liability company that supports ABWE by employing workers serving in certain foreign countries. ABWE is the sole voting member of Global Neighbors.

References to “ABWE” in these footnotes include each of the organizations described above.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Revenue and support**

ABWE recognizes cash contributions as revenue when the contributions are received by ABWE. Contributions are recorded as without or with donor restrictions, depending on the existence and/or nature of any donor restrictions or time restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as “net assets released from restrictions.”

All contributions are received as donations to ABWE and not to specific individuals. Contributions which donors request to be used to support the ministry activities of specific missionaries are under the full control of ABWE. ABWE accounts for such contributions as board designated until they are expended for appropriate ministry purposes.

**Cash and cash equivalents**

Investments purchased or donated with original maturities of three months or less are considered to be cash equivalents.

**Cash designated for health insurance reserves**

Cash designated for health insurance reserves consists of cash set aside for future claims related to self-funded components of ABWE’s health insurance plans.

**Cash restricted for long-term purposes**

Cash restricted for long-term purposes consists of amounts held for future building projects and a certain endowment for cemetery maintenance.

**ASSOCIATION OF BAPTISTS FOR WORLD EVANGELISM, INC.**

**D/B/A ABWE INTERNATIONAL**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Split-interest gifts**

For irrevocable split-interest arrangements such as charitable gift annuities, charitable remainder trusts, and similar arrangements in which the Foundation is a trustee or custodian, the assets of such arrangements are reflected in the consolidated financial statements as further described in Note E. The carrying values of such investments conform to GAAP, which generally require that investment securities be carried at estimated fair value at all times and that other assets be carried at the estimated fair value of the assets on the date the assets are contributed, unadjusted for subsequent changes in value. Also, for arrangements in which the Foundation is a trustee or custodian, a liability is recognized for the estimated present value of benefits payable to other beneficiaries. For split-interest arrangements in which the Foundation is not the trustee or custodian, the Foundation recognizes an asset for the estimated present value of the Foundation's benefits under the arrangements. For all irrevocable split-interest arrangements, regardless of whether or not the Foundation acts as trustee or custodian, contribution revenue without or with donor restrictions is recognized for the estimated present value of the Foundation's benefits under each such arrangement in the year the arrangement is established or in the year in which the Foundation is provided sufficient information about the existence and nature of the arrangement. Periodic adjustments are made for changes in estimated present values using applicable mortality tables and appropriate discount rates. State law imposes certain restrictions on the manner in which charitable gift annuity assets may be invested.

**Property and equipment**

Property and equipment are stated at cost, if purchased, or estimated fair value on the date of donation, if donated. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

**Donor-advised funds**

The Foundation administers various donor-advised funds. Donor gifts to such funds are made irrevocably with the understanding that while the donor retains an advisory role in the distribution of funds, the Foundation retains ultimate control over the use of the funds. Accordingly, such gifts are reflected as contributions without donor restrictions and designated net assets in the accompanying consolidated financial statements.

**Net assets**

Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. From time to time, the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. The Board has designated a portion of net assets without donor restrictions for missionary accounts, donor-advised funds, health insurance reserves, crisis management response, and investment in property and equipment. Net assets with donor restrictions consist of amounts with uses limited by donor-imposed time and/or purpose restrictions.

**Functional allocation of expenses**

The consolidated statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Indirect costs that benefit multiple functional areas are allocated among the various functional areas based primarily on employee time.

**Income taxes**

Association of Baptists for World Evangelism, Inc. d/b/a ABWE International is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code and from state income tax pursuant to state law and is further classified as a public charity and not a private foundation for federal tax purposes. The Foundation and Global Neighbors are considered disregarded entities for income tax purposes. None of the organizations have incurred unrelated business income taxes. As a result, no income tax provision or liability has been provided for in the accompanying consolidated financial statements.

**ASSOCIATION OF BAPTISTS FOR WORLD EVANGELISM, INC.**  
**D/B/A ABWE INTERNATIONAL**  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Use of estimates**

Management uses estimates and assumptions in preparing consolidated financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these consolidated financial statements include those used in estimating the fair value of investments, the useful lives of property and equipment, the accrued pension liability, and the liabilities for trusts and annuities. Actual results could differ from the estimates.

**Reclassifications**

Certain amounts included in the 2019 consolidated financial statements have been reclassified to conform to classifications adopted during 2020. The reclassifications had no material effect on the accompanying consolidated financial statements.

**Economic uncertainties**

In January 2020, the World Health Organization (“WHO”) announced a global health emergency related to the outbreak of a virus originating in China. In March 2020, WHO elevated the classification of the outbreak to a pandemic (“the pandemic”). Management is closely monitoring the potential impact of the pandemic on ABWE’s financial condition and has taken actions to mitigate its impact. Such actions include availing ABWE of relief measures available under federal law and reducing the overall scope and cost of operations, both domestically and internationally. Because of the unknown impact on global commerce, management is not able to estimate the effects of the pandemic on its operating results, financial condition, or liquidity for 2021.

