



MAP INTERNATIONAL

FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020





REPORT OF INDEPENDENT AUDITOR

The Board of Directors
MAP International
Brunswick, Georgia

We have audited the accompanying financial statements of MAP International ("the Organization"), which consist of the statements of financial position as of September 30, 2021 and 2020, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the 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 the Organization'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 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 financial statements referred to above present fairly, in all material respects, the financial position of MAP International as of September 30, 2021 and 2020, 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.

Battis Morrison Wales & Lee, P.A.

BATTIS MORRISON WALES & LEE, P.A.

Orlando, Florida
February 22, 2022

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MAP INTERNATIONAL
STATEMENTS OF FINANCIAL POSITION

ASSETS

	September 30,	
	2021	2020
ASSETS		
Cash and cash equivalents	\$ 6,238,590	\$ 3,541,272
Investments	3,229,405	287,143
Inventory	250,223,507	85,646,864
Prepaid expenses and other assets	847,462	689,315
Investments restricted for long-term purposes	3,775,170	3,775,170
Property and equipment, net	4,558,083	4,662,349
Total assets	\$ 268,872,217	\$ 98,602,113

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable and accrued expenses	\$ 1,546,809	\$ 848,697
Other liabilities	156,155	167,427
Total liabilities	1,702,964	1,016,124

NET ASSETS

Without donor restrictions		
Undesignated	150,304,046	42,399,075
Designated for minimum state required annuity reserves	66,230	70,221
Net equity in property and equipment	4,558,083	4,662,349
Total without donor restrictions	154,928,359	47,131,645
With donor restrictions	112,240,894	50,454,344
Total net assets	267,169,253	97,585,989
Total liabilities and net assets	\$ 268,872,217	\$ 98,602,113

The Accompanying Notes are an Integral
Part of These Financial Statements

MAP INTERNATIONAL
STATEMENTS OF ACTIVITIES

	For The Year Ended September 30, 2021			For The Year Ended September 30, 2020
	Without Donor Restrictions	With Donor Restrictions	Total	
PUBLIC SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS				
Noncash contributions without donor restrictions	\$ 563,947,488	\$ —	\$ 563,947,488	\$ 430,653,706
Noncash contributions with donor restrictions	—	227,218,626	227,218,626	146,579,996
Cash contributions without donor restrictions	8,739,598	—	8,739,598	5,266,796
Cash contributions with donor restrictions	—	19,223,549	19,223,549	3,409,816
Service fees	2,595,981	—	2,595,981	2,383,865
Investment income without donor restrictions	5,160	—	5,160	37,862
Investment income with donor restrictions	—	285,849	285,849	3,079
Other revenue	82,521	—	82,521	5,521
Net assets released from time and use restrictions	184,941,474	(184,941,474)	—	—
Total public support and revenue and net assets released from restrictions	760,312,222	61,786,550	822,098,772	588,340,641
EXPENSES				
Program services				
Essential medicine distribution	563,332,259	—	563,332,259	667,586,275
Community health development	71,738,494	—	71,738,494	33,727,405
Disaster and disease management	13,093,046	—	13,093,046	13,445,230
Total program services	648,163,799	—	648,163,799	714,758,910
Supporting activities				
Fundraising	3,786,786	—	3,786,786	2,703,838
Management and general	564,923	—	564,923	574,752
Total supporting activities	4,351,709	—	4,351,709	3,278,590
Total expenses	652,515,508	—	652,515,508	718,037,500
Change in net assets without donor restrictions	107,796,714	—	107,796,714	(87,940,992)
Change in net assets with donor restrictions	—	61,786,550	61,786,550	(41,755,867)
CHANGE IN NET ASSETS	107,796,714	61,786,550	169,583,264	(129,696,859)
NET ASSETS - Beginning of year	47,131,645	50,454,344	97,585,989	227,282,848
NET ASSETS - End of year	\$ 154,928,359	\$ 112,240,894	\$ 267,169,253	\$ 97,585,989