**Subsequent events**

ABWE has evaluated for possible financial reporting and disclosure subsequent events through May 12, 2021, the date as of which the consolidated financial statements were available to be issued.

**NOTE C – LIQUIDITY AND AVAILABILITY OF RESOURCES**

Financial assets available for general expenditure within one year of the date of the consolidated statements of financial position are as follows:

	<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 6,070,819	\$ 3,338,951
Cash designated for health insurance reserves	1,111,801	870,250
Cash restricted for long-term purposes	1,025,000	25,000
Investments	46,523,041	37,364,178
Investments held in trust	4,459,907	4,055,644
Total financial assets available within one year	59,190,568	45,654,023
Less amounts unavailable for general expenditure within one year due to:		
Donor-imposed restrictions	(14,239,258)	(9,371,978)
Amounts held to satisfy charitable gift annuity obligations	(4,586,632)	(4,272,770)
Amounts held as trustee for revocable and irrevocable trusts	(4,459,907)	(4,055,644)
Board-designations	(2,120,632)	(1,435,659)
Net financial assets available within one year	\$ 33,784,139	\$ 26,517,972

**ASSOCIATION OF BAPTISTS FOR WORLD EVANGELISM, INC.**

**D/B/A ABWE INTERNATIONAL**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE C - LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)**

ABWE is primarily supported by contributions. As part of ABWE's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Board of Directors has designated certain amounts for donor-advised funds, health insurance reserves, and crisis management response. Because of the designations, those amounts are not available for general expenditure within one year; however, the Board of Directors could make them available, if necessary. The Board has designated certain amounts for missionary accounts which are available for general expenditure within the next year.

ABWE has certain donor restricted net assets limited to use for donor-restricted purposes. Because a donor's restriction requires resources to be used in a specific manner or in a future period, ABWE must maintain sufficient resources to meet its responsibilities to its donors. Thus, those financial assets may not be available for general expenditure within one year of December 31, 2020 and 2019, and are excluded from net financial assets available to meet general expenditures within one year. Management believes ABWE has sufficient investments available for general operations that may be drawn upon in the event of an unanticipated financial distress or an immediate liquidity need.

**NOTE D - CONCENTRATION OF CREDIT RISK**

ABWE maintains its cash and cash equivalents in deposit accounts which may not be federally insured, may exceed federally insured limits, or may be insured by an entity other than an agency of the federal government. ABWE has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to cash and cash equivalents.

**NOTE E - INVESTMENTS**

ABWE holds investments of various types both as trustee or custodian and as owner. Investments are carried at estimated fair value. Investments were held for the following purposes or activities:

	<u>December 31.</u>	
	<u>2020</u>	<u>2019</u>
<u>Investments held as trustee or in a similar capacity</u>		
• Investments held to satisfy charitable gift annuity obligations	\$ 4,586,632	\$ 4,272,770
• Investments held as trustee for irrevocable trusts	3,044,184	2,781,584
• Investments held as trustee for revocable trusts	1,415,723	1,274,060
<u>Investments held for other purposes</u>		
• Investments held for general operations	27,963,320	23,154,019
• Investments held for donor restricted purposes	13,214,258	9,371,980
• Investments held for donor-advised funds	<u>758,831</u>	<u>565,409</u>
Total investments	<u>\$ 50,982,948</u>	<u>\$ 41,419,822</u>

**ASSOCIATION OF BAPTISTS FOR WORLD EVANGELISM, INC.**  
**D/B/A ABWE INTERNATIONAL**  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE E - INVESTMENTS (Continued)**

Investments (including investments held in trust) consisted of the following:

<u>Category</u>	<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>
Money market and similar funds	\$ 3,604,950	\$ 1,477,960
Common and preferred stocks	19,978,300	14,807,184
Mutual funds	19,213,689	13,355,072
Government securities	7,097,889	8,627,401
Nonpublicly traded investments	595,235	667,370
Corporate bonds	460,439	1,645,213
Debt securities	<u>32,446</u>	<u>839,622</u>
Total investments	<u>\$ 50,982,948</u>	<u>\$ 41,419,822</u>

**NOTE F - INVESTMENTS HELD IN TRUST**

Investments held in trust were for the following purposes:

<u>Category</u>	<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>
Investments held for irrevocable trusts	\$ 3,044,184	\$ 2,781,584
Investments held for revocable trusts	<u>1,415,723</u>	<u>1,274,060</u>
Total investments held in trust	<u>\$ 4,459,907</u>	<u>\$ 4,055,644</u>

Liabilities and net assets held in trust consisted of the following:

<u>Category</u>	<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>
Irrevocable charitable beneficiary liabilities	\$ 2,209,671	\$ 2,060,724
Revocable charitable beneficiary liabilities	<u>1,415,723</u>	<u>1,274,060</u>
Total liabilities	3,625,394	3,334,784
Net assets with donor restrictions for irrevocable charitable remainder trusts	<u>834,513</u>	<u>720,860</u>
Total investments held in trust	<u>\$ 4,459,907</u>	<u>\$ 4,055,644</u>

**NOTE G - FAIR VALUE MEASUREMENTS**

GAAP defines fair value for an investment generally as the price an organization would receive upon selling the investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. The information available to measure fair value varies depending on the nature of each investment and its market or markets. Accordingly, GAAP recognizes a hierarchy of "inputs" an organization may use in determining or estimating fair value. The inputs are categorized into "levels" that relate to the extent to which an input is objectively observable and the extent to which markets exist for identical or comparable investments.

**ASSOCIATION OF BAPTISTS FOR WORLD EVANGELISM, INC.**

**D/B/A ABWE INTERNATIONAL**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE G – FAIR VALUE MEASUREMENTS (Continued)**

In determining or estimating fair value, an organization is required to maximize the use of observable market data (to the extent available) and minimize the use of unobservable inputs. The hierarchy assigns the highest priority to unadjusted quoted prices in active markets for identical items (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Following is a description of each of the three levels of input within the fair value hierarchy:

Level 1 – Unadjusted quoted market prices in active markets for identical items

Level 2 – Other significant observable inputs, such as quoted prices for similar items. Liabilities for trusts and annuities are based on estimated present value, applying certain assumptions regarding interest rates and life expectancies.

Level 3 – Significant unobservable inputs

The estimated fair value of certain assets (liabilities) measured on a recurring basis at December 31, 2020 are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Common and preferred stocks	\$ 19,978,300	\$ 19,978,300	\$ —	\$ —
Mutual funds	19,213,689	19,213,689	—	—
Government securities	7,097,889	7,097,889	—	—
Nonpublicly traded investments	595,235	—	—	595,235
Corporate bonds	460,439	460,439	—	—
Debt securities	32,446	32,446	—	—
Beneficial interest in trust	<u>2,575,131</u>	<u>—</u>	<u>—</u>	<u>2,575,131</u>
<b>Total</b>	<b><u>\$ 49,953,129</u></b>	<b><u>\$ 46,782,763</u></b>	<b><u>\$ —</u></b>	<b><u>\$ 3,170,366</u></b>
Liabilities for trusts	\$ (3,625,394)	\$ —	\$ (3,625,394)	\$ —
Liabilities for gift annuities	<u>(1,705,320)</u>	<u>—</u>	<u>(1,705,320)</u>	<u>—</u>
<b>Total</b>	<b><u>\$ (5,330,714)</u></b>	<b><u>\$ —</u></b>	<b><u>\$ (5,330,714)</u></b>	<b><u>\$ —</u></b>

The estimated fair value of certain assets (liabilities) measured on a recurring basis at December 31, 2019 are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Common and preferred stocks	\$ 14,807,184	\$ 14,807,184	\$ —	\$ —
Mutual funds	13,355,072	13,355,072	—	—
Government securities	8,627,401	8,627,401	—	—
Corporate bonds	1,645,213	1,645,213	—	—
Debt securities	839,622	839,622	—	—
Nonpublicly traded investments	667,370	—	—	667,370
Beneficial interest in trust	<u>2,243,422</u>	<u>—</u>	<u>—</u>	<u>2,243,422</u>
<b>Total</b>	<b><u>\$ 42,185,284</u></b>	<b><u>\$ 39,274,492</u></b>	<b><u>\$ —</u></b>	<b><u>\$ 2,910,792</u></b>
Liabilities for trusts	\$ (3,334,784)	\$ —	\$ (3,334,784)	\$ —
Liabilities for gift annuities	<u>(1,849,358)</u>	<u>—</u>	<u>(1,849,358)</u>	<u>—</u>
<b>Total</b>	<b><u>\$ (5,184,142)</u></b>	<b><u>\$ —</u></b>	<b><u>\$ (5,184,142)</u></b>	<b><u>\$ —</u></b>

**ASSOCIATION OF BAPTISTS FOR WORLD EVANGELISM, INC.**  
**D/B/A ABWE INTERNATIONAL**  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE G – FAIR VALUE MEASUREMENTS (Continued)**

Investments in nonpublicly traded investments consist primarily of an interest in a limited partnership, the estimated fair value of which is based on an amount provided by the investee. The estimated fair value of the beneficial interest in trust is based on an amount provided by a certain bank and considers life expectancy tables and other relevant factors. The activity for Level 3 assets during 2020 and 2019 was immaterial.