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MAP INTERNATIONAL
STATEMENTS OF CASH FLOWS

	For The Years Ended September 30,	
	2021	2020
OPERATING CASH FLOWS		
Cash received from contributors	\$ 27,963,147	\$ 8,676,612
Cash received from service fees	2,595,981	2,383,865
Cash received from other sources	305,745	117,683
Cash paid for operating activities and costs	<u>(25,144,463)</u>	<u>(9,448,654)</u>
Net operating cash flows	<u>5,720,410</u>	<u>1,729,506</u>
INVESTING CASH FLOWS		
Net purchases of investments	(2,874,477)	(930,528)
Purchases of and improvements to property and equipment	<u>(148,615)</u>	<u>(423,569)</u>
Net investing cash flows	<u>(3,023,092)</u>	<u>(1,354,097)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,697,318	375,409
CASH AND CASH EQUIVALENTS - Beginning of year	<u>3,541,272</u>	<u>3,165,863</u>
CASH AND CASH EQUIVALENTS - End of year	<u>\$ 6,238,590</u>	<u>\$ 3,541,272</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET OPERATING CASH FLOWS		
Change in net assets	\$ 169,583,264	\$ (129,696,859)
Adjustments to reconcile change in net assets to net operating cash flows		
Depreciation	252,881	388,239
Net (gain) loss on investments	(67,785)	71,221
Change in inventory	(164,576,643)	130,995,020
Change in prepaid expenses and other assets	(158,147)	(291,942)
Change in accounts payable and accrued expenses	698,112	298,465
Change in other liabilities	<u>(11,272)</u>	<u>(34,638)</u>
Net operating cash flows	<u>\$ 5,720,410</u>	<u>\$ 1,729,506</u>

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MAP INTERNATIONAL
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended September 30, 2021

	Program services				Supporting activities			Total expenses
	Essential medicine distribution	Community health development	Disaster and disease management	Total program	Fundraising	Management and general	Total supporting	
Salaries and wages	\$ 1,270,142	\$ 200,609	\$ 102,566	\$ 1,573,317	\$ 1,138,642	\$ 194,239	\$ 1,332,881	\$ 2,906,198
Employee benefits	512,649	81,527	31,734	625,910	398,182	63,636	461,818	1,087,728
Total personnel-related expenses	1,782,791	282,136	134,300	2,199,227	1,536,824	257,875	1,794,699	3,993,926
Goods distributed	544,956,849	68,902,590	12,527,744	626,387,183	—	—	—	626,387,183
Cost of goods distributed	13,851,926	1,751,393	333,535	15,936,854	—	—	—	15,936,854
Freight	1,685,991	213,183	61,135	1,960,309	830	150	980	1,961,289
Outside services	292,642	179,619	7,996	480,257	1,177,029	131,846	1,308,875	1,789,132
Printing and publications	41,304	5,225	7,285	53,814	578,061	12,040	590,101	643,915
Equipment rental and repair	283,167	35,802	6,509	325,478	61,181	30,405	91,586	417,064
Grants	—	312,182	—	312,182	—	—	—	312,182
Postage	13,842	1,750	317	15,909	257,540	4,436	261,976	277,885
Depreciation	145,333	18,374	3,851	167,558	37,923	47,400	85,323	252,881
Supplies	66,652	8,714	1,784	77,150	30,307	3,179	33,486	110,636
Insurance	59,374	7,507	1,365	68,246	9,592	19,184	28,776	97,022
Miscellaneous	21,092	2,668	484	24,244	56,835	6,722	63,557	87,801
Telephone	41,251	5,817	1,907	48,975	15,595	12,236	27,831	76,806
Occupancy	43,502	5,500	1,000	50,002	5,674	11,351	17,025	67,027
Travel	29,345	3,709	2,640	35,694	10,254	6,210	16,464	52,158
Conferences and meetings	17,198	2,325	1,194	20,717	9,141	7,581	16,722	37,439
Bad debt	—	—	—	—	—	14,308	14,308	14,308
Total expenses	\$ 563,332,259	\$ 71,738,494	\$ 13,093,046	\$ 648,163,799	\$ 3,786,786	\$ 564,923	\$ 4,351,709	\$ 652,515,508

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MAP INTERNATIONAL
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended September 30, 2020

	Program services				Supporting activities			Total expenses
	Essential medicine distribution	Community health development	Disaster and disease management	Total program	Fundraising	Management and general	Total supporting	
Salaries and wages	\$ 1,241,325	\$ 249,333	\$ 89,545	\$ 1,580,203	\$ 1,014,320	\$ 172,855	\$ 1,187,175	\$ 2,767,378
Employee benefits	543,129	66,411	28,136	637,676	341,851	61,992	403,843	1,041,519
Total personnel-related expenses	1,784,454	315,744	117,681	2,217,879	1,356,171	234,847	1,591,018	3,808,897
Goods distributed	662,255,646	33,044,906	13,202,350	708,502,902	—	—	—	708,502,902
Cost of goods distributed	2,191,104	167,316	76,620	2,435,040	—	—	—	2,435,040
Outside services	315,560	21,873	8,859	346,292	627,243	140,499	767,742	1,114,034
Freight	410,668	22,079	11,120	443,867	1,333	186	1,519	445,386
Depreciation	217,631	11,700	8,197	237,528	73,012	77,699	150,711	388,239
Printing and publications	27,957	1,777	1,939	31,673	343,615	5,732	349,347	381,020
Travel	73,371	8,152	8,245	89,768	52,099	22,032	74,131	163,899
Equipment rental and repair	81,326	4,371	3,754	89,451	43,997	21,060	65,057	154,508
Grants	—	115,020	—	115,020	—	—	—	115,020
Miscellaneous	28,714	1,574	619	30,907	63,028	10,347	73,375	104,282
Postage	7,485	453	162	8,100	83,410	2,277	85,687	93,787
Insurance	58,886	3,166	1,266	63,318	8,981	17,962	26,943	90,261
Supplies	48,536	2,658	1,256	52,450	25,926	2,765	28,691	81,141
Telephone	37,354	2,607	1,763	41,724	15,135	10,314	25,449	67,173
Occupancy	37,561	2,019	808	40,388	5,770	11,540	17,310	57,698
Conferences and meetings	10,022	1,990	591	12,603	4,118	3,442	7,560	20,163
Bad debt	—	—	—	—	—	14,050	14,050	14,050
Total expenses	\$ 667,586,275	\$ 33,727,405	\$ 13,445,230	\$ 714,758,910	\$ 2,703,838	\$ 574,752	\$ 3,278,590	\$ 718,037,500

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MAP INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS

NOTE A – NATURE OF ACTIVITIES

MAP International (“the Organization”) was established in 1965 as an Illinois not-for-profit corporation. The Organization’s purpose is to promote the total health of people living in the world’s impoverished communities. The Organization provided access to health services and essential medicines in 79 and 86 countries worldwide during the years ended September 30, 2021 and 2020, respectively. In fulfilling its purpose, the Organization distributes gifts in-kind, including donated medicines, equipment, and supplies which are primarily donated by pharmaceutical companies. The Organization also receives cash contributions from individuals, churches, and other organizations.

The Organization works with its partners to accomplish the following primary program services:

Essential Medicine Distribution – The Organization provides critical life-saving medications that are always in short supply in impoverished countries with limited health care. Medicines and medical supplies are provided to hospitals, clinics, refugee centers, and physicians in other countries as they are needed. In addition, the Organization’s specially designed travel packs are used by Christian health personnel and mission groups on short-term missions and include an assortment of some of the most critically needed medicines and supplies. The Organization also provides medicines and supplies for rapid response to humanitarian emergencies around the world and, at times, in the United States.

Community Health Development – Total health training workshops teach medical, cultural, and biblical principles of health in remote, rural areas from the Amazon to Kenya. The MAP International Fellowship provides opportunities for medical students to serve short-term missions in Christian hospitals around the world.