**NOTE H – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following:

<u>Category</u>	<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>
Land	\$ 3,047,990	\$ 3,047,990
Buildings and building improvements	6,341,716	6,341,716
Vehicles	5,456,114	4,663,210
Furniture and equipment	<u>2,166,103</u>	<u>2,166,103</u>
Total property and equipment	17,011,923	16,219,019
Less: Accumulated depreciation	<u>(9,129,185)</u>	<u>(8,437,614)</u>
Net property and equipment	<u>\$ 7,882,738</u>	<u>\$ 7,781,405</u>

Depreciation expense was approximately \$866,000 and \$850,000 during 2020 and 2019, respectively.

In connection with its activities, ABWE maintains certain property in foreign countries. ABWE has estimated the historical cost of certain of these properties based upon the property assessments of foreign governments and other information available to management. As of December 31, 2020 and 2019, ABWE held property in foreign countries with carrying values (net of accumulated depreciation) of approximately \$1,154,000 and \$1,157,000, respectively. In addition, at December 31, 2020 and 2019, ABWE missionaries located throughout the world held for the benefit of ABWE vehicles and equipment with carrying values (net of accumulated depreciation) of approximately \$1,778,000 and \$1,520,000, respectively.

ABWE may have interests in other assets, particularly real estate, in foreign jurisdictions that are not reflected in the accompanying consolidated statements of financial position due to political instability in the foreign jurisdiction and/or the lack of documentation clearly indicating ABWE's rights in the property, if any. Upon receipt of further documentation supporting the existence, ownership, and valuation of such properties, ABWE may recognize an asset related to its rights in these properties in future years.

**NOTE I – PAYCHECK PROTECTION PROGRAM**

During 2020, ABWE obtained a Paycheck Protection Program note payable ("PPP loan") of \$1,746,400. The PPP loan is unsecured and is payable to a financial institution at a fixed rate of 1.00% per annum with a deferral of interest and principal payments for a certain period. The PPP loan was forgiven entirely by the Small Business Administration during 2020 based on the nature of ABWE's expenditures during an applicable period. Accordingly, ABWE recognized grant revenue of \$1,746,400 in the accompanying consolidated statement of activities for the year ended December 31, 2020.

**ASSOCIATION OF BAPTISTS FOR WORLD EVANGELISM, INC.**  
**D/B/A ABWE INTERNATIONAL**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE J – DEFINED BENEFIT PLANS**

ABWE is the trustee and plan sponsor for the following defined benefit pension plans:

*ABWE Missionary Retirement Plan* – A noncontributory defined benefit pension plan maintained for the benefit of full-term missionaries who meet certain eligibility requirements. Benefits, which are normally payable upon the attainment of age 65, are based on qualifying years of service and marital status.

*ABWE Staff Retirement Plan* – A noncontributory defined benefit pension plan maintained for the benefit of staff employees with five or more years of credited service. Benefits, which are normally payable upon the attainment of age 65, are based on a certain percentage of average monthly compensation.

The following information is presented for the plans on a consolidated basis.

	<u>2020</u>	<u>2019</u>
Change in benefit obligation		
Benefit obligation, January 1	\$ 57,718,131	\$ 53,347,247
Service cost	1,297,598	1,083,003
Interest cost	1,744,859	2,149,511
Benefits paid	(3,414,420)	(3,178,496)
Change in discount rate assumption	5,294,385	5,746,274
Change in other economic assumptions	—	(177,229)
Change in demographic assumptions	(60,135)	(1,785,564)
Actuarial loss	<u>710,581</u>	<u>533,385</u>
Benefit obligation, December 31	<u>63,290,999</u>	<u>57,718,131</u>
Change in plan assets:		
Estimated fair value of plan assets, January 1	39,345,901	34,925,429
Employer contributions	1,290,811	1,289,914
Benefits paid	(3,414,420)	(3,178,496)
Net gain on plan assets	<u>6,356,292</u>	<u>6,309,054</u>
Estimated fair value of plan assets, December 31	<u>43,578,584</u>	<u>39,345,901</u>
Unfunded status (liability)	<u>\$(19,712,415)</u>	<u>\$(18,372,230)</u>
Components of net periodic benefit cost:		
Service cost	\$ 1,297,598	\$ 1,083,003
Interest cost	1,744,859	2,149,511
Expected return on plan assets	(2,627,540)	(2,330,132)
Amortization of unrecognized prior service cost	(123,175)	(123,175)
Amortization of unrecognized loss	<u>985,450</u>	<u>1,187,115</u>
Total net periodic benefit cost recognized	<u>\$ 1,277,192</u>	<u>\$ 1,966,322</u>

**ASSOCIATION OF BAPTISTS FOR WORLD EVANGELISM, INC.**  
**D/B/A ABWE INTERNATIONAL**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE J – DEFINED BENEFIT PLANS (Continued)**