Disaster and Disease Management – The Organization’s programs provide vital medicines, educational materials, and training to aid in the treatment and prevention of diseases. The Organization provides a variety of disease prevention and eradication programs, including education and prevention programs that benefit communities in Latin America and Africa.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

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

Cash and cash equivalents

The Organization considers investment instruments purchased or donated with original maturities of three months or less to be cash and cash equivalents.

Inventory

Inventory consists of humanitarian relief goods which were not yet distributed to beneficiaries. Inventory is recorded at estimated fair value on the date of the gift.

Investments restricted for long-term purposes

Investments restricted for long-term purposes consist of amounts restricted to endowments.

MAP INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 computed using the straight-line method over the estimated useful lives of the respective assets.

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 minimum state required annuity reserves. Net assets with donor restrictions consist primarily of amounts held by the Organization for use toward specific projects or for distribution in specific geographic areas.

Functional allocation of expenses

The 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 and space utilization.

Income taxes

The Organization 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. The Organization is further classified as a public charity and not a private foundation for federal tax purposes. The Organization has not incurred unrelated business income taxes. As a result, no income tax provision or liability has been provided for in the accompanying financial statements.

Use of estimates

Management uses estimates and assumptions in preparing the accompanying 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 financial statements include those used in determining the useful lives of property and equipment and the estimated fair value of noncash contributions. Actual results could differ from the estimates.

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 the Organization's financial condition and has taken actions to mitigate its impact. 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 the year ending September 30, 2022.

Subsequent events

The Organization has evaluated for possible financial reporting and disclosure subsequent events through February 22, 2022, the date as of which the accompanying financial statements were available to be issued.

MAP INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS

NOTE C – LIQUIDITY AND AVAILABILITY OF RESOURCES

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

	September 30,	
	2021	2020
Financial assets available:		
Cash and cash equivalents	\$ 6,238,590	\$ 3,541,272
Investments (including “investments restricted for long-term purposes”)	7,004,575	4,062,313
Accounts receivable (included in “prepaid expenses and other assets”)	213,445	208,338
Total financial assets available within one year	13,456,610	7,811,923
Less amounts unavailable for general expenditure within one year due to:		
Endowments	(3,775,170)	(3,775,170)
Designated for minimum state required annuity reserves	(66,230)	(70,221)
Net financial assets available within one year	\$ 9,615,210	\$ 3,966,532

The Organization is primarily supported by contributions. As part of the Organization’s liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Certain net assets with donor restrictions are available for general expenditure within one year of September 30, 2021 and 2020, because the restrictions on net assets are expected to be met by conducting the normal activities of the Organization in the coming year. The state of Georgia requires issuers of annuities to maintain \$300,000 in available liquid assets. Management believes the Organization has sufficient financial assets available for general operations that may be drawn upon in the event of unanticipated financial distress or immediate liquidity need. As of September 30, 2021, the Organization also had a revolving line of credit in an amount up to \$3,000,000 as an additional source of liquidity (further described in Note K).

NOTE D – CONCENTRATIONS

The Organization 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. The Organization 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.

During the years ended September 30, 2021 and 2020, approximately 40% and 46%, respectively, of total noncash contribution revenue was sourced from the Organization’s three largest donors.

NOTE E – INVESTMENTS RESTRICTED FOR LONG-TERM PURPOSES

Investments restricted for long-term purposes consisted of the following:

	September 30,	
	2021	2020
Mutual funds	\$ 3,775,170	\$ 2,673,850
Certificates of deposit	—	1,030,620
U.S. Treasury notes	—	70,700
Total investments restricted for long-term purposes	\$ 3,775,170	\$ 3,775,170

MAP INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS

NOTE F – FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States (“GAAP”) define 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. 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)