Following are the weighted average assumptions and additional information related to the pension plans:

	<u>2020</u>	<u>2019</u>
<i>Weighted-average assumptions</i>		
Discount rate for ABWE Missionary Retirement Plan	2.29%	3.09%
Discount rate for ABWE Staff Retirement Plan	2.26%	3.06%
Expected return on plan assets	7.00%	7.00%
Rate of compensation increase (for ABWE Staff Retirement Plan only)	2.50%	2.50%
Average remaining service in years for ABWE Missionary Retirement Plan	6.6	6.7
Average remaining service in years for ABWE Staff Retirement Plan	7.0	6.9

*Selection of assumptions*

The selection of the discount rate assumption reflects an estimate made based on the rates of return on high-quality fixed-income investments currently available and expected to be available during the period to maturity of the pension benefits.

The selection of the expected return on plan assets reflects an estimate from within a reasonable range, based on future long-term asset growth expectations and acknowledging recent return experience.

The selection of the rate of compensation increase for the staff retirement plan reflects an estimate from within a reasonable range, based on both recent salary increases and future expectations.

Expected employer contributions for the year ending December 31, 2021 are approximately \$1,214,000.

During 2020 and 2019, ABWE made contributions totaling approximately \$1,291,000 and \$1,290,000 to the plans, respectively.

Approximate projected benefit payments for the years ending December 31 are as follows:

2021	\$ 5,133,000
2022	\$ 4,103,000
2023	\$ 4,033,000
2024	\$ 3,988,000
2025	\$ 3,899,000
2026 – 2030	\$ 18,115,000

The estimated fair value of plan assets consisted of the following:

<u>Category</u>	<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>
Cash and equivalents	\$ 799,165	\$ 618,073
Equity securities (including mutual funds)	25,995,998	21,002,822
Fixed income securities (including fixed income mutual funds)	<u>16,783,421</u>	<u>17,725,006</u>
Total	<u>\$ 43,578,584</u>	<u>\$ 39,345,901</u>

Assets of the Foundation's defined benefit plans are invested in portfolios that are designed to generate returns sufficient to meet obligations to beneficiaries at acceptable levels of risk. For fair value measurement purposes, the plan assets are considered to fall within Level 1 of the fair value hierarchy.

**ASSOCIATION OF BAPTISTS FOR WORLD EVANGELISM, INC.**  
**D/B/A ABWE INTERNATIONAL**  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE J - DEFINED BENEFIT PLANS (Continued)**

In 2019, ABWE implemented the provisions of FASB ASU 2017-07 which require that an employer report the service cost component separately from the other components of net benefit cost. The service cost component is reported in the same lines of the consolidated statements of activities as other compensation costs arising from services rendered by the pertinent employees during the period, and allocated between program, management and general, and fundraising activities accordingly. The other components of net benefit cost and other changes in the pension liability are reported as "pension liability adjustment" in the consolidated statements of activities.

Service costs are included in the consolidated statements of activities as follows:

<u>Category</u>	<u>2020</u>	<u>2019</u>
Program activities	\$ 1,050,192	\$ 896,725
Management and general	141,773	101,846
Fundraising	<u>105,633</u>	<u>84,432</u>
Total service costs	<u>\$ 1,297,598</u>	<u>\$ 1,083,003</u>

**NOTE K - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions were for the following purposes during the year ended December 31, 2020:

	<u>Balance January 1, 2020</u>	<u>Contributions and other</u>	<u>Releases</u>	<u>Balance December 31, 2020</u>
Missionary projects	\$ 9,251,845	\$ 6,398,663	\$ (2,571,977)	\$ 13,078,531
Beneficial interest in trust	2,243,422	331,709	—	2,575,131
Future building projects	—	1,000,000	—	1,000,000
Irrevocable charitable remainder trusts	720,860	113,653	—	834,513
Funds held for retired missionary	120,135	15,592	—	135,727
Endowment for cemetery maintenance	<u>25,000</u>	<u>—</u>	<u>—</u>	<u>25,000</u>
Total	<u>\$ 12,361,262</u>	<u>\$ 7,859,617</u>	<u>\$ (2,571,977)</u>	<u>\$ 17,648,902</u>

**ASSOCIATION OF BAPTISTS FOR WORLD EVANGELISM, INC.**  
**D/B/A ABWE INTERNATIONAL**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE K - NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

Net assets with donor restrictions were for the following purposes during the year ended December 31, 2019:

	Balance January 1, 2019	Contributions and other	Releases	Balance December 31, 2019
Missionary projects	\$ 9,669,640	\$ 4,519,830	\$ (4,937,625)	\$ 9,251,845
Beneficial interest in trust	1,859,216	384,206	—	2,243,422
Irrevocable charitable remainder trusts	510,945	209,915	—	720,860
Funds held for retired missionary	105,831	14,304	—	120,135
Endowment for cemetery maintenance	<u>25,000</u>	<u>—</u>	<u>—</u>	<u>25,000</u>
Total	<u>\$ 12,170,632</u>	<u>\$ 5,128,255</u>	<u>\$ (4,937,625)</u>	<u>\$ 12,361,262</u>

**NOTE L - RETIREMENT PLAN**

ABWE maintains a 403(b) retirement plan (“the Plan”) through GuideStone Financial Resources of the Southern Baptist Convention. Employees are eligible to participate upon meeting the eligibility requirements described in the Plan document. Eligible employees may make tax-deferred contributions to the Plan. Employer contributions to the Plan are discretionary. During 2020 and 2019, ABWE made employer discretionary contributions to the Plan totaling approximately \$156,000 and \$169,000, respectively.

**SUPPLEMENTAL SCHEDULES**

**ASSOCIATION OF BAPTISTS FOR WORLD EVANGELISM, INC.**  
**D/B/A ABWE INTERNATIONAL**  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
December 31, 2020

**ASSETS**

	Association of Baptists for World Evangelism, Inc.	ABWE Foundation, LLC	Global Neighbors, LLC	Eliminations	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 4,681,888	\$ 1,323,895	\$ 65,036	\$ —	\$ 6,070,819
Cash designated for health insurance reserves	1,111,801	—	—	—	1,111,801
Cash restricted for long-term purposes	1,025,000	—	—	—	1,025,000
Investments	41,041,850	5,481,191	—	—	46,523,041
Investments held in trust	—	4,459,907	—	—	4,459,907
Beneficial interest in trust	—	2,575,131	—	—	2,575,131
Other assets	1,034,699	—	9,700	—	1,044,399
Property and equipment, net	7,882,738	—	—	—	7,882,738
<b>Total assets</b>	<b>\$ 56,777,976</b>	<b>\$ 13,840,124</b>	<b>\$ 74,736</b>	<b>\$ —</b>	<b>\$ 70,692,836</b>

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES</b>					
Accounts payable and accrued expenses	\$ 2,069,388	\$ —	\$ 86,112	\$ —	\$ 2,155,500
Amounts held for others	214,047	—	—	—	214,047
Net pension obligation	19,712,415	—	—	—	19,712,415
Trust liabilities	—	3,625,394	—	—	3,625,394
Annuities payable	—	1,705,320	—	—	1,705,320
<b>Total liabilities</b>	<b>21,995,850</b>	<b>5,330,714</b>	<b>86,112</b>	<b>—</b>	<b>27,412,676</b>

**NET ASSETS**

Without donor restrictions					
Undesignated	4,979,079	4,205,208	(11,376)	—	9,172,911
Designated					
Deficit associated with net pension obligation	(19,712,415)	—	—	—	(19,712,415)
Funds held in missionary accounts	26,167,392	—	—	—	26,167,392
Donor-advised funds	—	758,831	—	—	758,831
Health insurance reserves	1,111,801	—	—	—	1,111,801
Crisis management response fund	250,000	—	—	—	250,000
Investment in property and equipment	7,882,738	—	—	—	7,882,738
<b>Total designated</b>	<b>15,699,516</b>	<b>758,831</b>	<b>—</b>	<b>—</b>	<b>16,458,347</b>
<b>Total without donor restrictions</b>	<b>20,678,595</b>	<b>4,964,039</b>	<b>(11,376)</b>	<b>—</b>	<b>25,631,258</b>
With donor restrictions	14,103,531	3,545,371	—	—	17,648,902
<b>Total net assets</b>	<b>34,782,126</b>	<b>8,509,410</b>	<b>(11,376)</b>	<b>—</b>	<b>43,280,160</b>
<b>Total liabilities and net assets</b>	<b>\$ 56,777,976</b>	<b>\$ 13,840,124</b>	<b>\$ 74,736</b>	<b>\$ —</b>	<b>\$ 70,692,836</b>

See the Accompanying Report of Independent Auditor

**ASSOCIATION OF BAPTISTS FOR WORLD EVANGELISM, INC.**  
**D/B/A ABWE INTERNATIONAL**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**December 31, 2019**

**ASSETS**

	Association of Baptists for World Evangelism, Inc.	ABWE Foundation, LLC	Global Neighbors, LLC	Eliminations	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,938,324	\$ 370,726	\$ 29,901	\$ —	\$ 3,338,951
Cash designated for health insurance reserves	870,250	—	—	—	870,250
Cash restricted for long-term purposes	25,000	—	—	—	25,000
Investments	32,405,865	4,958,313	—	—	37,364,178
Investments held in trust	—	4,055,644	—	—	4,055,644
Beneficial interest in trust	—	2,243,422	—	—	2,243,422
Other assets	1,277,560	—	2,800	(20,500)	1,259,860
Property and equipment, net	7,781,405	—	—	—	7,781,405
<b>Total assets</b>	<b>\$ 45,298,404</b>	<b>\$ 11,628,105</b>	<b>\$ 32,701</b>	<b>\$ (20,500)</b>	<b>\$ 56,938,710</b>