Level 3 – significant unobservable inputs

The estimated fair value of certain assets measured on a recurring basis at September 30, 2021, are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 6,964,666	\$ 6,964,666	\$ —	\$ —
U.S. Treasury notes	<u>39,909</u>	<u>39,909</u>	<u>—</u>	<u>—</u>
Total	<u>\$ 7,004,575</u>	<u>\$ 7,004,575</u>	<u>\$ —</u>	<u>\$ —</u>

The estimated fair value of certain assets measured on a recurring basis at September 30, 2020, are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 2,960,993	\$ 2,960,993	\$ —	\$ —
Certificates of deposit	1,030,620	1,030,620	—	—
U.S. Treasury notes	<u>70,700</u>	<u>70,700</u>	<u>—</u>	<u>—</u>
Total	<u>\$ 4,062,313</u>	<u>\$ 4,062,313</u>	<u>\$ —</u>	<u>\$ —</u>

MAP INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS

NOTE G – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

Category	September 30,	
	2021	2020
Land and land improvements	\$ 702,036	\$ 702,036
Buildings and improvements	5,650,098	5,410,098
Furniture and equipment	2,944,529	2,769,594
Construction in progress	—	266,320
Total property and equipment	9,296,663	9,148,048
Less: Accumulated depreciation	(4,738,580)	(4,485,699)
Net property and equipment	\$ 4,558,083	\$ 4,662,349

Depreciation expense amounted to \$252,881 and \$388,239 during the years ended September 30, 2021 and 2020, respectively.

NOTE H – RESTRICTIONS ON NET ASSETS

Net assets were restricted by donors for the following purposes during the year ended September 30, 2021:

	Balance October 1	Contributions and investment income	Releases	Balance September 30
Pharmaceuticals and other gifts in-kind restricted for certain geographic regions	\$ 45,512,646	\$ 227,218,626	\$ (166,078,665)	\$ 106,652,607
Special projects	600,984	18,446,233	(18,298,112)	749,105
Endowment appreciation	353,289	285,849	—	639,138
Disaster relief	212,255	777,316	(564,697)	424,874
Subtotal	46,679,174	246,728,024	(184,941,474)	108,465,724
Endowments:				
Program activities endowment	2,561,443	—	—	2,561,443
International Fellowship endowment	1,213,727	—	—	1,213,727
Subtotal	3,775,170	—	—	3,775,170
Total	\$ 50,454,344	\$ 246,728,024	\$ (184,941,474)	\$ 112,240,894

MAP INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS

NOTE H – RESTRICTIONS ON NET ASSETS (Continued)

Net assets were restricted by donors for the following purposes during the year ended September 30, 2020:

	<u>Balance</u> <u>October 1</u>	<u>Contributions</u> <u>and investment</u> <u>income</u>	<u>Releases</u>	<u>Balance</u> <u>September 30</u>
Pharmaceuticals and other gifts in-kind restricted for certain geographic regions	\$ 87,484,401	\$ 146,579,996	\$ (188,551,751)	\$ 45,512,646
Special projects	419,474	2,363,335	(2,181,825)	600,984
Endowment appreciation	350,210	3,079	—	353,289
Disaster relief	<u>180,956</u>	<u>1,046,481</u>	<u>(1,015,182)</u>	<u>212,255</u>
Subtotal	<u>88,435,041</u>	<u>149,992,891</u>	<u>(191,748,758)</u>	<u>46,679,174</u>
Endowments:				
Program activities endowment	2,561,443	—	—	2,561,443
International fellowship endowment	<u>1,213,727</u>	<u>—</u>	<u>—</u>	<u>1,213,727</u>
Subtotal	<u>3,775,170</u>	<u>—</u>	<u>—</u>	<u>3,775,170</u>
Total	<u>\$ 92,210,211</u>	<u>\$ 149,992,891</u>	<u>\$ (191,748,758)</u>	<u>\$ 50,454,344</u>

Distributions from the program activities endowment are available to support the general operations of the Organization. Distributions from the international fellowship endowment are available for medical scholarships. The Organization preserves the estimated fair value of all original endowment gifts as of the gift date, which management deems is in compliance with state law. Accordingly, the Organization classifies as “endowment corpus” (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment.