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES</b>					
Accounts payable and accrued expenses	\$ 2,403,096	\$ —	\$ 129,582	\$ (20,500)	\$ 2,512,178
Amounts held for others	91,972	—	—	—	91,972
Net pension obligation	18,372,230	—	—	—	18,372,230
Trust liabilities	—	3,334,784	—	—	3,334,784
Annuities payable	—	1,849,358	—	—	1,849,358
<b>Total liabilities</b>	<b>20,867,298</b>	<b>5,184,142</b>	<b>129,582</b>	<b>(20,500)</b>	<b>26,160,522</b>

**NET ASSETS**

Without donor restrictions					
Undesignated	2,553,949	2,794,137	(96,881)	—	5,251,205
Designated					
Deficit associated with net pension obligation	(18,372,230)	—	—	—	(18,372,230)
Funds held in missionary accounts	22,320,887	—	—	—	22,320,887
Donor-advised funds	—	565,409	—	—	565,409
Health insurance reserves	870,250	—	—	—	870,250
Investment in property and equipment	7,781,405	—	—	—	7,781,405
<b>Total designated</b>	<b>12,600,312</b>	<b>565,409</b>	<b>—</b>	<b>—</b>	<b>13,165,721</b>
<b>Total without donor restrictions</b>	<b>15,154,261</b>	<b>3,359,546</b>	<b>(96,881)</b>	<b>—</b>	<b>18,416,926</b>
With donor restrictions	9,276,845	3,084,417	—	—	12,361,262
<b>Total net assets</b>	<b>24,431,106</b>	<b>6,443,963</b>	<b>(96,881)</b>	<b>—</b>	<b>30,778,188</b>
<b>Total liabilities and net assets</b>	<b>\$ 45,298,404</b>	<b>\$ 11,628,105</b>	<b>\$ 32,701</b>	<b>\$ (20,500)</b>	<b>\$ 56,938,710</b>

See the Accompanying Report of Independent Auditor

**ASSOCIATION OF BAPTISTS FOR WORLD EVANGELISM, INC.**

**D/B/A ABWE INTERNATIONAL**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
For The Year Ended December 31, 2020

	Association of Baptists for World Evangelism, Inc.	ABWE Foundation, LLC	Global Neighbors, LLC	Eliminations	Total
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>					
Public support and revenue					
Contributions	\$ 45,698,101	\$ 17,675	\$ —	\$ —	\$ 45,715,776
Investment income, net	5,167,287	693,178	42	—	5,860,507
Grant revenue	1,746,400	—	—	—	1,746,400
Other income	1,593,711	—	—	(338,400)	1,255,311
Change in value of trusts and charitable gift annuities	—	(39,096)	—	—	(39,096)
Intercompany grants	—	1,196,441	1,876,972	(3,073,413)	—
Total public support and revenue	54,205,499	1,868,198	1,877,014	(3,411,813)	54,538,898
Net assets released from restrictions	2,571,977	—	—	—	2,571,977
Total public support and revenue and net assets released from restrictions	56,777,476	1,868,198	1,877,014	(3,411,813)	57,110,875
Expenses					
Program activities	40,448,951	233,590	1,538,020	(1,582,787)	40,637,774
Supporting activities					
Management and general	7,435,599	19,491	31,845	(1,713,445)	5,773,490
Fundraising	3,326,005	10,624	221,644	(115,581)	3,442,692
Total supporting activities	10,761,604	30,115	253,489	(1,829,026)	9,216,182
Total expenses	51,210,555	263,705	1,791,509	(3,411,813)	49,853,956
<b>Change in net assets without donor restrictions before pension liability adjustment</b>	<b>5,566,921</b>	<b>1,604,493</b>	<b>85,505</b>	<b>—</b>	<b>7,256,919</b>
Pension liability adjustment	(42,587)	—	—	—	(42,587)
<b>Change in net assets without donor restrictions</b>	<b>5,524,334</b>	<b>1,604,493</b>	<b>85,505</b>	<b>—</b>	<b>7,214,332</b>
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>					
Contributions	7,398,663	—	—	—	7,398,663
Change in beneficial interest in trust	—	331,709	—	—	331,709
Investment income, net	—	107,792	—	—	107,792
Change in value of trusts and charitable gift annuities	—	21,453	—	—	21,453
Net assets released from restrictions	(2,571,977)	—	—	—	(2,571,977)
<b>Change in net assets with donor restrictions</b>	<b>4,826,686</b>	<b>460,954</b>	<b>—</b>	<b>—</b>	<b>5,287,640</b>
<b>CHANGE IN NET ASSETS</b>	<b>10,351,020</b>	<b>2,065,447</b>	<b>85,505</b>	<b>—</b>	<b>12,501,972</b>
<b>NET ASSETS - Beginning of year</b>	<b>24,431,106</b>	<b>6,443,963</b>	<b>(96,881)</b>	<b>—</b>	<b>30,778,188</b>
<b>NET ASSETS - End of year</b>	<b>\$ 34,782,126</b>	<b>\$ 8,509,410</b>	<b>\$ (11,376)</b>	<b>\$ —</b>	<b>\$ 43,280,160</b>

See the Accompanying Report of Independent Auditor

**ASSOCIATION OF BAPTISTS FOR WORLD EVANGELISM, INC.**

**D/B/A ABWE INTERNATIONAL**

**CONSOLIDATING STATEMENT OF ACTIVITIES**

For The Year Ended December 31, 2019

	Association of Baptists for World Evangelism, Inc.	ABWE Foundation, LLC	Global Neighbors, LLC	Eliminations	Total
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>					
Public support and revenue					
Contributions	\$ 44,109,542	\$ 3,581	\$ —	\$ —	\$ 44,113,123
Investment income, net	4,719,702	563,795	280	—	5,283,777
Other income	1,547,985	—	—	(338,400)	1,209,585
Change in value of trusts and charitable gift annuities	—	(16,898)	—	—	(16,898)
Intercompany grants	519,351	—	2,463,085	(2,982,436)	—
Total public support and revenue	50,896,580	550,478	2,463,365	(3,320,836)	50,589,587
Net assets released from restrictions	4,937,625	—	—	—	4,937,625
Total public support and revenue and net assets released from restrictions	55,834,205	550,478	2,463,365	(3,320,836)	55,527,212
Expenses					
Program activities	42,780,012	196,129	2,248,362	(2,048,619)	43,175,884
Supporting activities					
Management and general	6,393,674	343,845	21,336	(948,368)	5,810,487
Fundraising	3,171,355	187,411	190,308	(323,849)	3,225,225
Total supporting activities	9,565,029	531,256	211,644	(1,272,217)	9,035,712
Total expenses	52,345,041	727,385	2,460,006	(3,320,836)	52,211,596
<b>Change in net assets without donor restrictions before pension liability adjustment</b>	<b>3,489,164</b>	<b>(176,907)</b>	<b>3,359</b>	<b>—</b>	<b>3,315,616</b>
Pension liability adjustment	1,132,591	—	—	—	1,132,591
<b>Change in net assets without donor restrictions</b>	<b>4,621,755</b>	<b>(176,907)</b>	<b>3,359</b>	<b>—</b>	<b>4,448,207</b>
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>					
Contributions	4,519,830	—	—	—	4,519,830
Change in beneficial interest in trust	—	384,206	—	—	384,206
Investment income, net	—	224,762	—	—	224,762
Change in value of trusts and charitable gift annuities	—	(543)	—	—	(543)
Net assets released from restrictions	(4,937,625)	—	—	—	(4,937,625)
<b>Change in net assets with donor restrictions</b>	<b>(417,795)</b>	<b>608,425</b>	<b>—</b>	<b>—</b>	<b>190,630</b>
<b>CHANGE IN NET ASSETS</b>	<b>4,203,960</b>	<b>431,518</b>	<b>3,359</b>	<b>—</b>	<b>4,638,837</b>
<b>NET ASSETS - Beginning of year</b>	<b>20,227,146</b>	<b>6,012,445</b>	<b>(100,240)</b>	<b>—</b>	<b>26,139,351</b>
<b>NET ASSETS - End of year</b>	<b>\$ 24,431,106</b>	<b>\$ 6,443,963</b>	<b>\$ (96,881)</b>	<b>\$ —</b>	<b>\$ 30,778,188</b>

See the Accompanying Report of Independent Auditor

**ASSOCIATION OF BAPTISTS FOR WORLD EVANGELISM, INC.**

**D/B/A ABWE INTERNATIONAL**

**NOTE TO CONSOLIDATING STATEMENTS OF FINANCIAL POSITION AND CONSOLIDATING STATEMENTS OF  
ACTIVITIES**

**NOTE 1 – BASIS OF PRESENTATION**

As of December 31, 2020 and 2019, ABWE Foundation, LLC holds nominal title for certain investments on behalf of Association of Baptists for World Evangelism, Inc. (“ABWE”). ABWE is the beneficiary of such investments and, therefore, the assets and related investment activities are included in ABWE’s 2020 and 2019 statements of financial position and activities.