The Organization has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to supported programs while seeking to maintain the purchasing power of the endowment assets and to preserve the invested capital. The stated investment goal is an absolute rate of return of four percent per annum over a five to ten year period. The Organization emphasizes spending on current or near-term programs.

The spending policy provides flexibility, and the Organization seeks the advice of investment counsel, as well as management and certain committees of the Board, when determining amounts to be spent on supported programs. The Organization considers all endowment earnings to be restricted until such time that the earnings are appropriated for expenditure.

MAP INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS

NOTE H – RESTRICTIONS ON NET ASSETS (Continued)

The Organization’s endowment activity for the years ended September 30, 2021 and 2020, is as follows:

	<u>With Donor Restrictions</u>		<u>Total</u>
	<u>Time/Purpose</u>	<u>Perpetual</u>	
Endowment net assets, October 1, 2019	\$ 350,210	\$ 3,775,170	\$ 4,125,380
Investment income, net	3,079	—	3,079
Appropriated for expenditure	—	—	—
Endowment net assets, September 30, 2020	353,289	3,775,170	4,128,459
Investment income, net	285,849	—	285,849
Appropriated for expenditure	—	—	—
Endowment net assets, September 30, 2021	<u>\$ 639,138</u>	<u>\$ 3,775,170</u>	<u>\$ 4,414,308</u>

NOTE I – NONCASH CONTRIBUTIONS

Noncash contributions (“gifts-in-kind”), including donated pharmaceuticals and medical supplies, are recognized as revenue at their estimated fair value on the date the gifts are received. The Organization only records the value of noncash contributions over which it exercises variance power. In general, management estimates the fair value of donated pharmaceuticals using “wholesale acquisition cost,” listed in reference materials including the IBM Micromedex RED BOOK, a widely-used drug and pricing reference guide for the pharmaceutical industry in the United States. Management may apply discounts to the prices in the RED BOOK depending on the gift’s condition or other factors. For gifts in-kind of pharmaceuticals and medical supplies that are sold in the United States market, the Organization has determined that the U.S. is the principal or most advantageous market for purposes of estimating fair value. If prices for a particular item are not available in the RED BOOK, MAP estimates fair value using other online pricing sources. The Organization considers the valuation practices used for noncash contributions to be consistent with industry standards. The Organization’s policy is to distribute donated pharmaceuticals and medical supplies, and those items are recognized as expenses when they are shipped from the Organization’s warehouse or the date upon which the Organization no longer exercises practical control over those items.

The Organization distributed gifts in-kind to its partners totaling \$626,387,183 and \$708,502,902 during the years ended September 30, 2021 and 2020, respectively. Of these amounts, approximately \$15,448,000 and \$829,000, respectively, was shipped directly from the donor to the Organization’s partners.

NOTE J – RETIREMENT PLAN

The Organization offers a defined contribution retirement plan which covers substantially all employees. The Organization contributed approximately \$169,000 and \$117,000 to the retirement plan during the years ended September 30, 2021 and 2020, respectively.

MAP INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS

NOTE K – COMMITMENTS

The Organization previously had available a \$1,000,000 revolving line of credit which matured in October 2020. Draws, if any, carried interest at the one-month LIBOR plus 2.50% per annum (2.65% as of September 30, 2020). No draws were made on the line of credit during the years ended September 30, 2021 and 2020, and no balance was outstanding on the line of credit as of September 30, 2020.

During the year ended September 30, 2021, the Organization entered into a revolving line of credit agreement of up to \$3,000,000 with a certain bank. Draws, if any, carry interest at the prime rate less 0.25% per annum (3.00% as of September 30, 2021). The revolving line of credit is secured by a negative pledge agreement regarding certain property and matures in November 2023. No draws were made on the line of credit during the year ended September 30, 2021, and no balance was outstanding on the line of credit as of September 30, 2021.